Alphamin Provides Quarterly Update/Announces Results of Updated Technical Report

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GRAND BAIE, Feb. 03, 2020 - Alphamin Resources Corp. (AFM:TSXV, “Alphamin”, or the “Company”) is pleased to provide the following operational update for the quarter ended December 2019:

- Bridge repair completed and officially opened on 25 January 2020
- Q4 2019 Tin production of 2,235 tons – at the upper end of our guidance range
- AISC per ton of tin produced at US$12,426, in line with previous guidance and including incremental logistical costs while the bridge was under repair, arsenic penalties and underground fleet additions
- Step change in processing recoveries to 70% following plant modifications
- Excellent safety performance with zero lost time injuries during the quarter
- Updated 43-101 document completed following change in mining method

This news release does not include Alphamin’s audited consolidated financial results for the year and three months ended December 31, 2019 which is expected to be released by the end of March 2020. Certain financial information for the quarter ended December 2019 is reported in this news release using non-IFRS measures and is unaudited. See Non-IFRS Financial Performance Measures below.

Operational Summary for the Quarter ended December 2019

The following table sets forth selective operational information for the quarter ended December 31, 2019:

Description	Units	Oct-19	Nov-19	Dec-19	Quarter ended December 2019	Quarter ended Septe
Tons processed	Tons	23,265	23,710	24,584	71,559	74,427
Tin grade	% Sn	5.3%	5.0%	4.4%	4.9%	5.60%
Overall Plant recovery	%	53%	70%	69%	64%	56%
Payable Tin produced	Tons	659	827	750	2,235	2,345
Payable Tin sold	Tons	599	496	13	1,109	1,373
AISC per ton payable Tin produced	US$				12,426	11,168

The Bisie tin mine has continued with its excellent safety record with zero lost-time injuries recorded during the past quarter.

Contained tin production of 2,235 tons was in line with our market guidance and followed a step change in processing recoveries to ~70% (ultimate target: 72%) during November and December 2019. Tin grades are variable depending on where mining is taking place and tapered off to 4.9% during Q4 2019, in line with expectations.

Our Q4 2019 AISC per ton of payable tin produced was US$12,426, negatively affected by US$447/t of incremental logistical costs incurred while the bridge was under repair and smelter penalties for high levels of arsenic in concentrate of US$625/t. AISC includes capital expenditure of US$515/t related to underground LHD (load, haul, dump machine) fleet additions.

Arsenic levels in ore mined have reduced significantly during January 2020 resulting in low levels of arsenic in concentrates produced post quarter-end. Irrespective, laboratory test work and mineralogical investigations have revealed that a relatively simple addition to the reagent suite is expected to deal with high levels of deleterious arsenic in the final concentrate. Delivery of the new reagent suite has been delayed due to logistical constraints and now targeted for February 2020.

The repair work on the previously reported collapsed bridge on the main national road has been completed by the national road agency and the bridge was officially opened on 25 January 2020.

Company Guidance for the next Quarter and remainder of the Financial Year:

We expect contained tin production of between 9,000 and 10,000[1] tons for the year ending December 2020 with run-of-mine tin grades averaging 4% and overall plant recoveries at 72%. Contained tin sales should be approximately 2,000 tons higher than production as we re-instate outbound logistics following the bridge collapse in Q4 2019.

We expect AISC per ton of contained tin produced of between US$10,000 and US$12,000[1 2] for the year ending December 2020.

For the quarter ending March 2020, we expect contained tin production of between 2,000 and 2,200 tons. Mining, and consequently tin production, is currently constrained following a delay in delivery of a new LHD loader which only crossed the repaired bridge on 25 January 2020. The LHD has remote controlled functionality which is required to load ore blasted using our new mining method and should be commissioned for operations by mid February 2020.

Tin Market:

LME Tin prices are currently trading in a range between US$16,000/t and US$18,000/t. The decrease in prices from the 3-year historic average of US$20,000/t followed a reduction in tin demand associated with challenges faced by the global electronics industry on the back of the US/China and Japan/South Korea trade wars. The recent coronavirus outbreak in China has had a negative impact on base metal prices including tin. The Company continues to focus on achieving full production at the lowest possible AISC, which should provide us with a robust operating margin based on current tin prices.

Life-of-mine optimisation plans:

The Company is pleased to announce positive results from the updated Life of Mine (“LOM”) plan for its Mpama North Mine, including an updated Mineral Reserve Estimate incorporating the transition from Sub Level caving (“SLC”) to a Long Hole Stoping (“LHS”) mining method. The decision to transition from SLC to the LHS mining method was made to reduce safety and technical risks associated with SLC in the underground environment encountered at Mpama North. The Company appointed Sound Mining Solutions (“SMS”) to compile an Updated NI 43-101 technical report, which is expected to be publicly filed shortly.

Highlights from the updated NI43-101 Technical Report:

- Twelve year LOM maintained (2020-2032), based on current Proven and Probable Mineral Reserves;
- Proven and Probable Mineral Reserves of 3.33Mt at a grade of 4.01% containing 133.4kt of tin;
- The Mpama North Mineral Resource remains open down dip, as well as along strike below Level 9. Development drilling in these areas is expected to commence Q1 2021 and has the potential to increase the resource base whilst infill drilling has the potential to convert a further portion of the existing Inferred Mineral Resources to the Indicated Mineral Resource category. The combined effect of the planned drilling could result in an extension of the LOM;
- Average forecast annual contained tin production of approximately 11,080 tons over the first 9 years LOM (2020 to 2028); and
- Average operating cash costs of US$9,451 per ton and all in sustaining cash costs (“AISC”) of US$9,817 per ton (2020 to 2028)

As part of the Company’s three-year objective to produce over 12,000 tons of contained tin per annum, a resource drilling and conceptual small-scale development plan is being finalised for the Company’s Mpama South prospect, located approximately 1.5km south of the Mpama North mining complex. The resource drilling and study campaign is budgeted at US$2.7 million for the 2020 financial year. The potential accelerated development of Mpama South would allow the Company to fully utilise excess capacity in the process plant should the campaign confirm an economically viable project. Viability of the Mpama South project will depend on the size and tin grade of the deposit, which will only be known upon completion of the resource drilling, assaying and modeling.

In pursuit of further optimising overall tin processing recoveries to above the targeted level of 72%, the Company has initiated a program for the procurement and installation of a fine tin recovery solution during the 2020 financial year.

Qualified Person

Mr. Vaughn Duke Pr.Eng. PMP, MBA, B.Sc. Mining Engineering (Hons.), is a qualified person (QP) under NI 43-101 and has reviewed and approved the scientific and technical information contained in this news release. He is a Principal Consultant, Partner and Director of Sound Mining, an independent technical consultant to the Company.

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USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This news release refers to the following non-IFRS financial performance measure: All-In Sustaining Cost (“AISC”).

This measure is not recognized under IFRS as it does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to a similar measure presented by other issuers. We use this measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of this measure enables us to assess performance trends and to evaluate the results of the underlying business of the Company. We understand that certain investors, and others who follow the Company’s performance, also assess performance in this way.

We believe that this measure reflects our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash Costs

This measures the cash costs to produce a ton of payable tin. This measure includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp), and smelting, refining and freight, distribution and royalties. Cash Costs do not include depreciation, depletion, and amortization, reclamation expenses, capital sustaining and exploration expenses.

AISC

This measures the cash costs to produce a ton of payable tin plus the capital sustaining costs to maintain the mine, processing plant and infrastructure. This measure includes the Cash Cost per ton and capital sustaining costs divided by tons of payable tin produced. All-In Sustaining Cost per ton does not include depreciation, depletion, and amortization, reclamation and exploration expenses.

See “Cautionary Notes Regarding Forward-Looking Statements” below as well as “Use of Non-IFRS Financial Performance Measures” in our Management’s Discussion and Analysis for the three months ended September 30, 2019.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information in this news release that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include, without limitation, statements relating to costs of production, production volumes and anticipated tin grades and processing recoveries. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although Alphamin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: uncertainties associated with Alphamin’s resource and reserve estimates, uncertainties regarding estimates of the expected mined tin grades and tin produced, general mining risks, processing plant performance and recoveries, events causing actual operating expenditure to be different to that forecasted, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties with respect to social, community and environmental impacts, adverse political events, uncertainties with respect to optimization opportunities for the mine, uncertainties with respect to the impact of the announced bridge collapse on liquidity as well as those risk factors set out in the Company’s Management Discussion and Analysis and other disclosure documents available under the Company’s profile at www.sedar.com. Forward-looking statements contained herein are made as of the date of this news release and Alphamin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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[1] *Production and cost guidance is based on certain estimates and assumptions, including but not limited to: Mineral Resources and Mineral Reserves, geological formations, grade and continuity of deposits and metallurgical characteristics and operating costs*
[2] *Cash costs are based on various assumptions and estimates, including, but not limited to: production volumes, as noted above, commodity prices (2020 - Sn: $17,000) and operating costs. All figures in are in US$ unless otherwise noted.*