



Santana Gold Project Q2 Operations and Financial Update

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. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI) 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.

“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.” stated Darren Koningen, CEO. “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 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 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 \$9,379,190 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.

Upcoming Conference Attendance

The Company will be presenting operational advancements of the Santana gold mine as well as development plans and updates at Cerro de Oro at both the Beaver Creek and Denver Gold Shows to be held in Colorado, U.S., from September 13-21st and welcome the opportunity to speak with the investment community for the plans both this year and next.

Cautionary Statement

The Company made its production decision and has started the development and production of 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. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations.

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 that has considerable past drilling and metallurgical work completed and could enter the permitting process rapidly. The La Fortuna open pit gold project in Durango (100%-owned) has an

extremely robust and positive preliminary economic assessment (PEA) completed and the main Federal permits in hand. 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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