

Minera Alamos files Cerro de Oro PEA

Minera Alamos (TSX.V: MAI)

Filed the results of the independent preliminary economic assessment (PEA) titled “NI43-101 Technical Report, Preliminary Economic Assessment and Mineral Resource Estimate for the Cerro de Oro Gold Project, Zacatecas, Mexico” on SEDAR.



Minera Alamos three projects in Mexico

Minera Alamos	TSX.v : MAI
Stage	Development
Metals	Gold
Market cap	C\$247 m @ 54c
Location	Sonora, Zacatecas, Durango – Mexico

Minera Alamos files Cerro de Oro PEA, technical report

2023-01-06 09:58 ET – News Release

Mr. Doug Ramshaw reports

MINERA ALAMOS FILES TECHNICAL REPORT AND PRELIMINARY ECONOMIC ASSESSMENT FOR THE CERRO DE ORO PROJECT

Minera Alamos Inc. (TSX.V: MAI) has filed the results of the independent preliminary economic assessment (PEA) titled “NI43-101 Technical Report, Preliminary Economic Assessment and Mineral Resource Estimate for the Cerro de Oro Gold Project, Zacatecas, Mexico” on SEDAR.

The results of the PEA were previously discussed in the company’s news release dated Oct. 3, 2022, highlights from

which are included below. The report, effective as of Sept. 28, 2022, can be located under the Minera Alamos profile on SEDAR.

Highlights of PEA (all currency references are in U.S. dollars):

- Production highlights:
 - Average annual gold production approaching 60,000 ounces (approximately 60,000 ounces to 70,000 ounces in years 1 through 4);
 - 8.2-year mine life based on initial minable total of 59 Mt (million tonnes) of mineralization (0.37 g/t (gram per tonne) gold) heap leached at an average rate of approximately 20,000 tpd (tonnes per day) – plus 0.4 g/t Au in years 1 through 4;
 - 477,000 ounces of gold produced in loaded carbon/dore;
 - LOM (life-of-mine) strip ratio of 0.3:1 (waste:mineralization);
- Robust economics using a gold price of \$1,600/ounce:
 - LOM all-in sustaining cost (AISC) of \$873/ounce – averaging \$763/ounce in years 1 through 4;
 - After-Tax NPV (net present value) at a 5-per-cent discount rate of \$150.5-million and IRR (internal rate of return) of 111 per cent;
- Low capital intensity project with rapid payback:
 - Preproduction capital costs of \$28.1-million (includes 30 per cent contingency);
 - Payback period of 11 months;
 - Used crushing plant already purchased reduces up front capital requirements;
- Significant upside:

- Mineralization appears open in multiple directions, as well as to depth;
- Additional metallurgical testing to examine amenability of gold recovery from deeper sulphide zones of mineralization not accounted for in current resource calculations and mine plans (some early indications that material may prove to be leachable);
- Updated inferred mineral resource estimate containing 67 million tonnes of 0.37 g/t Au (790,000 ounces of contained gold) based on an upward revision of the base case resource gold price to \$1,700/ounce.

Table 1 - PEA Economic Parameters Summary

	Life-of-Mine
Gold Price ¹	\$1,600/oz
Mine Life	8.2 years
Total Mineralization Processed	59.3M
Total Waste Mined	17.9M
Strip Ratio (Waste/Mineral)	0.30
Average Annual Tonnes Processed ²	7,300,000
Average Daily Tonnes Processed ²	20 ktpd
Heap Leach Gold Grade ³	0.37 g/t
Gold Recovery	68%
Average Annual gold production (oz) ²	58,400
Total Gold Recovered	476,610
Pre-production Capital	\$28,080,000
Sustaining Capital	\$14,700,000
Average AISC ⁴	\$873/oz
After-Tax NPV (5%)	\$150,500,000
After-Tax IRR	111%
After-Tax Payback Period	11 months
Exchange Rate (MXP/USD)	20
After-Tax NPV (10%)	\$115,500,000
Net Cash Flows (undiscounted)	\$200,000,000

Notes:

1. Base case price for gold was assessed using long term consensus pricing factoring in a modest discount against the average of available bank and brokerage firm estimates.
2. Life-of-Mine Averages exclude partial production in year 9.
3. LOM average combined grade of run-of-mine ("ROM") and crushed material sent to leach pads.
4. "AISC per ounce" is a non-GAAP financial performance measures with no standardized definition under IFRS; additional reference info at bottom of release.

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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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