

Minera Alamos Cerro de Oro Finance package Agreed

Minera Alamos (TSX.V:MAI)

Announced the conclusion of discussions with lenders regarding a funding package tailored for the limited capital requirements associated with the planned construction of the Cerro de Oro gold mine that is currently anticipated to begin next year.

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Minera Alamos three projects in Mexico

Minera Alamos	TSX.v : MAI
Stage	Development
Metals	Gold
Market cap	C\$174 m @ 34c
Location	Sonora, Zacatecas, Durango – Mexico

Minera Alamos – Financing Package Termsheet Executed for Cerro de Oro Gold Project.

Toronto, Ontario – (Newsfile – May 31st 2023)

Minera Alamos Inc. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI) is pleased to announce the conclusion of discussions with lenders regarding a funding package tailored for the limited capital requirements associated with the planned construction of the Cerro de Oro gold mine that is currently anticipated to begin next year.

The Company has signed a termsheet for a US\$15 million Loan Facility and US\$10 million Royalty that is expected to close on or around July 14th upon signing of definitive documentation as well as board and regulatory approvals.

Doug Ramshaw, President, Minera Alamos Stated;

“We are delighted to have entered into this agreement, which provides a fully funded and single source solution to meet the capital expenditure requirements for the Company’s planned new gold mine upon the successful receipt of permits.

“The low capital cost of the Cerro de Oro project has allowed us to consider less covenant heavy terms that provide for increased flexibility in the lead up and during construction of our second mine.

“In addition, the termsheet provides the ability to draw down a modest portion of the total package ahead of permit receipt that will support the pre-construction activities planned for Cerro de Oro in 2023.

“This allows our existing treasury to continue to support operational activities elsewhere including the drill campaign currently underway and other corporate initiatives”.

Key aspects of the financing package are detailed below:

Loan Package (US\$15 million)

- Loan Term – 3 years

- Loan upfront fee – 2% on closing
- Loan security – comprising share pledges over the Cerro de Oro and La Fortuna operating subsidiaries
- Interest charged at 1.25% per month on any drawn amount of the loan

following closing to fund pre-permit activities related to the Cerro de Oro mine.

The remaining US\$10 million will be available upon receipt of construction permits.

Royalty Package (US\$10 million)

- 2.75% NSR on all metal production from the Cerro de Oro mine
- Royalty Buyback – for a period of 30 months post royalty closing, Minera can buy back 2% of the 2.75% NSR by delivering a minimum of 3200 oz of gold related to the NSR and a payment of US\$6.3 million.

In the event Minera exercises the royalty buyback at an earlier date than the expiry date (30 months from closing), a credit of 100oz of gold per full month will be given against the minimum threshold.

- The royalty holder will retain the option to sell the remaining 0.75% to Minera for US\$3.7 million.
- Minera and all its operating Subsidiaries will enter into a purchase and sale agreement for a minimum of 100% of its gold production to be sold at market rates for a period of no less than 36 months from closing.

Closing remains conditional upon the completion of satisfactory technical due diligence, completion of satisfactory documentation including but not limited to the entering into of the security documents, appropriate legal opinions and any other required conditions that are standard for a facility of this type.

Closing is anticipated to take place around July 14th, 2023 at which time the Interim funding may be drawn with the remaining Loan facility and Royalty Facility available to the Company upon receipt of permits.

[To read the full news release, please click HERE](#)

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds shares in **Minera Alamos**

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