



Salazar Resources Signs Option to Acquire The Los Santos Gold Project, El Oro, Ecuador

VANCOUVER, BRITISH COLUMBIA, December 3, 2021 -- SALAZAR RESOURCES LIMITED (TSXV: SRL; OTCQB SRLZF; Frankfurt:CCG.F) ("Salazar Resources" or the "Company") is pleased to announce it has entered into a mining option and shareholders' agreement ("the **Definitive Agreement**") with Minera Mesaloma S.A. and other arm's length parties (collectively, the "**Optionor**"), and Santos Resources Ltd. ("**Canco**") pursuant to which Salazar Resources has the option (the "**Option**") to acquire, indirectly by way of the acquisition of shares of Canco, of up to 100% of the Los Santos gold project (comprised of the 2,215 hectare Los Santos 2.1 concession) (the "**Property**"), located in southwest Ecuador, adjacent to the Cangrejos deposits and approximately 10 km northeast of the Company's Los Osos project. The signing of the letter of intent in respect of the transaction, and the terms of the transaction, were previously announced by Salazar Resources on December 10, 2020.

The Transaction

Pursuant to the Option, Salazar Resources can earn up to 100% of the Property by paying the total sum of US\$1,950,000 in instalments, with a committed first instalment of US\$150,000 (the "**First Option Exercise Payment**") due on or before the date which is 12 months after the later of: (a) June 17, 2021; or (b) the date on which the "*Certificado de No Afectacion*" permit has been granted by the Ministry of Environment of Ecuador in respect of the Property. Salazar Resources, upon making the First Option Exercise Payment to the Optionor, would earn a 26% participating interest in Canco and thereby a corresponding beneficial interest in the Property.

Under the terms of the Definitive Agreement, Salazar Resources must pay, over the course of 4 years from the date of the First Option Exercise Payment, additional sums totaling US\$1,800,000 to the Optionor to exercise the Option to acquire a 90% participating interest in Canco. In the event that the Definitive Agreement is terminated for any reason prior to Salazar Resources acquiring a 90% participating interest in Canco, Salazar Resources is to transfer its interest in Canco to the Optionor and assign all of its shareholder loans to the Optionor, for a purchase price of US\$1.

On Salazar Resources having earned a 90% interest in the Property, Salazar Resources has the option to purchase the remaining 10% of the property for US\$2,000,000 plus a 1.5% NSR royalty, which is subject to a buy-back provision. Payments under each 0.5% NSR royalty shall be capped at US\$4,500,000 when paid out from production. After Salazar Resources has taken the Property to production, both Salazar Resources and the Optionor will thereafter fund the project on a pro-rata basis.

The Optionor can choose to receive option exercise payments in cash or in units of the Company ("**Units**"), with each Unit being comprised of a) one common share of the Company issued at a price calculated based on a 7.5% discount on the 5 day volume weighted average price of the Company's common shares on the TSX Venture Exchange, subject to a minimum price of Cdn\$0.23, plus b) one-half of one share

purchase warrant (each whole warrant, a **“Warrant”**), with each Warrant entitling the holder to purchase one common share of the Company for a period of 18 months an exercise price equal to the greater of Cdn\$0.305 and the market price at the time of issuance of the Warrants.

Salazar Resources has the option of accelerating the option payment schedule by paying a premium on the remaining option payments.

About Salazar Resources

Salazar Resources 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 organisation dedicated to sustainable progress through economic development.

The Company already has carried interests in three projects. At its maiden discovery, Curipamba, Salazar Resources has a 25% stake fully carried through to production. A feasibility study for initial open-pit development announced in October 2021 (the “Feasibility Study”) generated a base case NPV(8%) of US\$259 million (for further information, please refer to the Company’s news release dated October 26, 2021). At two copper-gold porphyry projects, Pijili and Santiago, the Company has a 20% stake fully carried through to a construction decision.

For further information about Salazar Resources, please contact Merlin Marr-Johnson, Executive Vice President and Corporate Secretary, at merlin@salazarresources.com or ir@salazarresources.com or at 604.685.9316.

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.

This press release contains “forward-looking information” within the meaning of applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “believes”, “anticipates”, “expects”, “is expected”, “scheduled”, “estimates”, “pending”, “intends”, “plans”, “forecasts”, “targets”, or “hopes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “will”, “should” “might”, “will be taken”, or “occur” and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking information herein includes, but is not limited to, statements and information related to the results of the Feasibility Study, including the forecasted economics of the Curipamba project and other statements that address activities, events, or developments that Salazar Resources expects or anticipates will or may occur in the future. Forward-looking information are necessarily based on estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are

beyond the Company's control and may of which are subject to change. Assumptions underlying the Company's expectations regarding forward-looking information contained in this press release include, but are not limited to, the Company and its joint venture partner (collectively, the "Partners") being able to accomplish its plans and objectives with respect to the Feasibility Study and the Curipamba project on the expected timeline; market fundamentals will accord with the estimates and assumptions contained in the Feasibility Study; the receipt of any necessary approvals and consents in connection with the development of the Curipamba project in a timely manner; that the cost estimates presented in the Feasibility Study are representative of the actual costs associated with the development, operation and closure of the Curipamba project; commodity prices are sustained such that the Curipamba project remains economically viable; that the geology of the Curipamba project accords with the expectations and projections presented in the Feasibility Study; and that the Partners will be able to mine at the Curipamba project in accordance with the specifications set out in the Feasibility Study.

By their very nature, forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Partners to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, risks related to the ability of the Partners to accomplish its plans and objectives with respect to the Feasibility Study and the Curipamba Project within the expected timing or at all, including the ability of the Partners to improve the economics and finance-ability and de-risk the Curipamba project; the timing and receipt of certain approvals and the risk that certain necessary approvals may never be received; changes in commodity and power prices; changes in interest and currency exchange rates; that the cost estimates presented in the Feasibility Study may not be representatives of the actual development, construction, operational and closure costs associated with the Curipamba project; risks inherent in exploration estimates and results; the timing and success of the development of the Curipamba project is not guaranteed and the Partners may not construct and operate the Curipamba project on the timelines or in the manner presented in the Feasibility Study, or at all; that the Partners may be unable to conclude a US\$240M non-equity financing and may be required to pursue other methods of financing the Curipamba project, or may be unsuccessful in financing the Curipamba project; inaccurate geological, mining, and metallurgical assumptions (including with respect to size, grade and recoverability estimates, estimates of mineral reserves and resources and mine life estimates); changes in development or mining plans due to changes in logistical, technical or other factors; unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); that the Partners may not be able to increase expected mine life or expected gold production through resource conversion, project extension and exploration; political risk; social unrest; changes in general economic conditions or conditions in the financial markets; and other risks and uncertainties that are more fully described in the Company's most recent interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com . Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. In addition, there can be no assurance regarding the achievement or timing of the Partners' exploration, development, construction or commercial production objectives.

Although Salazar Resources has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be

other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Salazar Resources undertakes to update any forward-looking information if required in accordance with applicable securities laws.