

Salazar Resources Provides Update for El Domo

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Vancouver, February 5, 2026 - [Salazar Resources Ltd.](#) (TSXV: SRL) (OTCQB: SRLZF) (FSE: CCG) ("Salazar" or the "Company").

[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: SVM) (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 budget and construction schedule for the construction of the El Domo Project (the "Project").

The construction budget for the Project has been updated to \$284 million, an increase of \$44 million compared to the \$240 million estimate dated March 31, 2025 (for reference, the 2021 Feasibility Study Budget was \$248 million). The main items of increase or decrease are as follows:

1. The VAT rate has been revised from 12% to 15%, resulting in additional VAT that will be incurred at the project level. This additional VAT can be recovered as a tax credit once concentrate exports commence.
2. Package #1 Construction: \$5.1 million increase due to detailed design changes, construction of two rock buttress for waste dumps (SWD and WRF1) were added.
3. The equipment and material purchases of the process plant have increased by \$15 million due to:
 1. Some equipment was previously missing in both the April 2025 and 2021 Feasibility Studies, e.g. water recycling system from Tailing Storage Facility ("TSF"), SAG mill, regrind mill, bigger flotation cells and thickeners required to accommodate an increase in sulfur content from 9% (2021 Feasibility Study design) to 25% (current design) (~ \$11 million).
 2. Logistics costs increased by \$4 million (considering 15% of all equipment for sea freight, customs fees, storage, local transport, insurance, plus ~ 3.5% import tax), which was previously underestimated.
1. The estimated construction and installation of the process plant have increased by \$7.2 million based on the actual construction quotes for the 5000-square-metre ROM ore shack currently under construction.
2. Bypass roads and access roads: \$3.3 million increase mainly due to the upgrade of the new southern access road, so that 40-foot container trucks can pass.
3. External powerline: added \$2.3 million for payment on behalf of the Ecuador National Power Company (CNEL) for third-party supervision and other costs.
4. Missing items such as Engineer of Record ("EoR"), and construction quality assurance and control ("QA/QC") supervision for TSF construction, site internal power distribution facilities, environment rehabilitation and protection, 4G network added another \$10.1 million.
5. Added \$6.6 million in local purchases to support local supply chains and economy.

6. Owner's Cost has increased from \$30 million to \$32.5 million, based on the monthly burn rate and additional expenses (e.g. insurance, services, community and institutional relationship, and security) plus a six-month extension for the construction period - ~\$2.5 million increase.
7. Package #2 Mining and Stripping: estimated cost has decreased by \$4.2 million based on the winning bidder's unit prices.
8. Achieved savings of \$4.7 million across various other projects.
9. Contingency has been reduced from 20% (\$32 million) to 8% (\$17 million), a reduction of \$15 million, reflecting more accurate estimates for the current budget. The contingency may account for the diesel price increase during construction (~10% to ~15% increase in unit costs for civil works), and inherent uncertainties as engineering design work continues.

Capital Cost Estimate Details:

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

	2025 April Sp	Budget	2025
	(\$ Million)	(\$ Million)	(\$ Million)
1 Package #1 - Site preparation /Road s/Channels / TSF/SWD	47.5	22.0	22.0
2 Package #2 - Open Pit Mining and Stripping	39.0	0.0	0.0
3 Package #3 - Processing Plant Construction and Equipment	33.0	3.0	3.0
4 Temporary and Permanent Camps	7.0	1.0	1.0
Packages #4,5 -Site Infrastructure (bypass roads, powerline, standby diesel generators, water treatment plant)	33.0	3.0	3.0
Direct costs sub-total	159.4	31.0	31.0
6 Owner's Contingency	31.9	0.0	0.0
7 Owner's Cost	30.0	9.0	9.0
8 Value added tax (VAT)	19.1	3.0	3.0
Total	240.5	44.0	44.0

Based on this new budget, the El Domo Project is scheduled to be in production by July 1st, 2027, representing a six-month delay from the previous estimate of early 2027.

Progress Achieved in 2025:

2025 has been a productive year, as we focused on construction Package #1: including Site preparation, Roads, Non-contact Water Channels, TSF, Saprolite Waste Dump ("SWD"), and proceeded with other packages. During the year, we established a new project construction team, while overcoming an exceptionally heavy and long rainy season that lasted well into June, working with different communities and government agencies to ensure a sound working environment. Through the hard work of our local team, CRCC 14 and other contractors, along with the support of communities and government authorities, the Company made significant progress at the Project.

1. Spent \$44.5 million in 2025, representing approximately 16% of the total new budget.
2. Successfully cleared 1,040 of the total 1,109 archaeological units, completing archaeological clearance in full compliance with permit conditions to start earth-moving activities.
3. Over 2.6 million cubic metres of material were moved (including topsoil, saprolite and andesite material) for site preparation of Process plant, roads, TSF, SWD, and other site preparation.
4. Built 8.1 km of internal haul roads, providing comprehensive access across the site, and upgraded and repaired 23.1 km of external roads, allowing 40-foot haul truck access. Additionally, 2.1 km of non-contact water channels were excavated as part of a robust water management system.
5. Completed and commissioned the Construction Camp with a capacity of over 600 beds.

6. Blasted at an on-site quarry and from Process plant Site Preparation to generate fresh non-acid generating rock for roads and the construction of the starter dam of the TSF, plus laid the foundation for a 5000 square metre ROM Ore Shed, which will serve as a warehouse initially during the construction period.
7. Jinpeng has finalized the detailed process flowsheet, equipment selection and cost estimates for the processing plant construction and equipment. The improved process flowsheet introduced a standalone sequential flotation of copper-gold into copper concentrates first; all other parts of the flowsheet follow the previous design. The new metallurgical recovery test results for the sequential flotation of copper-gold into copper concentrates first show a 5.4% increase in copper recovery and a 6.2% increase in gold recovery, enhancing the Project's projected economics.
8. Ordered most of the long-lead time major equipment for the process plant and Diesel Power Generator Sets providing backup power for the entire site; paid a down payment of \$7.2 million towards a total contract price of \$16.9 million.
9. Continuously engaged with different communities and stakeholders for support.
10. Built an effective, integrated construction team, collaborating among team members at the El Domo construction site, Quito, Vancouver and Beijing.
11. Strong and improving safety culture and management at site, with more than 960,000 hours worked with no major incidents.
12. Implemented and complied with the Environmental Management Plan during construction activities.

Bidding for the Package #2 - Open Pit Mining and Stripping

After a competitive bidding process and several months of negotiation, the Company is expected to execute the mining contract for the construction and operation of the Project with China Railway 19th Bureau Group Co., Ltd. ("CRCC 19") on a "Unit Cost" basis, that is, the cost of drilling, blasting, hauling and dumping or compacting each cubic metre of rock over a certain distance. The fixed unit rate contract is structured into two primary phases: 1) the Construction Phase, valued at \$35 million for mining and stripping, includes pre-stripping activities such as earthworks, rock stripping, and by-product ore mining; and 2) the Operations Phase, valued at approximately \$63 million over the subsequent five years, covers annual mining and stripping of ore and waste rock. In addition, the contract includes the construction and management of the multi-stage raising of the Tailings Storage Facility (TSF) dam (\$8 million). CRCC19 has a regional headquarter in Quito with over ten years operating experience in Ecuador building a large open pit copper-gold mine and ongoing mining and stripping. In advance of executing the contract CRCC 19 began mobilizing personnel to the El Domo site in January 2026 and equipment mobilization will begin this month.

Package #3 - Processing plant construction and equipment

Jinpeng is expected to complete the detailed engineering design of the processing plant based on the new flowsheet by early April 2026. This will serve as the cost base to initiate the bidding process for construction. With most equipment already ordered, the primary budget variables for Package #3 would be the construction cost and materials

Packages #4 -External Powerline and standby diesel generators

The total distance of the external powerline is 61.3 km. The northern section (27.5 km) and three substations, with a \$10.15 million budget, have been awarded to two Ecuadorian contractors last September. The southern part (33.8 km) is pending the completion of detailed engineering design. The powerline is expected to be completed in 2027. As a backup plan, the company has ordered 14MW of diesel generator sets which will be delivered to site by December 2026 for installation. This mitigation plan will ensure power is available for commissioning of the process plant in July 2027, regardless of the External Powerline status.

Qualified Person

Guoliang Ma, P. Geo., Manager of Exploration and Resource of the Company, is the Qualified Person for

Silvercorp 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.

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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.

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