Portfolio Adjustment- Selling Minera Alamos

City Investors Circle

As we come to the end of 2023, it’s time to make some adjustments to my portfolio, and the watchlists.

I am selling Minera Alamos for a couple of reasons, the principal one being the dependance on the Cerro de Oro permit application, and the proximity of the Mexican election, which may delay it unless they can push it through. This makes MAI a bit of a binary bet on the short term, and I don’t like those one bit.



Minera Alamos three projects in Mexico

Minera Alamos	TSX.v : MAI
Stage	Development
Metals	Gold
Market cap	C$134 m @ 29c
Location	Sonora, Zacatecas, Durango – Mexico

Selling Minera Alamos, a tough decision but I can always buy back

As we come to the end of 2023, it’s time to make some adjustments to my portfolio, and the watchlists.

I have been considering selling **Minera Alamos** for a while now, and I feel the time has come.

There are a couple of main reasons, the principal one being the dependance on the Cerro de Oro permit application, and the proximity of the Mexican election, which may delay it unless they can push it through.

This makes MAI a bit of a binary bet in the short term, and I don’t like those.

We then have the Mexican governement’s objections to new open pit applications, and I start to get a queasy feeling that this may not go as easily as planned, or not at all.

The other reason is the startup has been poorly executed with a dependance on rainfall at the right times, which caused low production for the last couple of years and then seems to have improved somewhat this year. My concern is what happens if there is a lack of rainfall next year?

So, on balance, the warm feeling I used to have for Minera has dissipated and been replaced with doubts and concerns, and I don’t like those, so the decision to sell a stock I anticipated being in my portfolio for many years has become easy.

At the end of the day if they eradicate rainfall issues, and receive their permit for Cerro de Oro, I can always buy back if I have funds available at the time.

I may miss a few percent profit, but I may also miss further falls in price, it’s always a balancing act mentally, and that’s the beauty of investing in thos sector.

My thoughts on Minera currently

Pro

- Experienced team, done it before, in Mexico
- Low capex mine
- Low AISC
- Pathway to new mines and increased production

Cons

- No 43-101
- Dependancy on rain falling at the right time
- Awaiting a permit that may not happen before the Mexican election next year, which could create a much larger delay if it happens
- Mexican governement opposing some new open pit mines
- Initial mine startup move to commercial production was painfully slow, causing some investors to sell and the share price to lose momentum

So, there it is, a decision I didn't want to make, but feel I have to make, as I'm looking to reinvest the funds in other stocks where I have recently met management, and I don't want to draw down on my dry powder just yet, keeping that until I can detect a better market for the mining sector.

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I have recently attended the Global Mining Finance and 121 Conferences, and have some prospects to study before I make investment decisions.

G Mining is one I particularly liked the look of, impressive track record of the team, funded to construction, gold production in 2024, and Brazil is a tier 1 jurisdiction, whereas Mexico is tier 2 now in my opinion.

I will discuss more portfolio sells and watchlist changes in the coming days.

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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**, ***but intends to dispose of the holding in the coming days.***

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