

Minera Alamos Announces US\$25 million Construction Financing Package Termsheet Executed for Cerro de Oro Gold Project; Q1 Financial Results

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Toronto, May 31, 2023 - [Minera Alamos Inc.](#) (TSXV: MAI) (the "Company" or "Minera Alamos") is pleased to announce the conclusion of discussions with lenders regarding a funding package tailored for the limited capital requirements associated with the planned construction of the Cerro de Oro gold mine that is currently anticipated to begin next year. The Company has signed a termsheet for a US\$15 million Loan Facility and US\$10 million Royalty that is expected to close on or around July 14th upon signing of definitive documentation as well as board and regulatory approvals.

"We are delighted to have entered into this agreement, which provides a fully funded and single source solution to meet the capital expenditure requirements for the Company's planned new gold mine upon the successful receipt of permits. The low capital cost of the Cerro de Oro project has allowed us to consider less covenant heavy terms that provide for increased flexibility in the lead up and during construction of our second mine." Stated Doug Ramshaw, President, Minera Alamos. "In addition, the termsheet provides the ability to draw down a modest portion of the total package ahead of permit receipt that will support the pre-construction activities planned for Cerro de Oro in 2023. This allows our existing treasury to continue to support operational activities elsewhere including the drill campaign currently underway and other corporate initiatives".

Key aspects of the financing package are detailed below:

Loan Package (US\$15 million)

- Loan Term - 3 years
- Loan upfront fee - 2% on closing
- Loan security - comprising share pledges over the Cerro de Oro and La Fortuna operating subsidiaries
- Interest charged at 1.25% per month on any drawn amount of the loan
- Interim Funding - US\$5 million under the loan facility will be available to draw down immediately following closing to fund pre-permit activities related to the Cerro de Oro mine. The remaining US\$10 million will be available upon receipt of construction permits.

Royalty Package (US\$10 million)

- 2.75% NSR on all metal production from the Cerro de Oro mine
- Royalty Buyback - for a period of 30 months post royalty closing, Minera can buy back 2% of the 2.75% NSR by delivering a minimum of 3200 oz of gold related to the NSR and a payment of US\$6.3 million. In the event Minera exercises the royalty buyback at an earlier date than the expiry date (30 months from closing), a credit of 100oz of gold per full month will be given against the minimum threshold.
- The royalty holder will retain the option to sell the remaining 0.75% to Minera for US\$3.7 million.
- Minera and all its operating Subsidiaries will enter into a purchase and sale agreement for a minimum of 100% of its gold production to be sold at market rates for a period of no less than 36 months from closing.

Closing remains conditional upon the completion of satisfactory technical due diligence, completion of satisfactory documentation including but not limited to the entering into of the security documents, appropriate legal opinions and any other required conditions that are standard for a facility of this type. Closing is anticipated to take place around July 14th, 2023 at which time the Interim Funding may be drawn with the remaining Loan facility and Royalty Facility available to the Company upon receipt of permits.

Operations Update

The Company continued to focus on development activities at Santana in Q1 in advance of the transition to mining at the Nicho Main zone. Some early material from the Nicho Main zone has been stacked on the pad and further material from the new and much larger deposit is expected to compliment ounces from the Nicho Norte starter pit through the rest of the year. This initial material mined from the Main zone pit has been successfully utilized for a new battery of crushing system tests and blasting optimization studies, a path that was very productive in the early days of development of the starter pit.

The Company will continue to utilize existing pad capacity for increased mining, stacking and leaching activities while waiting for permit amendment approvals that will allow a substantial new area of pad availability for what is anticipated to be a stronger second half of gold production. As the Company prepares to expand its mining activities with its mining contractor, a significant reduction in accounts payable was undertaken in Q1 reducing accounts payable to the lowest level since operations began.

Exploration drilling continues at Santana with a first round of holes drilled into the previously identified Benjamin Hill target now logged with assays pending. The Company's drill has been relocated to the Zata target that despite good surface gold grades from several rounds of sampling has never been drilled. The Company is currently on its second drill hole at Zata and more details and results will be available in future corporate updates.

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 March 31st, 2023, and the Management's Discussion and Analysis ("MD&A") for the three months ended March 31st, 2023 (all numbers in Canadian dollars unless otherwise stated). A copy of the Financial Statements and MD&A is available on SEDAR at www.sedar.com.

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 March 31st, 2023. A more thorough explanation of this new accounting rule is outlined in the financial statements (note that the comparable prior year costs of good sold, pursuant to the IFRS accounting rule for their treatment do not factor in depletion).

- First quarter financials were reflective of the decision to prioritize waste and development activities (see news releases dated January 31st, 2023 and May 2nd, 2023). Revenues totalled \$6,784,379 with cost of goods sold amounting to \$3,954,831 compared to revenues of \$5,160,026 with costs of goods sold of \$2,255,305 in the corresponding Q1 2022 (Note: Reflected in the revenues is an accounting of \$5,514,069 of deferred revenue from the quarter ending Dec 31st 2022. A total of \$2,460,659 of quarterly revenue from Q1 2023 is treated as deferred revenue and will be accounted for in Q2 2023 financials).
- Net income of \$1,485,884 for the quarter amounted to \$0.003/share compared to Net income of \$1,067,853 or \$0.002/share in the corresponding quarter of 2022.
- Cash and Cash Equivalents totalled \$10,200,029 compared to \$6,106,610 as of March 31st 2022 (\$13,153,828 at Dec 31st 2022).
- Accounts Payable were reduced year on year by \$2,315,849 to \$1,623,036 as of March 31st 2023 (\$3,699,024 as of Dec 31st 2022).
- Working capital totalled \$19,890,807 compared to \$15,456,020 as of March 31st 2022 (\$18,284,236 at Dec 31st 2022).

Mr. Darren Koningen, P. Eng., Minera Alamos' CEO, is the Qualified Person responsible for the technical content of this press release under National Instrument 43-101.

For Further Information Please Contact:

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About Minera Alamos Inc.

Minera Alamos is a gold production and development Company undergoing the operational startup of its first gold mine that produced its first gold in October 2021. The Company has a portfolio of high-quality Mexican assets, including the 100%-owned Santana open-pit, heap-leach mine in Sonora that is currently going through its operational ramp up. The 100%-owned Cerro de Oro oxide gold project in northern Zacatecas has considerable past drilling and metallurgical work completed with plans to enter the permitting process. The La Fortuna open pit gold project in Durango (100%-owned) has a robust and positive preliminary economic assessment (PEA) completed and the main Federal permits in place. Minera Alamos is built around its operating team that together brought 3 mines into successful production in Mexico over the last 13 years.

The Company's strategy is to develop very low capex assets while expanding the projects' resources and continuing to pursue complementary strategic acquisitions.

Caution Regarding Forward-Looking Statements

This news release may contain forward-looking information and Minera Alamos cautions readers that forward-looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Minera Alamos included in this news release. This news release includes certain "forward-looking statements", which often, but not always, can be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". These statements are based on information currently available to Minera Alamos and Minera Alamos provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to Minera Alamos' future plans with respect to the Projects, objectives or goals, to the effect that Minera Alamos or management expects a stated condition or result to occur and the expected timing for release of a resource and reserve estimate on the projects. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, the economics of processing methods, project development, reclamation and capital costs of Minera Alamos' mineral properties, the ability to complete a preliminary economic assessment which supports the technical and economic viability of mineral production could differ materially from those currently anticipated in such statements for many reasons. Minera Alamos' financial condition and prospects could differ materially from those currently anticipated in such statements for many reasons such as: an inability to finance and/or complete an updated resource and reserve estimate and a preliminary economic assessment which supports the technical and economic viability of mineral production; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Minera Alamos' activities; and other matters discussed in this news release and in filings made with securities regulators. This list is not exhaustive of the factors that may affect any of Minera Alamos' forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Minera Alamos' forward-looking statements. Minera Alamos does not undertake to update any forward-looking statement that may be made from time to time by Minera Alamos or on its behalf, except in accordance with applicable securities laws.

The Company does not have a feasibility study of mineral reserves, demonstrating economic and technical viability for the Santana project, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations.

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