

# /r E P E A T -- Adventus Mining And Salazar Resources Secure Us\$235.5 Million With Wheaton Precious Metals And Trafigura To Construct The Curipamba Copper Project/

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TORONTO, Jan. 17, 2022 - [Adventus Mining Corp.](#) ("Adventus Mining") (TSXV: ADZN) (OTCQX: ADVZF) and [Salazar Resources Ltd.](#) ("Salazar") (TSXV: SRL) (OTCQX: SRLZF) (collectively the "Participants") are pleased to announce that Alliance Metals International ("AMI"), a wholly-owned subsidiary of the Participants' joint venture company Salazar Holdings Ltd., has, together with Adventus Mining, entered into a definitive Precious Metals Purchase Agreement (the "PMPA") with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of [Wheaton Precious Metals Corp.](#) ("Wheaton") in respect of the Curipamba copper project in central Ecuador (the "Curipamba Project"). Additionally, Adventus Mining has entered into a binding engagement for an Offtake Financing Agreement (the "OFA") with Trafigura Pte Ltd ("Trafigura") in respect of the Curipamba Project. A detailed feasibility study on the Curipamba Project, which focuses on the development of the shallow and high-grade El Domo deposit, was completed in late 2021 (the "Feasibility Study"). This significant financial commitment validates the Feasibility Study and economic potential of the Curipamba Project for all stakeholders and allows Adventus Mining and Salazar to firmly advance towards potential production.

## Highlights

- Adventus Mining and Salazar have secured a total of US\$235.5 million to advance and, following a construction decision, build the Curipamba Project, US\$23.5 million of which will be available for pre-construction activities
- Financial arrangement compares to an estimated capital cost of US\$248 million outlined in the Feasibility Study
- US\$180.5 million financial commitment from Wheaton
- US\$175.5 million upfront cash consideration, with US\$13 million early deposit for pre-construction activities, and US\$500,000 for local community development initiatives as part of the Curipamba Project prior to production
  - Remainder to be available in four (4) staged installments during future construction, subject to certain customary conditions precedent being satisfied
  - PMPA provides certain gold and silver streaming rights to Wheaton over life-of-mine, but limited to volcanic massive sulphide deposits that can be milled within the proposed Feasibility Study process plant
  - Wheaton also intends to provide up to US\$5M in equity to Adventus Mining, subject to a maximum Wheaton ownership level below 10%
- US\$55 million financial commitment from Trafigura
- US\$45 million senior debt facility, including US\$5 million early deposit for pre-construction activities (the "Facility")
  - Remainder to be available in two (2) staged installments during future construction, subject to certain customary condition precedents being satisfied
  - OFA includes an offtake agreement that provides certain concentrate offtake rights to Trafigura for future production from the El Domo deposit over the life-of-mine, based on the offtake terms utilized in the Feasibility Study
  - Trafigura intends to provide US\$10 million in equity to Adventus Mining, subject to certain conditions precedent being satisfied

President & CEO of Adventus Mining Christian Kargl-Simard stated:

"This financial commitment is a major milestone for the Adventus Mining and Salazar and secures our ability to further optimize and begin construction of the Curipamba Project. Furthermore, the competitive structures of the financial arrangements serve to protect and benefit the interests of our investors and commercial

partners. Based on the projected revenues payable to Wheaton, the potential read-through value of Curipamba is significantly higher than US\$1 billion. We want to thank both the Wheaton and Trafigura teams who worked closely with us in conjunction with the completions of the Curipamba feasibility study and ESIA report in 2021. Special appreciation to the Wheaton team who have consistently showed their confidence and support for Adventus Mining since their equity investment in 2018.

To our partners and many stakeholders in Ecuador, Adventus Mining and Salazar are pleased to secure these significant long-term commitments from two of the largest and most respected metals and mining groups globally, which highlight both the confidence in the Curipamba Project becoming one of the next modern copper mines and in the growing responsible mining sector of Ecuador."

#### Streaming Arrangement with Wheaton - US\$180.5 million

Pursuant to the PMPA, Wheaton will pay AMI a total upfront cash consideration of US\$175.5 million, US\$13 million of which can be paid on an early deposit basis to be used for pre-construction activities at the Curipamba Project and US\$500,000 of which will be used to support certain local development initiatives in the Curipamba Project communities in the environmental, social and governance (ESG) areas. The remainder of the upfront cash consideration is payable in four staged installments during future construction of the Curipamba Project, subject to certain customary conditions precedent being satisfied.

#### Additional PMPA Transaction Details

- Under the PMPA, Wheaton will purchase 50% of the payable gold production until 150 thousand ounces have been delivered, thereafter dropping to 33% of payable gold production for the life of mine; and 75% of the payable silver production until 4.6 million ounces have been delivered, thereafter dropping to 50% for the life of mine
- Wheaton will make ongoing payments for the gold and silver ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and silver delivered less the Production Payment is equal to the upfront consideration of US\$175.5 million, at which point the Production Payment will increase to 22% of the spot prices
- Prior to the official start of construction, AMI has a one-time option to repurchase 33% of the stream (gold and silver) on a change of control event for Adventus Mining, for an amount ensuring a fixed internal rate of return to Wheaton
- As is customary for Wheaton streaming arrangements, additional ESG support will be available from Wheaton while Curipamba is in production
- Adventus Mining and certain subsidiaries, which are the majority owners of the Curipamba Project, will provide Wheaton with corporate guarantees, pledges, and other security over their assets
- PMPA transaction is fully committed, with initial early deposit drawdown available at Adventus Mining's discretion subject to certain customary conditions precedent being satisfied

#### Offtake Financing Arrangement with Trafigura - US\$55 million

Pursuant to the OFA, Trafigura will provide Adventus Mining with a Facility of US\$45 million, US\$5 million of which can be paid on an early deposit basis to be used for pre-construction activities at the Curipamba Project. The remainder of the cash consideration is payable in two (2) staged installments during future construction of the Curipamba Project, subject to certain customary conditions precedent being satisfied.

#### Additional OFA Transaction Details

- Facility has a 5-year term, with an 8% interest margin, subject to a 0.5% SOFR floor
- OFA includes an offtake agreement that provides certain concentrate offtake rights to Trafigura for future production from the El Domo deposit over the life of mine, based on the terms in the Feasibility Study
- OFA transaction is binding subject to completion of definitive documentation and an inter-creditor agreement with Wheaton, which are expected to be completed in Q2 2022
- Upon closing of the OFA, 13.5 million common share purchase warrants of Adventus Mining will be issued to Trafigura, priced on the basis of a 25% premium to the 10-day VWAP at the closing date ("Lender's Warrants"), subject to approval of the TSX Venture Exchange. The Lender's Warrants will have a 3-year term, with 5.5 million of them subject to accelerator provisions based on Adventus Mining's share price

- Trafigura intends to provide US\$10 million in equity to Adventus Mining, subject to certain customary conditions precedent being satisfied

For Adventus Mining, Bennett Jones is acting as legal advisor for the PMPA and DLA Piper (Canada) is acting as legal advisor for the OFA.

### Curipamba Project

The Curipamba Project is located in central Ecuador approximately 150 km northeast of the major port city of Guayaquil and comprises of seven mineral concessions representing approximately 21,500 hectares (215 km<sup>2</sup>) in a setting of low-lying hills and plains between 300 to 900 metres above sea level. Curipamba contains the high-grade copper-gold dominant El Domo VMS deposit.

The Feasibility Study included the first estimate of mineral reserves (open pit) and updated the total estimate of mineral resources (open pit and underground). Please refer to Adventus Mining's October 26, 2021 news release for the summary of Feasibility Study results - [link](#). The complete Feasibility Study NI 43-101 Technical Report is available on SEDAR - dated December 10, 2021. Also in 2021, Adventus Mining and Salazar completed and submitted a detailed Environmental and Social Impact Assessment ("ESIA") report as part of the formal stakeholder consultation and environmental licensing process with the Government of Ecuador for future construction and operation of the Curipamba Project. Please refer to Adventus Mining's November 18, 2021 news release for additional details - [link](#).

Adventus Mining is 75%-owner of the Curipamba Project and leads its continuing development in the detailed engineering and early site works phase. Adventus Mining will fund capital costs to production and will receive 95% of future free cashflows until its investments since 2017 are repaid, after which the project cashflows will be shared 75% to Adventus Mining and 25% to its partner Salazar Resources Ltd. over the life of mine.

### Qualified Person

The scientific and technical content of this news release was reviewed, verified, and approved by Mr. Dustin Small, P.Eng., Vice President of Projects for Adventus Mining, and a Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

### About Adventus Mining

Adventus Mining Corporation is an Ecuador-focused copper-gold exploration and development company. Adventus Mining is 75%-owner of the 215 km<sup>2</sup> Curipamba copper project, which has a completed feasibility study on the shallow and high-grade El Domo deposit. In addition, Adventus Mining is engaged in a country-wide exploration alliance with its partner in Ecuador, which has incorporated the Pijili and Santiago copper-gold porphyry projects to date. Outside of Ecuador, Adventus Mining owns an exploration project portfolio in Ireland with South32 Limited as funding partner. Its strategic shareholders include Altius Minerals Corporation, Greenstone Resources LP, [Wheaton Precious Metals Corp.](#), and the Nobis Group of Ecuador. Adventus Mining is based in Toronto, Canada, and is listed on the TSX Venture Exchange under the symbol ADZN and trades on the OTCQX under the symbol ADVZF.

### About Salazar

[Salazar Resources Ltd.](#) 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. 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. At two copper-gold porphyry projects, Pijili and Santiago, the Company has a 20% stake fully carried through to a construction decision.

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. Forward-looking statements are based on the beliefs, expectations, and opinions of the management of the Participants as of the date the statement is published, and the Participants assume no obligation to update any forward-looking statement, except as required by law. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "outlook", "guidance", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking information herein includes, but is not limited to, statements that address activities, events, or developments that Participants expect or anticipate will or may occur in the future, including statements regarding the Participants having secured sufficient funds to advance and construct the Curipamba Project, projections regarding future production at the Curipamba Project, satisfaction of conditions precedent, including the completion and execution of definitive documentation with respect to the OFA transaction, and completion and funding under the PMPA and the OFA transaction. Although the Participants have 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, including risks associated with the ability of Alliance Metals International and/or Adventus Mining to satisfy the conditions precedent to receive funding under the PMPA and the OFA transaction; the volatility of metal prices; risks and dangers inherent in exploration, development and mining activities; risks of not achieving construction and development timelines and estimates; uncertainty of mineral reserve and mineral resource estimates; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; risks related to environmental regulations or hazards and compliance with complex regulations associated with mining activities; risks related to the availability of adequate infrastructure, fluctuations in price and availability of energy and other inputs necessary for construction development and ultimately mining operations; shortages or cost increases in necessary equipment, supplies and labour; regulatory risks; climate change risks; volatility of global financial conditions; risks related to reliance upon contractors and third parties; challenges related to surface rights; dependence on key personnel; risks associated with conflicts of interest among the Participants; the risk of an unanticipated or uninsured loss, litigation risk, taxation, including changes in tax laws and interpretation of tax laws, community support for operations including risks related to strikes and the halting of such operations, from time to time, as well as other factors identified and as described in more detail under the heading "Risk Factors" in Adventus Mining's most recent Annual Information Form and the Participants' other filings with Canadian securities regulators, which may be viewed at [www.sedar.com](http://www.sedar.com). The list is not exhaustive of the factors that may affect the Participants'

forward-looking statements. There can be no assurance that such 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 the Participants will derive therefrom. The Participants' forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and except as required by applicable securities laws, the Participants do 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. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

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