

# World Copper Signs Letter of Intent with DESALA for Development of Escalones Seawater Supply Alternative, Provides Update on Progress of Ongoing Drilling Campaign

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Vancouver, April 21, 2022 - [World Copper Ltd.](#) (TSXV: WCU) (OTCQX: WCUFF) (FSE: 7LY0) ("World Copper" or the "Company"), announces that its wholly-owned Chilean subsidiary has signed a non-binding Letter of Intent (as defined below) with Desaladora Rosario SpA ("DESALA") for the construction of a pipeline, which will provide a desalinated seawater supply alternative for the Company's flagship Escalones project in Central Chile ("Escalones" or the "Escalones Project"). DESALA develops water desalination projects using reverse osmosis technologies that allows for the production of high-quality fresh water, free of boron and other chemicals, suitable for human consumption, irrigation and mining operations (see about DESALA below). The Company's intention is to partner with DESALA to contribute to an effort of reducing the negative effects of climate change that affect many communities in Chile, as well as to secure a climate-conscious, sustainable water supply for future development of the Escalones Project.

## Letter of Intent with DESALA

In recognition of the sensitivity around the use of continental water for mining operations in Chile and the general growing need for fresh water in the region around Escalones, World Copper, through its wholly-owned Chilean subsidiary, and DESALA have signed a letter of intent dated April 18, 2022 (the "Letter of Intent"). The Letter of Intent provides for both parties to work jointly towards developing and constructing a pipeline and a desalination plant at the coast in the Cardenal Caro province (O'Higgins region) of Chile, which will secure a source of water with suitable capacity to support the Escalones Project's future operations, and allow for the possibility of sharing water capacity with nearby communities.

Nolan Peterson, CEO and President of World Copper, commented, "We are excited to be embarking together with DESALA on this journey towards sustainable water supply for Escalones. Not only will this Letter of Intent be the first step on providing us with a viable source of non-continental water for Escalones it also provides us the opportunity to strengthen our relationships with the communities around our project by affording much needed water security. A great number of Chilean families living in the communities near Escalones are fully dependent upon water supplied by trucks drawing water from continental sources. We expect that this Letter of Intent will lead to a strong partnership that will address head on one of the key impacts of climate change that affects central Chile, being water scarcity, and that it will ultimately secure a sustainable and reliable water supply for our future operations at Escalones."

World Copper and DESALA will work towards entering into a binding water purchase agreement in a take-or-pay format (the "Definitive Agreement"). DESALA is planning to develop a desalination plant project in the Cardenal Caro province (of a design capacity of 2,000 litres per second (Lps) with an option to double the output in the future) and a pipeline from the plant to the Escalones Project. Under the terms of a Definitive Agreement, World Copper would secure a portion of this capacity for a minimum period of 15 years in order to fully cover fresh and process water requirements for the Escalones Project, as well as to facilitate additional capacity for the use of local communities nearby. The pipeline will also provide water to rural communities and other recipients along the route of the pipeline. Escalones' estimated water consumption in the February 2022 PEA (as defined below) (See news release dated February 15, 2022), is estimated to be no more than 100 Lps.

Ignacio Rodriguez, Corporate Affairs Manager at DESALA, commented, "We are very pleased to welcome World Copper as a principal partner for this new project and we are confident that it will create a necessary impulse for fast-tracking this desalination plant and pipeline to engineering and construction, bringing safe water supply to the citizens and businesses of the Metropolitan and O'Higgins regions of Central Chile."

## Drilling Campaign Progress Update

In mid-April, the Company reached an intermediate goal of 1,000m of core drilled, marking an important milestone of its ongoing diamond drilling program at Escalones. To date, the Company has completed 4 out of a total of 11 planned diamond drill holes. The first holes were drilled on the Mancha Amarilla lithocap exploration target, which extends one kilometre south from the limit of drilling that currently defines the copper oxide mineral resource at Escalones. Evidence from prior sampling programmes indicates this southern half of the Escalones alteration system is also deeply oxidized and could contain significant soluble copper mineralization. Following the early success of the Company's drilling program, the large east-flanking skarn will be drilled next, as a result of an encouraging surface sampling from last year (see news release dated August 12, 2021).

Figure 1. Photo of Drilling at Escalones Project (April 2022).

To view an enhanced version of this graphic, please visit:

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Nolan Peterson, CEO and President of World Copper, commented, "Our team mobilized very quickly to capitalize on the end of the Chilean summer drilling season and I am pleased with the progress of our campaign thus far. Our team has been advancing the campaign according to schedule and, maintaining a stellar safety record at the same time. I am confident that we will deliver on the objectives outlined for this program."

The drilling being conducted at the Escalones Project is executed in strict compliance with the requirements issued in the RCA Environmental Approval. The drilling campaign is designed to minimize the environmental footprint and ensure that sensitive areas are fully protected. The Company expects to share updates in the upcoming months as it continues the drilling campaign and, expects to be able to publish the initial drilling results in the second half of 2022.

### ABOUT WORLD COPPER LTD.

[World Copper Ltd.](#), headquartered in Vancouver, BC, is a Canadian resource company focused on the exploration and development of its copper porphyry projects: Escalones and Cristal in Chile, and Zonia in Arizona. Two of these projects have estimated resources with significant soluble copper mineralization, and each has additional copper porphyry targets with exciting potential to expand the resource base.

The World Copper team has a unique skill in navigating the mining sector within Chile, with some members having worked in the country for more than 40 years and with discovery success.

### About Escalones

The Escalones porphyry-skarn copper-gold project has estimated inferred resources of 426 million tonnes of 0.367% total copper within the oxidized zone, based on nearly 25,000 m of drill core from 53 holes. The 3.45 billion pounds of copper should be amenable to heap leaching with an average recovery of 71%. The Company is focused on exploring the Mancha Amarilla target immediately to the south of the existing resource. In addition, three significant hydrothermal alteration zones, each measuring between 2,000 m and 3,000m in diameter, lie 8-10 km to the north of the main discovery.

Mineral resources are not mineral reserves and do not have demonstrated economic viability as there is no certainty that all or any part of the resources will be converted into reserves. Inferred resources are that part of a mineral resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. It is reasonably expected that the inferred resources could be upgraded to indicated resources with continued exploration.

About the Escalones February 2022 PEA study:

On February 15, 2022 the Company announced the following outstanding results of the Preliminary Economic Assessment ("PEA") for the Escalones Project:

- \$1,499.6 million post-tax NPV<sub>8</sub> at \$3.60 /lb. life-of-mine ("LOM") (20 years) copper price
- \$1,822.4 million post-tax NPV<sub>8</sub> at \$4.00 /lb. LOM copper price
- First 5-years average annual Copper production of 124.7 Mlbs. (56,520 tonnes); LOM average 114.9 Mlbs. (52,131 tonnes)
- First 5-years average C1 (Cash Operating) costs of \$1.13 /lb. Cu; LOM average C1 costs \$1.19 /lb. Cu
- First 5-years average annual EBITDA \$290.8 million; LOM average annual EBITDA \$265.1 million
- Initial Capital (CAPEX) cost of \$438.4 million (from construction decision)
- LOM Sustaining Capital of \$192.5 million
- Conventional heap leach, SX-EW processing facilities, targeting 50,000 tonnes of heap leach tonnes placed per day

The exceptional results of the Escalones PEA confirm what World Copper has always anticipated - that Escalones has the potential to be one of the most impressive copper properties in South America. Escalones now joins a peer group of large-scale, study backed, development stage assets. Escalones has several attributes that make it attractive for development including robust economics, strong value metrics and the potential of rapid returns for a comparably low capital investment. The results of the PEA, combined with Escalones large land package and resource expansion potential, make it a truly outstanding project.

The PEA is considered preliminary in nature, contains numerous assumptions and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable them to be classified as Mineral Reserves. There is no certainty that the results of the PEA will be realized. No Mineral Reserves have been estimated for Escalones. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources are that part of the Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geologic evidence and sampling, which is sufficient to imply but not verify grade or quality continuity. Inferred Mineral Resources may not be converted to Mineral Reserves. It is reasonably expected, though not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Mineral Resources are captured within an optimized pit shell and meet the test of reasonable prospects for economic extraction. All values are reported in US dollars unless otherwise noted.

The technical report prepared with respect to the PEA, which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), is entitled "Preliminary Economic Assessment NI 43-101 Technical Report, Escalones Copper Project, Santiago Metropolitan Region, Chile" and is dated March 22, 2022, with an effective date of February 15, 2022, and it was prepared by Global Resource Engineering with contributions from other firms, including Hard Rock Consulting, LLC.

#### Qualified Person

John Drobe, P.Geo., a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for this news release and has approved the disclosure herein. Mr. Drobe is not independent of the Company as he is the Chief Geologist of the Company.

#### DESALA

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#### ABOUT DESALA

DESALA develops water desalination projects using reverse osmosis technologies and applying a multipurpose model, which allows taking advantage of economies of scale and offering accessible fresh water solutions at competitive rates for agriculture, mining industry rural communities.

DESALA model allows for the production of high-quality fresh water, free of boron and other chemicals,

suitable for human consumption, irrigation and mining operations. The supply of this water provides for greater social and environmental sustainability to any water-intensive project.

DESALA includes private investors, a variety of partners and a highly experienced team of engineers and environmental professionals, which allows the company to develop desalination projects from their greenfield stage to their ready-to-build (RTB) phase.

DESALA is currently developing four other desalination plant projects in Chile to supply rural communities in the provinces of Elqui, Limarí, Choapa and Petorca.

On Behalf of the Board of Directors of

[World Copper Ltd.](#)

"Nolan Peterson"

Nolan Peterson  
Chief Executive Officer

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#### Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, the entering into of a Definitive Agreement with DESALA, the construction of the desalinization plant and pipeline to

transport water to the Escalones Project, the expected completion date of the drilling programme and the timing of receiving results therefrom, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits/resources/reserves and the anticipated business plans and timing of future activities of the Company are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that DESALA and the Company will receive all necessary approvals for the completion of the water desalinization plant and pipeline, the assumptions in the PEA are reasonably accurate, market fundamentals will result in sustained copper demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company's Chilean projects in a timely manner, including the Escalones Project, the availability of financing on suitable terms for the development, construction and continued operation of the Company's projects and its ability to comply with environmental, health and safety laws.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, requirements for additional capital, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, including on the Escalones Project, the estimation or realization of mineral reserves and mineral resources, the fact that the Company's interests in the Escalones exploitation concessions are options only and there is no guarantee that such interests, if earned, will be certain, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of copper, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, lack of investor interest in future financings, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on the Company's business, financial condition and results of operations, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents, approvals or authorizations, the timing and possible outcome of any pending litigation, environmental issues and liabilities, and risks related to joint venture operations, and other risks and uncertainties disclosed in the company's continuous disclosure documents. All of the Company's Canadian public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not undertake any obligation to update any of the forward-looking statements in this news release or incorporated by reference herein, except as otherwise required by law.

#### Cautionary Note to United States Investors

World Copper prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources in this news release are defined in accordance with NI 43-101 under the guidelines set out in CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council on May 19, 2014, as amended ("CIM Standards"). The U.S. Securities and Exchange Commission (the "SEC") has adopted amendments effective February 25, 2019 (the "SEC Modernization Rules") to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934.

As a result of the adoption of the SEC Modernization Rules, the SEC will now recognize estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", which are defined in substantially similar terms to the corresponding CIM Standards. In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding CIM Standards.

U.S. investors are cautioned that while the foregoing terms are "substantially similar" to corresponding

definitions under the CIM Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Standards. Accordingly, there is no assurance any mineral resources that World Copper may report as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had World Copper prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

In accordance with Canadian securities laws, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

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