Minera Alamos Operations Update and Q2 Financials

Minera Alamos (TSX V: MAI)

Provided an operations update and select financial highlights from the second quarter of 2024 as well as some guidance regarding improved operations activity so far during Q3.



Minera Alamos	TSX.v : MAI
Stage	Development
Metals	Gold
Market cap	C$113 m @ 24.5c
Location	Sonora, Zacatecas, Durango – Mexico
Website	www.mineraalamos.com

Comment

My greatest weakness in investing is hanging on too long, particularly if I like management, and I think the project is solid, and in a good jurisdiction.

I sold Minera some time ago after a comment by management that

didn’t impress me, and the price has fallen considerably since then, so this is one stock I managed to call right.

Minera have a number of newsletter type followers who are all still hanging on to their buy recommendations, but I’m pleased I followed my gut feeling here. There’s no hiding the fact that these results are very disappointing.

If they begin to turn this around I may re-invest, but the news doesn’t attract me currently, and the situation regarding mining permits in Mexico remains tricky, and long winded.

One for the watchlist, nothing more at present, in my opinion.

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Minera Alamos Operations Update and Q2 Financials

August 30, 2024

Nicho Main Pit Startup Progressing Well

Toronto, Ontario – (Newsfile – August 30th, 2024)

Minera Alamos Inc. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI)is pleased to provide an operations update and select financial highlights from the second quarter of 2024 as well as some guidance regarding improved operations activity so far during Q3. For a full overview please refer to the Q2 Financial Statements and MD&A filed on Sedarplus.ca on August 29th, 2024.

Darren Koningen, CEO, Minera Alamos stated,

“The Company is very pleased with the progress being made since implementing the new operating plan for the Santana gold mine in June.

“Mining and stacking rates are now approaching levels last achieved in 2022 and as the lagging gold leaching recoveries naturally expand we are looking forward to a forecasted return to cash generation at Minera in Q4 of this year.

“We remain committed to the development of our next mine, Cerro de Oro, which continues to work its way through the permitting process and has been met by constructive dialogue with the relevant government agencies and local stakeholders.

“This month we also completed the final payments required for 100% ownership of Cerro de Oro, which on final calculations cost the Company less than US$6/oz based on the most recent resource estimates.”



A series of photos highlighting the progress being made in August 2024 at the new Nicho Main zone pit development

Q3 Operational Summary and Outlook

- At the Santana gold mine where the new operations only began in June, mining rates continue to rise as the Nicho Main zone pit is opened up allowing full mining fleet utilization. Waste production from the pit is currently slightly elevated although this is normal with the commencement of a new mining area. In August 2024, overall mine production was up over 20% from the previous month (July) and approaching levels last seen in late 2022.
- As the new operating plan progresses, gold mining and stacking in Q3 should exceed what was mined in the entirety of 2023.
- Gold shipments recommenced in Q3 following Q2 where the focus had shifted to the preparation of the heap leach pad for the pending increase in mining and stacking

activities (necessitating removal of a significant portion of active leach solution drip lines).

- As gold extraction from the new mineralization being placed on the leach pad naturally expands at Santana, the Company's current forecasts project a return to net corporate cash generation in Q4 this year.
- Through the end of August 2024 approximately 3400 oz of gold will have been placed on the Santana leach pad since the restart of mining activities in June.
- The company continues to work on plans for the next two phases of pad expansion.
- In July, a total of 7,200,000 5-year stock options (July 30th expiry) with an exercise price of $0.16 were exercised for total consideration of $1,152,000. The Company now has 18,200,000 options outstanding with strike prices of between $0.45 and $0.72..

Selected Financial Data:

The following selected financial data is summarized from the Company's Interim Unaudited Financial Statements and related notes thereto (the "Financial Statements') for the quarter ended June 30th, 2024, and the Management's Discussion and Analysis ("MD&A") for the quarter ended June 30th, 2024 (all numbers in Canadian dollars unless otherwise stated). A copy of the Financial Statements and MD&A is available on SEDAR+ at www.sedarplus.ca.

- Operationally, revenues totalled $1,499,444 with cost of goods sold and depletion amounting to $1,329,811 for a mine operations income of $169,633. Unit costs for the quarter continued to be higher due to the fixed costs of

operations being spread over fewer ounces which is expected to return to normal as operations are expanded over the coming quarters as outlined in February and April (2024) news releases.

- Income from mine operations of $169,633 on sales of 505 ounces of gold for the quarter as compared to a loss of ($411,822) on sales of 1,071 ounces of gold in the corresponding quarter in 2023.
- Net loss of ($7,035,249) which is inclusive of a non-cash unrealized foreign exchange loss of ($4,690,218) for the quarter or $(0.015)/share compared to net income of $2,730,220 in the corresponding quarter of 2023. The net loss for the quarter includes a significant non-realized foreign exchange loss on the Company's inter-company which is primarily due to the weakening of the Mexican pesos during the quarter as compared to the Canadian dollar. The Company's functional currency and presentation currency is the Canadian dollar and the functional currency for it's Mexican subsidiaries is the Mexican Pesos.
- Cash and Cash Equivalents of $8,608,289 compared to $11,844,502 as at March 31st, 2024. The drop in cash balance reflects a designed reduction of normal operating payables during the period ahead of the anticipated increase in operational activity in late Q2 and the remainder of the year as well as costs associated with implementing the new operations plan in May and June. In addition, with priority shifting to new stacking activity on the leach pad, gold that would otherwise have been produced and sold in part from Q2 would be reflected in sales in Q3.
- ***Working capital as of June 30th, 2024 stood at $14,480,746 compared to $18,248,668 as at March 31st, 2023.***
- ***Both the Company's cash position and overall working capital is expected to improve in Q4 as the operational plans implemented in late Q2 and Q3 bear fruit.***

To read the full news release, please click HERE

To View Minera Alamos' historical news, please click here

The live gold price can be found HERE

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Disclosure

At the time of writing the author

holds no shares in Minera Alamos.

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