Minera Alamos Record Gold Production

Minera Alamos (TSX.V: MAI)

Provided an update on the continuing progress at the Company's Santana gold mine as well as a financial update for the Quarter ending June 30th, 2022.

In addition, the company confirmed that July gold recovery was approximately 2,275 oz, almost twice that of any previous month this year.

Minera Alamos	**TSX.v : MAI**
Stage	**Development**
Metals	**Gold**
Market cap	**C$228 m @ 51c**
Location	**Sonora, Zacatecas, Durango – Mexico**



Santana Gold Project Q2 Operations and Financial

Update

August 25, 2022
Full news release here

Record Monthly Gold Production in July as Water Availability Continues to Improve

Toronto, Ontario and Vancouver, British Columbia – (Marketwired – August 25th 2022) Minera Alamos Inc. (TSX.V: MAI) (the "Company" or "Minera Alamos") is pleased to provide an update on the continuing progress at the Company's Santana gold mine as well as a financial update for the Quarter ending June 30th, 2022.

As noted previously, the Company's operations were impacted by the severe drought conditions experienced throughout the US and Mexico Sonora desert region and which prevailed through to the end of Q2 (*as indicated and forecast in the news release dated 31 May 2022*).

Despite reduced access to water for gold leaching operations the Company was able to continue to operate in a cash-flow neutral/moderately cash flow positive state with gold sales of approximately 3,100 oz in the second full quarter of pre-commercial production ramp-up.

Monthly mine production rates were consistently maintained at initial commercial production targets (approximately 300,000 tonnes). *Following the opening of the Nicho Main Zone during*

the second quarter, the Company is now in a position to ramp up production levels further as soon as local water conditions return to traditional levels.

Darren Koningen, CEO of Minera Alamos stated;

“Despite the impact of the lengthy drought in 2022, the Company was able to see cash and working capital increases in the most recent quarter.

“Equally encouraging has been our stable cost profile through this period with direct production costs in line with those experienced in the first quarter.

”I am extremely proud of our operating team’s ability to adjust quickly to this period of difficult conditions.

“Minera’s strict adherence to appropriate capital management sets a strong foundation for the Company with a strengthening balance sheet as we finalize ramp up of operations at Santana and begin to advance the Cerro de Oro project through permitting activities.

“Following the onset of the seasonal rains toward the end of June, the Company was able to ramp up gold recovery operations to those more representative of planned commercial levels. ***July gold recovery was approximately 2,275 oz, almost twice that of any previous month this year.***

> *“As of July, a total of 21,000 oz have been stacked on the leach pads of which approximately 10,000 oz have been recovered to date – only 5,687 oz of which had been sold as of June 30, 2022 due to normal start-up lags between extraction and sales.”*

Gold recoveries from areas under leach in excess of 30 days have consistently trended towards 75% or greater with residual leaching ongoing and ultimate recoveries on track to approach those from test pad operations conducted prior to the Santana gold project construction.

Based on results to date the Company estimates approximately 6,000 oz of additional recoverable gold currently remains on the pad which will systematically be brought under leach extraction as solution availability increases.

While extraction rates from areas under leach have been consistent throughout the ramp up phase of operations, **the erratic nature of the recent drought conditions remains the final hurdle to the Company being in a position to declare commercial production at the mine.**

The ultimate timing for this declaration will continue to be assessed with the help of operational data and climate forecasting.

Other notable highlights:

- The Santana project site assay lab is now complete and operational. An ability to quickly turn around

production control assays from the mine and processing plant was a critical prerequisite prior to the Company initiating larger scale mining operations at the Nicho Main Zone and will reduce costs currently associated with off-site third-party analysis of control samples.

- The final sign off of documentation for the Cerro de Oro surface rights agreement (*see news release dated June 21, 2022*) was formally completed in August with the local ejido allowing the Company to move forward with the permitting process for the construction of its second gold operation.
- The Company is nearing completion of a NI 43-101 compliant Preliminary Economic Assessment ("PEA"). The document will incorporate the details and economics of the Company's current development plans for its second planned mining operation at the Cerro de Oro gold project in Zacatecas. The PEA is planned for completion next month.
- Definitive Documents have been signed for the working capital facility with Ocean Partners. This, when combined with the C$4.37 million equity raise completed in July 2022, serves to bolster that Company's available working capital that stood at approximately C$17 million as of June 30, 2022.
- Improvements made to the Santana project site infrastructure following the heavy rains received during the end of construction in 2021 have mitigated issues from the most recent precipitation events resulting in only minor road damage that was repaired promptly by the mine contractor and had minimal impact on overall mine haulage rates.

Selected Financial Data:

The following selected financial data is summarized from the Company's unaudited condensed interim consolidated financial statements and related notes thereto (the "Interim Financial Statements') for the three months ended June 30th, 2022, and the Management's Discussion and Analysis ("MD&A") for the three months ended June 30th, 2022 (all numbers in Canadian dollars unless otherwise stated).

A copy of the Financial Statements and MD&A is available on SEDAR

In accordance with the adoption of the Amendment to International Accounting Standard ("IAS") 16 Property, Plant & Equipment, Proceeds Before Intended Use, the Company is providing revenues and costs of goods sold for the period ending June 30th 2022. A more thorough explanation of this new accounting rule is outlined in the financial statements (note that these costs pursuant to the IFRS accounting rule for their treatment do not factor in depletion or depreciation)

- Revenues totalled $7,269,242 (3128.58 oz of gold) with cost of goods sold amounting to $3,258,791. Revenues through the first 6 months of 2022 totaled $12,429,268 (5,286.27 oz of gold) with costs of goods sold amounting to $5,514,096.
- Direct costs of production in Q2 were similar to those recorded in Q1 experiencing an approximate $16/oz (~1.5%) increase.
- Income from operations of $2,578,102 compared with a loss of $772,667 in the corresponding quarter of 2021
- Net income of $2,730,220 for the quarter amounted to $0.006/share compared to Net income of $1,317,932 in the corresponding quarter of 2021.
- Cash and Cash Equivalents (including marketable

securities) totalled $9,031,977 compared to $8,177,510 at March 31st 2022 and S9,379,190 at Dec 31st 2021.

- Subsequent to quarter end the Company arranged a US$3 million working capital facility and announced and closed a $4.38 million equity raise of common shares at $0.55/share. The combination of both enhancing the Company's working capital position as development work extends to the advancement of the Cerro de Oro gold project.

For brevity, this summary has been redacted, 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,*** *bought in the market at the prevailing price on the days of purchase.*

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Minera Alamos – Santana Mine Operations Update

Minera Alamos Inc. (TSX.V: MAI)

Provided a 2021 year-end summary of the ramp-up of mining

activities at the Santana gold mine in Sonora, Mexico.

Through the end of 2021 approximately 9,100 ounces of gold were mined and stacked on the leach pad during the first phase of the project mining activities.

Minera Alamos	**TSX.v : MAI**
Stage	**Development**
Metals	**Gold**
Market cap	**C$227 m @ 52c**
Location	**Sonora, Zacatecas, Durango – Mexico**



Minera Alamos – Santana Mine

Operations Update and Optimization Progress

2021 Year-End Targets Exceeded and Explosives Storage Permit Received

Toronto, Ontario and Vancouver, British Columbia– (Marketwired – February 10th 2022) **Minera Alamos Inc. (TSX.V: MAI) (the "Company" or "Minera Alamos")**is pleased to provide a 2021 year-end summary of the ramp-up of mining activities at the Santana gold mine in Sonora, Mexico.

Through the end of 2021 approximately 9,100 ounces of gold were mined and stacked on the leach pad during the first phase of the project mining activities.

The total exceeded the Company's initial mine opening projections and provides a sufficient amount of mining, crushing and leaching data to allow for final optimization of the operation through the last stages of ramp-up.

Operational highlights through the end of 2021

- Gold inventory moved to the leach pad – 9,100 oz;
- Mine production rates approaching the 100,000 tonnes of mineralized material per month initial target for the project ramp-up;
- Cumulative gold recovery from mineralization under leach for more than 30 days exceeds 70% with additional recovery ongoing;
- Total area of stacked mineralization under finished/active leaching remains in excess of 50% and continues to expand;

- Low reagent consumptions in line with previous test pad results (~0.2 kg/t NaCN and <2 kg/t lime)

Minera Alamos management comments

“The results from the first phase of early operations at the Santana project continue to impress. Gold extraction kinetics demonstrated to date underscore both the rapid leaching and strong recoveries achievable at Santana.

“The ramp-up period has allowed us to gain valuable production insights which can then be utilized to further optimize the operation before it enters commercial production.

“This careful and methodical approach has been particularly helpful to guide modifications in our planning in order to address typical situations that arise during a normal project start-up prior to them evolving to a point where they may impact future performance.

“In addition, it allows our experienced technical team us to identify opportunities for consideration that could accelerate the longer-term value creation at the site. We are pleased to have recently received the explosives storage permit that will provide us the flexibility to implement more efficient blast scheduling moving forward.”

Darren Koningen, CEO, Minera Alamos

To view the complete news release, please click here

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