



Operations Update and Q2 Financials

Toronto, Ontario - (Newsfile – August 30th, 2023)

Minera Alamos Inc. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI) is pleased to provide an operations update and select financial highlights from the second quarter of 2023 as well as some guidance regarding improved operations activity so far during Q3. For a full overview please refer to the Q2 Financial Statements and MD&A filed on Sedarplus.ca on August 29th, 2023.

“As outlined earlier in 2023, the first half of the year at the Santana project saw a focus on development and infrastructure activities scheduled in advance of a planned improvement in mining operations in the second half of 2023. Since June mining and stacking operations have been increasing steadily as our mine contractor scaled up equipment and staffing levels at site.” stated Darren Koningen, CEO. “A prudent overall approach to mining operations has been implemented in recent quarters as the Company worked its way through the end of a difficult 3-year regional drought that significantly inhibited our ability to be more aggressive with production rates. We are pleased to report that more typical weather patterns appear to have re-emerged in 2023.

The Company is currently preparing for new pad construction late in the year following the end of the current rainy season which is expected to coincide with the receipt of permit amendments allowing us to facilitate a significant expansion of both mining and gold stacking operations and lead to a much more stable production outlook next year and onwards.”



*Estimate for September

Q2 Operational Highlights

- At the Santana gold mine, the Company's mining contractor scaled up their equipment and workforce during April and May following the shift from development activities earlier in the year towards more normal production levels activities in the second half of the year. Consequently, some of the material identified in current short term mine plans was shifted into the early months of Q3 (*see Q3 Operational Highlights below*).
- Strip ratios (waste:mineralized material) in the first half of 2023, were maintained at under 2:1 during mining operations (excluding additional development work). Approximately 25% of mined material was crushed (average grade of 1.06 g/t Au) versus 75% sent being sent directly to the leach pad as run-of-mine (average grade of 0.43 g/t). Overall, the average grade of mineralized material to the leach pad averaged 0.59 g/t gold through the first 6 months of the year.
- A total of 1071 ounces of gold were sold from the Santana Project.
- Gold inventory on the leach pad was 5,446 ounces as at June 30, 2023.
- Precipitation levels in 2023 have been returning towards more typical patterns which have allowed the Company to commence a return to more normal mining and production plans.
- The Company continued constructive communications with SEMARNAT regarding the planned permit amendments which will triple overall pad capacity at Santana and provide the necessary capacity for full Nicho Main Zone development. Requested follow-up information has been submitted by the Company as part of the ongoing dialogue.
- Drilling at the Zata and Benjamin exploration targets continued in Q2. Results are expected in the coming weeks following the maiden resource estimate for Santana.
- At the Cerro de Oro gold project, permit applications were completed and handed off to the Company's permitting consultants to guide the proposed Cerro de Oro gold mine through the permitting process. The applications cover the planned operational life laid out in the PEA as well as a second leach pad area that would allow for significant expansion of operations beyond the base case represented by the initial economic study.
- The Company announced it had reached terms on a US\$25 million loan and royalty funding package which would cover the anticipated construction costs of the planned Cerro de Oro gold mine in Zacatecas, Mexico. The funding package is due to close shortly.

Q3 Operational Summary and Outlook

- At the Santana gold mine, mining rates are planned to continue to rise through the quarter to approximately 100,000 t in September comparing favourably to the very limited mining that took place during the first half of the year while development and infrastructure work was being completed (*see earlier chart*).

- A resumption to positive/increasing inventories of recoverable gold ounces.
- The release of a maiden resource estimate for the Santana project is expected in Q3 covering the primary mineralized zones surrounding the current Nicho operations as part of the broader Santana project.
- The Company continues to utilize existing leach pad space while waiting for the pending permit amendments that would allow the construction of a large pad expansion effectively tripling initial pad capacity at Santana. Plans are being finalized to initiate construction activities in Q4 allowing for a return to much improved and consistent 2024 production guidance closer to levels reached in the second half of 2022. Any construction activities would be planned to follow the end of the current rainy season.
- The Cerro de Oro funding package announced in Q2 is expected to close in Q3 following a successful conclusion to technical due diligence and final drafting of definitive documentation.

Selected Financial Data

The following selected financial data is summarized from the Company's Financial Statements and related notes thereto (the "Financial Statements") for the quarter ended June 30th, 2023, and the Management's Discussion and Analysis ("MD&A") for the quarter ended June 30th, 2023 (all numbers in Canadian dollars unless otherwise stated). A copy of the Financial Statements and MD&A is available on SEDARplus at www.sedarplus.ca.

- Revenues (not factoring deferred revenue) totalled \$3,079,956 with cost of goods sold and depletion amounting to \$3,491,778 for gross loss from mining operations of \$411,822. This loss largely reflects lower sales from the reduced production in the first half of the year.
- Net Income of \$1,127,957 for the quarter of \$0.003/share compared to net income of \$2,730,220 in the corresponding period of 2022. A Comprehensive loss of \$2,121,923 was recorded for the quarter primarily as a result of foreign currency translation due to the strengthening of the Mexican Peso (the Company's functional currency of its subsidiaries).
- Working capital as of June 30^t, 2023 stood at \$20,617,557 up from \$18,284,236 as of December 31, 2022.
- Cash and Cash Equivalents of \$8,273,541 compared to \$13,153,828 as at December 31, 2022. The decrease in cash holdings can be attributed to a reduction in normal operating payables (~\$1.3 million) ahead of scaling up mining in the second half of the year, in addition to property holding costs scheduled mid-year (~\$1 million) and an expansion of the Company's exploration and evaluation spending (~\$900,000).
- Subsequent to quarter end, the Company received 33,172,366 pesos (\$2,566,214) in the form of an IVA (sales tax) refund from the Government of Mexico associated with the Santana project.

The Company currently has a total of 79,241,250 pesos \$6,130,103 of additional IVA receivables in current and long-term assets and anticipates additional significant refunds prior to year end.

Cautionary Statement

The Company made its production decision at the Santana gold mine without having completed a feasibility study demonstrating economic and technical viability. As such, there may be increased uncertainty of achieving planned production levels, estimated recovery of gold, the costs associated with 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.

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.

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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 and is currently being guided through the permitting process by the Company's permitting consultants. 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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