

Minera Alamos Update disappoints

Minera Alamos (TSX.V: MAI)

Updated the market for the fourth quarter 2022, and the news was not as good as expected.

Minera have been plagued with a lack of water issue preventing normal operation at Sentana. This caused a big miss on guidance. The company remains well funded.



Minera Alamos three projects in Mexico

Minera Alamos Update disappoints

Minera Alamos (TSX.V: MAI) updated the market for the fourth quarter 2022, and the news was not as good as expected.

Minera have been plagued with a lack of water issue preventing normal operation at Sentana. This caused a big miss on guidance. The company remains well funded.

I am continuing to hold in the belief that management will turn things around.

The news release is below;

Minera Alamos Inc. has provided an update following the completion of the company's 2022 end-of-year planning reviews and meetings.

The company met its initial thresholds for commercial production at Santana during 2022, including criteria related to gold recoveries from the heap leach pad as well as monthly mining rates in the second half of 2022

Final approvals are pending for the next phase of pad expansion that should more than triple the leach pad capacity at the Santana mine in addition to providing full access to the Nicho deposits, which have grown in size as a result of the 2019 and 2020 drilling campaigns, subsequent to the project's initial permit approvals for the start of mining operations.

These applications were resubmitted in the second half of 2022 after modifications to comply with new requirements related to reductions in greenhouse gas emissions via programs of surface reforestation.

Operational plans are currently being modified following a temporary shutdown over the Christmas holidays that allowed for a full review of 2022 operational data amongst the operations team and the mining contractor.

As mentioned in previous announcements, the drought conditions experienced in northern Mexico since 2020 remain a challenge. Current forecasts call for the warmer/drier conditions related to a La Nina event now entering an unprecedented third straight winter to dissipate in the first half of 2023. Until such time that there is a clearer outlook on the overall water conditions in the region, the company remains cautious with respect to short-term mine planning activities.

As a result of the continued strengthening of the balance sheet during 2022, the company has given priority to the acceleration of some waste removal (prestripping) activities during early 2023 which are not reliant on water availability.

In addition, the company is currently mobilizing for further exploration drilling to be initiated in Q1 to better define previously identified gold-bearing breccia pipes outside of the currently mined areas (delayed during the pandemic period).

These activities combined with continuing planning discussions with the company's mine contractor aim to prepare the project for growth of the Santana operations beyond the starter pits and initial leach pad. Minera has been working to procure adequate supplies, including pad liner, to allow construction to begin rapidly upon receipt of the new permits which should avoid major disruptions as the expansion is commissioned.

The Santana project was envisioned as a classic bootstrapped

operation with multiple phases of planned pit and pad expansion. Built for approximately \$10-million (U.S.), 2022 operational performance has already paid back the majority of the start-up capital.

In determining whether commercial production thresholds had been reached the company considered milestones associated with the first phase Santana operation focused on mining rates and gold recoveries from the Santana leach pad.

In the second half of 2022, the operation demonstrated the ability to operate at the initially targeted 10,000 tonnes per day (combined mineralized material and waste). In addition, overall gold recoveries have been trending in excess of 70 per cent for material under leach for a minimum of 45 to 60 days with residual leaching continuing.

.
. .
.

Darren Koningen, chief executive officer stated

“We are pleased with the results from the Santana gold project during our first year of operations in 2022.

“Despite the difficulties that presented themselves during the year, both capital and operating costs continue to meet our expectations and provide a sound basis to inform the company’s plans for the development of the upcoming Cerro de Oro project.

“As we move forward in 2023, the company is taking advantage of the drier months ahead to prioritize waste development activities in advance of the receipt of final approvals related to the next phase of Santana project expansion which should give rise to a stronger second half of the year.

“The restart of exploration activities at site is especially exciting and will finally allow for better definition of the long-term potential of the area and facilitate planning for future expansion phases.”

.
.
For brevity, this summary has been redacted, to read the full news release, please click [HERE](#)

=====

.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

=====

City Investors Circle is based in the financial district in the City

of London

We present interesting and exciting junior mining companies listed on the ASX and TSX stock exchanges to a group of city professionals, and private investors, all of whom are active investors with a mandate to invest in junior mining companies.

Our audience is selected and invited individually to ensure interest and relevance for the presenting company.

Meetings are non deal, small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our Monthly Review newsletter.

If you wish to present to our select group of active mining investors, please email andrew@city-investors-circle.com

=====

This website is not sponsored, we are truly independent, and will always remain so.

Companies featured here have either presented to the Circle in London, or have been selected because they are considered to have interesting projects, in good jurisdictions, run by an experienced management team.

All information used in the preparation of this communication

has been compiled from publicly available sources that we believe to be accurate and reliable, however, we cannot, and do not, guarantee the accuracy or completeness of this.

These articles are for awareness and informational purposes only, and are not recommendations in any form. Always consult an investment professional.

Disclosure

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

[To read our full terms and conditions, please click HERE](#)