ANNUAL INFORMATION FORM

for the financial year ended December 31, 2023

Dated November 28, 2024

MINERA ALAMOS INC.

Suite 402 – 55 York Street Toronto, Ontario, M5J 1R7

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PRELIMINARY NOTES

Date of Information

All information in this AIF of Minera Alamos Inc. ("**Minera Alamos**" or the "**Company**") is as of November 28, 2024, unless otherwise indicated.

Definitions

The glossary attached as Schedule "A" to this AIF sets out certain defined terms, and mining terms and abbreviations that are used in this AIF.

Currency and Exchange Rate Information

Except where otherwise indicated, references to "$" and "dollars" in this AIF mean Canadian dollars, and references to "US$" and "USD" mean United States dollars.

The following table sets forth the high and low daily exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the daily exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the daily exchange rates provided by the Bank of Canada:

Exchange rate for one U.S. dollar	2021 ($)	2022 ($)	2023 ($)
High	1.2942	1.3856	1.3875
Low	1.2040	1.2451	1.3128
Average	1.2535	1.3011	1.3497

On November 27, 2024, the business day immediately prior to the date of this AIF, the average daily exchange rate as reported by the Bank of Canada was US$1.00 = $1.4036 or $1.00 = US$0.712453691.

Financial Statements and Management's Discussion and Analysis

This AIF should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 (the "**Financial Statements**"), as well as the accompanying management's discussion and analysis (the "**MD&A**") for such period. The Financial Statements and MD&A are available on SEDAR+ at www.sedarplus.ca under the Company's profile.

Documents Incorporated by Reference

The Santana Technical Report, Cerro de Oro Technical Report, and La Fortuna Technical Report are incorporated by reference into this AIF and may be obtained online at the SEDAR+ website at www.sedarplus.ca. The summaries of the Technical Reports contained in this AIF do not purport to be complete summaries of the Technical Reports, are subject to all the assumptions, qualifications and procedures set out in the Technical Reports, and are qualified in their entirety with reference to the full text of the Technical Reports.

Certain Other Information

Certain information in this AIF is obtained from third party sources, industry publications, and publicly available information as well as industry data prepared by management on the basis of its knowledge of the mining industry (including management's estimates and assumptions relating to the industry based on that knowledge). Management believes that its market and industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and the completeness of the market and industry data used throughout this AIF is not guaranteed and the Company does not make any representation as to the accuracy of such information. Although management believes it to be reliable, Minera Alamos has not independently verified any of the data from third party sources referred to in this AIF or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources.

CAUTIONARY STATEMENT

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "estimate", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or states that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. This AIF contains forward-looking information such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking information herein includes, but is not limited to: statements or information concerning the future financial or operating performance of the Company and its business, operations, properties and condition, resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the amenability of mineralization to produce a saleable concentrate of sufficiently high enough grade and quality to be economic; changes in project parameters as plans continue to be refined; illustrative mine lives of the Company's mineral project interests, the proposed timing and amount of estimated future production, and the illustrative costs thereof; the Company's access to the surface lands overlying its concessions; the Company's ability to comply with permitting and regulatory requirements related to exploration, development and operation of its mineral project interests; the Company's ability to obtain all necessary permits and licenses from governmental and non-governmental authorities; the Company's ability to manage and/or mitigate any environmental and/or social risks associated with the development of its project interests to the mining stage, as well as through mine construction and operation; the Company's ability to continue as a going concern; the Company's going-forward strategy; the adequacy of the Company's working capital; the mining assets acquired by the Company being and remaining attractive investment opportunities; the Company's intention to retain all future earnings and other cash resources for the future development and operation of its business; and the Company's intention not to declare or pay any cash dividends in the foreseeable future.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Such factors and assumptions may include, but are not limited to: the future prices of precious metals, the price of other commodities such as coal, fuel and electricity, currency exchange rates and interest rates; favourable operating conditions, political stability, timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; the accuracy of mineral resource estimates and preliminary economic assessments; estimates of costs and expenditures to complete the Company's programs and goals; and the speculative nature of mineral exploration and development in general, including the risk of diminishing quantities or grades of mineralization and with respect to the Santana Project, the Cerro de Oro Project and the La Fortuna Project.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, and without limitation: the Company has no history of earnings or profitability; the Company does not have a source of operating cash flow and there can be no assurance that the Company will ever generate earnings or achieve profitability; there is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company; the Company's mineral properties are in early exploration stages and are without a known body of commercially exploitable resources; exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines; substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources; the Company currently has three material projects (Santana, La Fortuna and Cerro de Oro), and, in the absence of additional mineral projects, it is solely dependent upon its exploration and development for future revenue and profits; estimates of mineralization are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable; the Company's assets and activities are subject to extensive federal, provincial, territorial and local laws and regulations governing various matters; failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure

could result in loss, reduction, cancellation or expropriation of entitlements; the Company will actively compete for resource acquisitions, exploration leases, licenses, concessions, and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company; in the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success; although the Company has or will receive title opinions for any material properties in which it has an interest, there is no guarantee that title to such properties will not be challenged or impugned; members of the Board may become directors of other reporting companies or have significant shareholdings in other resource companies and may have a conflict of interest; the Company may not be able to obtain or renew permits that are necessary to its operations; environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties; any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital; the securities markets in Canada and the TSX-V in particular, have experienced a high level of price and volume volatility; it is unlikely the Company's shareholders will receive a dividend on Common Shares; any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the lack of availability on acceptable terms or the delay in the availability required infrastructure could prevent or delay the exploration or development of the Company's mineral properties; the price of the Common Shares, the Company's financial results, exploration and development activities may in the future be adversely affected by declines in the prices of certain minerals; the Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit; the Company's information technology systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft; the Company's business, operations, and financial condition, and the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises; and the other factors described herein under "*Risk Factors*", as well as in our public filings available at www.sedarplus.ca. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations, except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Cautionary Note to United States Investors Concerning Estimates of Reserves and Measured, Indicated and Inferred Resources

Disclosure regarding mineral resource estimates included in this AIF was prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "mineral resource", "measured mineral resource", "indicated mineral resource", and "inferred mineral resource" are Canadian mining terms as defined by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**"), as the CIM Definition Standards on Mineral Resources and Mineral Reserves (the "**CIM Definition Standards**"), adopted by the CIM Council, as amended.

In 2019, the U.S. Securities and Exchange Commission (the "**SEC**") adopted amendments to its disclosure rules (the "**SEC Modernization Rules**") to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended, which are codified in Regulation S-K subpart 1300. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in SEC Industry Guide 7 have been replaced. As a non-reporting issuer under United States securities laws, the Company is not required to provide disclosure on its mineral

properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards.

The SEC Modernization Rules include the adoption of terms describing Mineral Resources that are substantially similar to the corresponding terms under the CIM Definition Standards. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”.

Readers resident in the United States are cautioned that while terms are substantially similar to CIM Definition Standards, there are differences in the definitions and standards under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral resources that the Company may report as “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 will be the same as the resource estimates prepared under the standards adopted under the SEC Modernization Rules.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company is a corporation existing under the *Business Corporations Act* (Ontario). It was formed by virtue of an amalgamation of Virgin Metals Inc., Labiron Concentrator Inc., Labiron Holdings Inc. and Virgin Metals (Canada) Limited on June 21, 2006. The Company’s articles were amended on September 15, 2010, to consolidate the outstanding Common Shares on a 5 to 1 basis, and on May 15, 2014, to change its name to “Minera Alamos Inc.”

The Company’s head and registered office is located at Suite 402, 55 York Street, Toronto, Ontario, M5J 1R7.

The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Common Shares are listed on the TSX-V under the trading symbol “MAI”.

Intercorporate Relationships

As at December 31, 2023, the Company had five wholly owned subsidiaries organized under the laws of Mexico: Minera Alamos de Sonora S.A. de C.V.; Molibdeno Los Verdes S.A. de C.V.; Cobre 4H S.A. de C.V.; Minera Mirlos, S. de R.L. de C.V., and Corex Global S. de R.L. de S.V.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Minera Alamos is a junior gold mining and exploration company focused on acquiring, exploring and developing projects in the Americas. The Company has three material mineral properties: the Santana Project, the Cerro de Oro Project, and the La Fortuna Project (collectively the “**Projects**”). Each Project is located in northern Mexico, and 100% owned. The Company also owns the Los Verdes Project, an exploration-stage property that hosts copper-molybdenum deposits.

The Santana Project, located in the state of Sonora, Mexico, is a late development-stage open-pit gold mine with heap leach processing that is entering into commercial production thresholds. The Company acquired the Santana Project in 2018, brought it its first open pit, which mines the Nicho Main deposit, into operation in June 2021. Delivery of the first gold produced from the Santana Project was announced in November 2021, and commercial production was achieved in 2022. As of November, 2024, the Company is completing final preparations for the Phase 2 leach pad expansion at the Santana Project, which will increase the area available for site leaching operations by 40%. This leach pad expansion will allow for more efficient leaching activities as the increase of mining operations continues into 2025 with a better separation of the active leaching areas from newly mined material.

The Cerro de Oro Project, located in the state of Zacatecas, Mexico, is a development-stage open-pit gold project with heap leach processing. The Company entered into an option to acquire the Cerro de Oro Project in 2020, and completed scheduled option payments in August 2024, finalizing its 100% ownership interest. Considerable past

drilling and metallurgical work has been completed at the Cerro de Oro Project, and the Company has rights to all necessary land that would be required to facilitate development. The Company is advancing the Cerro de Oro Project through permitting, with a construction decision to be made following receipt of permits.

The La Fortuna Project, located in the state of Durango, Mexico, is a development-stage open pit gold-silver-copper project with gravity circuit & flotation plant processing. The La Fortuna Project has a positive preliminary economic assessment completed and the main federal permits for the project have been received, and it is awaiting a construction decision.

Three Year History of the Company

Financial Year ended December 31, 2021

On March 18, 2021, the Company approved the issuance of up to 7,250,000 options to management, directors, employees and consultants pursuant to its Option Plan. The options are exercisable at a price of $0.72 and expire in five years from the date of grant, subject to certain vesting provisions based on attaining specific production milestones.

On March 31, 2021, the Company selected TRIGUSA as mining contractor for the Santana Project. The Company announced that the major construction activities related to the gold recovery (carbon) plant were complete and preparations were underway for testing.

On May 20, 2021, the Company announced that it completed the first planned production blasts at the Nicho Norte pit at the Santana Project, that it was stockpiling mineralized material in advance of the initiation of screening and crushing activities, and that the first material would be used to test the leaching circuit and commission the carbon plant prior to continuous loading of the heap leach pad.

In June 21, 2021, the Company began start-up of mining operations at the Santana Project. All construction was completed with the full leach pad lined and available for stacking. First loading of mined material from the Nicho Norte pit commenced in preparation for the commissioning of leach operations.

In July 2021, Janet O'Donnell was appointed as the Company's CFO, succeeding Chris Chadder, who passed away.

In 2021, following successful Phase 1 and Phase 2 drilling programs, the Company completed a Phase 3 drilling program at the Santana Project primarily focused on final pit optimization work around the main Nicho deposit, which was successful in further expanding the deposit to the south and at depth.

In September 2021, the Company made its second of five scheduled option payments pursuant to its option to acquire the Cerro de Oro Project, consisting of US$300,000 in cash and the issue of 500,000 Common Shares at a deemed aggregate issue price of $285,000.

On November 4, 2021, the Company made an initial delivery of gold doré from its Santana Project, containing approximately 401 ounces of gold from the first shipment of carbon.

Towards the end of 2021, mine production rates approached initial design start-up levels on multiple days with efforts continuing to maintain these levels on a consistent basis during the remainder of the ramp up phase. As at December 31, 2021, material containing approximately 9,100 ounces of gold had been mined and stacked on the leach pad The total exceeded the Company's initial mine opening projections and provided a sufficient amount of mining, crushing and leaching data to allow for final optimization of the operation through the last stages of ramp-up. Mine production rates approached the initial target for the project ramp up of 100,000 tonnes of mineralized material per month. Gold recoveries from the mineralization under leach for greater than 30 days exceeded 70%, and total area of stacked mineralization under finished and active leaching remained in excess of 50% with continued expansion.

Financial Year ended December 31, 2022

In February 10, 2022, the Company received a formal permit for explosives storage at the Santana Project site.

During the second quarter of 2022, the Company concluded negotiations for the primary surface rights agreements for development of its Cerro De Oro Project in northern Zacatecas, Mexico.

The Company agreed to terms and executed an agreement for a US$3 million unsecured working capital facility with Ocean Partners USA Inc.

On July 18, 2022, the Company closed a non-brokered private placement offering of 7,950,000 Common Shares at a price of $0.55 per common share for aggregate gross proceeds to the Company of $4,372,500.

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 the second quarter of 2022 and continues now. Despite reduced access to water for gold leaching operations, the Company was able 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).

In August 2022, the Company made its third of five scheduled option payments pursuant to its option to acquire the Cerro de Oro Project, consisting of US$400,000 in cash and the issue of 500,000 Common Shares at a deemed aggregate issue price of $242,500.

On October 3, 2022, the Company announced that it had received positive results from an independent Preliminary Economic Assessment of the Cerro de Oro Project, recommending that the Company continue to advance the project toward a potential development decision. Such results are described in the Cerro de Oro Technical Report. See "*Mineral Property – Cerro de Oro*".

Financial Year ended December 31, 2023

The Company granted Options to its management team, board of directors and certain consultants in the first quarter of 2023. In total, 2,250,000 options were granted at an exercise price of $0.51 per Common Share and 6,900,000 options were granted at an exercise price of $0.45 per Common Share. All the options expire 5 years from the date of the grant and vest 50% on the first anniversary of their grant and 50% on the second anniversary of their grant date.

At the Cerro de Oro 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.

In August 2023, the Company made its fourth of five scheduled option payments pursuant to its option to acquire the Cerro de Oro Project, consisting of US$800,000 in cash and the issue of 500,000 Common Shares at a deemed aggregate issue price of $242,500.

In October 2023, the Company received results from an independent estimate of the mineral resources currently outlined at the Santana Project. Total Measured and Indicated resources were 9,610,000 t grading 0.65 g/t gold for a contained 198,000 oz. In addition, inferred resources were 5,510,000 t grading 0.58 g/t gold for an additional contained 103,000 oz. Such results are described in the Santana Oro Technical Report. See "*Mineral Property – Santana*".

In October 2023, the Company entered into the Cerro de Oro Financing Documents, a US$25 million funding package with Auramet and Auramet Capital to fund the anticipated construction of a gold mine at the Cerro de Oro Project. The Cerro de Oro Financing Documents consisted of the Auramet Facility, a US$15 million secured loan facility, and US$10 million for the grant of the Auramet Royalty, a 2.75% net smelter returns royalty on all minerals produced from the Cerro de Oro Project, of which the Company may buy back 2% for US$10 million. Upon execution of the Auramet Facility, the Company completed a drawdown of US$5 million to advance certain pre-construction work on the Company's Cerro de Oro Project. The Company may deliver a drawdown notice to Auramet for the remaining US$10 million under the Auramet Facility (the "**Remaining Amount**") upon the satisfactory completion of certain closing date conditions, including: (i) completion of the acquisition of the Cerro de Oro Project; and (ii) the receipt of certain permits required for the construction and operation of the Cerro de Oro Project. Outstanding principal amounts accrue interest at a rate of 15.0% per annum, calculated in arrears and payable monthly, and are due on October 27, 2026. The Auramet Facility provided that if the Company does

not satisfy the closing date conditions and draw down the Remaining Amount by the earlier of (i) October 27, 2024 and (ii) the date that is 31 days after the closing conditions are satisfied (the "**Completion Deadline**"), the outstanding principal amount of the Auramet Facility and all accrued interest will mature and be payable in equal installments over the subsequent 10-month period, and Auramet's obligation to advance any part of the Remaining Amount will be terminated. The Completion Deadline is subject to extension at the Company's option by a period of six months (or such longer period as the parties may agree) upon payment of US$400,000, payable in cash or, subject to TSX-V approval, in Common Shares. Closing and funding of the Auramet Royalty is conditional upon satisfaction of the same closing date conditions specified in the Auramet Facility, and is also conditional upon the actual drawdown of the Remaining Amount. To the extent that conditions are not satisfied, any obligations of the Company under the Auramet Royalty will also terminate. The Auramet Facility was amended in 2024. See "*Three Year History of the Company – Events Subsequent to Financial Year ended December 31, 2023*".

In November, 2023, the Company continued to have constructive communications with the Secretaria del Medio Ambiente y Recursos Naturales (SEMARNAT) regarding the delayed permit amendment application which will triple the overall leach pad capacity at the Santana Project and provide the necessary capacity for full Nicho Main Zone development. All requested follow-up technical information has been submitted by the Company as part of that dialogue and no additional requests were received in the quarter. Plans continue to advance with the Company's contractor to finalize required construction details related to the leach pad expansion outlined in the permit applications.

During the year ended December 31, 2023, the Company recovered from the Government of Mexico sales tax (IVA) from prior years of 74,795,000 Mexican pesos ($5,888,000).

Subsequent to Financial Year ended December 31, 2023

At the Santana Project where the new operations began in June 2024, mining rates continued to rise as the Nicho Main zone pit opened, allowing full mining fleet utilization. Waste production from the pit was slightly elevated although this is normal with the commencement of a new mining area. In August 2024, overall mine production was approaching levels last seen in late 2022. As of November, 2024, the Company is completing final preparations for the Phase 2 leach pad expansion at the Santana Project, which will increase the area available for site leaching operations by 40%. This leach pad expansion will allow for more efficient leaching activities as the increase of mining operations continues into 2025 with a better separation of the active leaching areas from newly mined material.

In August 2024, the Company made its fifth and final scheduled option payment pursuant to its option to acquire the Cerro de Oro Project, consisting of US$1,000,000 in cash and the issue of 500,000 Common Shares having a deemed issue price of $170,000. Upon completion of this payment, the Company became the 100% owner of the Cerro de Oro Project.

On October 26, 2024, the Company, Auramet, and Auramet Capital amended the Auramet Facility to extend the Completion Deadline to November 15, 2024, which was subsequently further extended to November 29, 2024. The Completion Deadline may be further extended at the Company's option by a period of six months (or such longer period as the parties may agree) upon the company making a payment in the amount of US$400,000, satisfied in cash or, subject to TSX-V approval, Common Shares at a price per Common Share equal to the five-day volume weighted average price as of November 25, 2024.

Effective October 28, 2024, the Company and Sabre Gold Mines Corp. ("**Sabre**") entered into the Sabre Acquisition Agreement providing for the acquisition by the Company of the issued and outstanding shares of Sabre pursuant to a plan of arrangement. See "*Material Contracts*".

The Cerro de Oro Project remains in the permitting process and the Company continues its constructive dialogue with the federal environmental permitting agency in Mexico (SERMANAT). In addition to some technical follow-up questions, the Company received a request in Q3 2024 to update portions of the flora and fauna sampling program conducted in 2022 and that activity is currently being completed at the site.

Significant Acquisitions

During the year ended December 31, 2023, the Company did not complete any significant acquisitions for which disclosure is required under Part 8 of NI 51-102.

RISK FACTORS

An investment in Common Shares should be considered highly speculative due to the nature of the Company's business, the stage of development of its Projects, and that it obtains all of its revenue from only one mining operation. Investments in mineral exploration and mining companies such as the Company involve a significant degree of risk despite the Company undertaking various economic studies, including pre-feasibility studies at some or all of its Projects. The exploration and development of the Projects that are not producing mines are highly speculative, characterized by significant inherent risk and may not be successful. Once in production, mining operations remain subject to significant risks associated with mine operations and may halt or cease operations at any time.

This section describes risk factors identified as being potentially significant to the Company and its material properties. In addition, other risks and uncertainties not known to management or that management currently considers to be immaterial may impair our business operations. If any of the following risks actually occur, it could have material and adverse effects on our business, financial condition, results of operations, cash flows, plans and prospects, the market price of the Common Shares could decline, and you could lose all or part of your investment.

Operational Risks

Construction and Start-up of New Mines

The success of the Company's Projects are subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits), and the successful completion and operation of operational elements that have to be factored in. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start-up of new mines as planned.

There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful; that the Company will be able to obtain sufficient funds to finance construction and start-up activities; that toll milling arrangements will be secured on satisfactory terms to the Company; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects; that the Company will be able to obtain all necessary governmental approvals and permits, and that the completion of the construction, the start-up costs and the ongoing operating costs as set out in the Technical Reports will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Exploration, Development and Operations

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration, development and mining operations at its Projects, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying claims and leases. Substantial expenditures are required to establish resources or reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

The Company's projects are at the exploration, development and operation stages. The Cerro de Oro, Los Verdes and La Fortuna projects have defined mineral resources that have been determined by a Preliminary Economic Assessment, to be potentially economic. Development of these projects would follow only if additional favourable results, regulatory approval and financing are obtained. Funding for the Cerro de Oro was finalized pursuant to the Auramet International Inc. and Auramet Capital Partners LP, funding package finalized October 30, 2023 and permitting is underway.

Volatility of Commodity Prices

Substantially all of the Company's revenues are derived from the production and sale of gold from the Santana Property. The development of the Company's other Projects and any other project the Company acquires is dependent on the future prices of minerals and metals. The viability of the Santana Project and the development of the other Projects depends heavily on the price of gold.

Precious metals prices are subject to volatile price movements that are beyond the Company's control, which can be material and occur over short periods of time. Factors affecting such volatility include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the United States dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of the Projects and any project the Company may acquire in the future, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of and/or production from one or more of the Projects to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence or sustain commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims, concessions or leases at the Projects or any future Company projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, pandemics, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable

terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

The Projects are located in remote areas of Mexico where mining has been carried out in the past and where it is currently being pursued. The Projects will be undertaken with the aim to achieve and maintain International Finance Corporation Performance Standards, as they relate to environmental responsibilities, as well as to follow all applicable standards in Mexico. The Company has undertaken baseline environmental studies to define the status of the environment at its most advanced property and to identify mitigation measures appropriate for its operations. The Company realizes that there is a risk that an environmental condition may exist that could delay or prevent a project from advancing or producing, but no such factor has arisen in the Company's investigations to date. The Company has an environmental policy that commits it to operating in an environmentally responsible manner, ensuring compliance by the Company and its employees with all applicable environmental regulations and commitments.

Permitting Risks

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operation. To the extent such approvals are required and not obtained, the Company will be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

In 2021, the Mexican government announced restrictions and increased environmental reviews of the mining sector, resulting in uncertainty with respect to the timing of regulatory approvals, overall permitting of future open-pit mines and a prohibition, not established in the Mining Law and Regulation, on the acquisition of new mining concessions. In May 2023, the Mexican Congress approved a decree that amended the Mexican mining regulation, which allows the Mexican State to strongly control new mining activity in Mexico, increasing obligations and restrictions, among others, in the acquisition of new mining concessions.

The effect of these factors cannot be accurately predicted. Economic instability could result from current global economic conditions and could contribute to currency volatility and potential increases in income tax rates, both of which could significantly impact the Company's profitability.

Foreign Operations Risk

The Projects are located in Mexico and the Company manages a number of risks related to operating in a foreign jurisdiction, including security of rights and title, repatriation of funds, availability of a skilled and dependable workforce, access to permits for operation, and stability of the government. Management's assessment of these risks is low as title to minerals is provided in law, surface rights are obtainable by negotiation as guided by law, permits are available in a time frame provided by law and regulation, there is a skilled and available workforce, and the government has been openly supportive of foreign investment in general and expansion in the mining industry. Changes to these conditions could have a materially adverse effect on the Company's business, financing opportunities, and results of operations.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, financial condition and results of operations.

Competition for Exploration, Development and Operation Rights

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the Projects as contemplated in the Technical Reports. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, or at all, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Reliability of Mineral Resource Estimates

Mineral Resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience. There can be no assurance that metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The grade of the reported Mineral Resources are uncertain in nature and it is uncertain whether further technical studies will result in an upgrade to them.

Fluctuations in metal prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of Mineral Resource estimates set out in the Technical Reports. Should reductions in Mineral Resources occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral Resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material

reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Uncertainty Relating to Indicated and Inferred Mineral Resources

Mineral resources are not mineral reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred Resources in the Technical Reports are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated and/or Measured Resources.

Uncertainty Relating to the Santana Project

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.

Governmental Regulation

The mineral exploration and development activities of the Company are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

In addition, it may be difficult, if not impossible, to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain provinces against the Company's assets that are located outside of Canada.

Operational Labour and Employment Matters

The Company's exploration, development, and operating activities at its mining properties are dependent upon the efforts of the Company's employees and contractors.

Mining is subject to potential risks and accidents that could result in serious injury or death to members of its human capital. The impact of such accidents and liabilities could affect the profitability of the Company's operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities who have jurisdiction over the various aspects of the Company's business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Community Relationships

The Company's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

The Projects may be subject to the rights or the asserted rights of various community stakeholders. The presence of community stakeholders may impact the Company's ability to develop or operate the Projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the

continued operation, further development or new development or exploration of the Company's current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities. Governments in many jurisdictions must consult with, or require the Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Impact of Pandemic Disease on Global Economic Conditions and Economic Performance

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell precious metals or declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts.

There are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations, future cash flows, earnings, results of operations and financial condition. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infectious disease risks noted above and, as such, the Company's operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

Production Estimates

Forecasts of future production in this AIF and in the Technical Reports are estimates based on interpretation and assumptions, and actual production may be less than estimated. Unless otherwise noted, the Company's production forecasts are based on full production being achieved at all of its potential mines. The Company's ability to achieve and maintain full production rates at the Projects is subject to a number of risks and uncertainties, the occurrence of any of which could result in delays, slowdowns or suspensions and, ultimately, the failure to achieve and maintain full production rates. The Company's production estimates at the Projects are dependent on, among other things, the accuracy of Mineral Resource estimates, the accuracy of its life of mine plans, the accuracy of assumptions regarding ore grades and recovery rates, weather conditions, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, the accuracy of estimated rates and costs of mining and processing, including, without limitation, operating expenses cash costs and all-in sustaining costs, mill availability, reliability of equipment and machinery, the performance of the processing circuit or other processes, water supply and/or quality, the receipt and maintenance of permits and the availability of a sufficient amount of people to perform the work necessary to maintain production as estimated. The Company's actual production and other projected economic and operating parameters may not be realized. The failure of the Company to achieve its production estimates could have a material adverse effect on its prospects, results of operations and financial condition.

Cost Estimates

The Company prepared estimates of operating costs, capital costs and closure costs for its Projects that are set out in their respective Technical Reports. The Company's actual costs are dependent on a number of factors, including smelting and refining charges, penalty elements in concentrates, royalties, the price of gold and byproduct metals, the cost of inputs used in mining operations and production levels. The Company's actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade metallurgy, weather conditions, ground conditions, labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Reclamation Costs

The Company's operations are subject to reclamation plans that establish its obligations to reclaim properties after minerals have been mined from a site. These obligations represent significant future costs for the Company. It may be necessary to revise reclamation concepts and plans, which could increase costs. Reclamation bonds or other forms of financial assurance are often required to secure reclamation activities. Governing authorities require companies to periodically recalculate the amount of a reclamation bond and may require bond amounts to be increased. It may be necessary to revise the planned reclamation expenditures and the operating plan for a mine in order to fund an increase to a reclamation bond. In addition, reclamation bonds are generally issued under a company's credit facilities; increases in the amount of reclamation bonds will decrease the amount of the credit facility available for other purposes. Reclamation bonds may represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine operation. The actual costs of reclamation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all reclamation activity. If actual costs are significantly higher than the Company's estimates, then its results of operations and financial position could be materially adversely affected.

Equipment and Input Materials

Shortages or cost increases of input materials, equipment, critical spare parts, maintenance service, and new equipment and machinery may materially and adversely affect the Company's operations and profitability.

The Company depends on the use of equipment and machinery, some of which is highly specialized. A shortage in the supply of key spare parts, adequate maintenance service or new equipment and machinery to replace old ones and cover expansion requirements, could materially and adversely affect the Company's operations and its Projects.

The Company's cash flows and business also depend on the market prices and availability of input materials and equipment that are consumed or otherwise used in connection with the Company's operations and its Projects. Prices of such input materials and equipment are also subject to volatile price movements, which can be material and can occur over short periods of time due to factors beyond the Company's control.

If there is a significant and sustained increase in the cost of certain input materials, the Company may decide that it is not economically feasible to continue certain or all of the Company's commercial production, development and exploration activities and this could have an adverse effect on profitability. Higher worldwide demand for critical resources like input materials, drilling equipment, mobile mining equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules. The occurrences of one or more of these events could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Failures of Information Systems or Information Security Threats

The Company's operations are dependent on information technology systems. These systems are subject to disruption, damage or failure from a variety of sources. Failures of the information technology systems could result in production downtimes, operational delays, compromising of confidential information or destruction or corruption of data. Accordingly, any failure in any of the information technology systems could materially adversely affect financial condition and/or results of operations. Information technology systems failures could also materially adversely affect the effectiveness of internal controls over financial reporting. The Company has taken certain steps to reduce the risk of data loss working with its information technology providers; however, there is no guarantee that risk mitigation measures will be fully effective.

The Company's activities also depend, in part, on how well its suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyberattacks. Cybersecurity threats include attempts to gain unauthorized access to data or to automated network systems and the manipulation or improper use of information technology systems. The failure of any part of the information technology systems could, depending on the nature of any such failure, materially adversely impact the Company's reputation, financial condition and/or results of operations. Although the Company has not to date experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that the

Company will not incur such losses in the future. Risks and exposures to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities.

Any of these factors could have a material adverse effect on the Company's reputation, business, financial condition, results of operations, cash flows or prospects.

Climate Change

The physical risks of climate change may also have an adverse effect on the Company's operations. Extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Company's Projects and may require the Company to make additional expenditures to mitigate the impact of such events. In addition, the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Company's operations.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Energy Supply and Cost

Interruptions of energy supply or increases in energy costs and other production costs may materially and adversely affect our results of operations.

In the event of any interruption or failure of our sources of electricity or in transmission lines or in any part of the grid, we cannot assure that we will have access to other energy sources at the same prices and conditions, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The availability of energy resources may be subject to change or curtailment, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, supply interruptions, equipment damage, worldwide price levels and market conditions. Disruptions in energy supply could have a material adverse effect on our financial condition and results of operations.

Corporate Risks

Liquidity and Additional Financing

The Company's ability to continue its business operations and retain its ownership in the Projects is dependent on management's ability to secure additional financing. The Company's main source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Projects, including continuing exploration and development, and, if warranted, construction or repair of mining facilities and the commencement of mining operations, will also require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. The Company's ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms

favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of its property interests, which would have a material adverse effect on the Company's business, financial condition and results of operations.

Limited Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in identifying further profitable operations. The Company has not determined whether the Projects contain economically recoverable reserves of mineralized material and currently has earned limited revenue and cash flows from its Projects. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Company's properties. The Company expects to incur losses until such time as the Projects or any future property it acquires enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Company's properties will eventually enter commercial operation, or achieve full-scale production. There is also no assurance that new capital will become available and, if it does not, the Company may be forced to substantially curtail or cease operations.

Attracting and Retaining Talented Personnel

The Company's success will depend in large measure on the abilities, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the business of the Company. The Company has a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

The Company's success will depend on the ability of management and employees to interpret market and technical data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with the Company which may not be able to find replacement personnel with comparable skills. The Company has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If the Company is unable to attract and retain key personnel, business may be adversely affected. The Company faces market competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain such personnel.

Possible Conflicts of Interest of Directors and Officers of the Company

Certain of the directors and officers of the Company will also serve as directors and/or officers of other companies involved in mineral resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard.

Volatility of Market for Common Shares

The market price of the Common Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors, including: (i) dilution caused by issuance of additional Common Shares and other forms of equity securities, which the Company expects to make in connection with future financings to fund operations and growth, to attract and retain qualified personnel and in connection with future strategic partnerships with other companies, (ii) announcements of new acquisitions, reserve discoveries or other business initiatives by competitors, (iii) fluctuations in revenue from operations as new reserves come to market, (iv) changes in the market for gold and/or in the capital markets generally, (v) changes in the demand for minerals and metals; and (vi) changes in the social, political and/or legal climate in the regions in which the Company operates. In addition, the market price of the Common Shares could be subject to wide fluctuations in response to: (a) quarterly variations in operating expenses, (b) changes in the valuation of similarly situated companies, both in the mining industry

and in other industries, (c) changes in analysts' estimates affecting the Company, competitors and/or the industry, (d) changes in the accounting methods used in or otherwise affecting the industry, (e) additions and departures of key personnel, (f) fluctuations in interest rates, exchange rates and the availability of capital in the capital markets, and (g) significant sales of the Common Shares, including sales by future investors in future offerings which may be made to raise additional capital. These and other factors will be largely beyond the Company's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of the Common Shares and/or the Company's results of operations and financial condition.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of Common Shares or securities convertible into Common Shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Common Shares or securities convertible into Common Shares or the effect, if any, that future issues and sales of the Common Shares will have on the price of the Common Shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Common Shares or securities convertible into Common Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Loan Facility with Auramet and Auramet Capital

Pursuant to the Cerro de Oro Financing Documents, the Company is required to satisfy certain conditions by November 15, 2024, referred to herein as the Completion Deadline.

On October 26, 2024, the Company, Auramet, and Auramet Capital amended the Auramet Facility to extend the Completion Deadline to November 15, 2024, which was subsequently further extended to November 29, 2024. The Completion Deadline may be further extended at the Company's option by a period of six months (or such longer period as the parties may agree) upon the company making a payment in the amount of US$400,000, satisfied in cash or, subject to TSX-V approval, Common Shares at a price per Common Share equal to the five-day volume weighted average price as of November 25, 2024.

Failure to satisfy those conditions by the Completion Deadline would result in the acceleration of repayment of outstanding advances under the Auramet Facility and the termination of commitments to the Company to advance all undrawn amounts.

If such conditions are satisfied, the Company may draw down additional amounts under the Auramet Facility, which will affect the Company's debt capitalization.

Acquisitions

The Company's strategic plan includes the evaluation and acquisition of additional gold mining assets and businesses. There can be no assurance that the Company will be able complete any acquisition that it may pursue on favourable terms, or that the completion of such acquisitions will ultimately benefit the Company's business.

Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new or greater geographic, political, operating, financial, legal and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Company. Any acquisitions and any potential acquisitions would be accompanied by risks. For example, mineral deposits at acquired properties may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies (which may be compounded by geographical separation, unanticipated costs, and the loss of key employees), realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may divert the attention of management or disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; the acquired business or assets may have unknown tax or other liabilities which may be significant; and there may be a significant change in commodity

prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio. There can be no assurance that the Company would be successful in avoiding or overcoming the risks noted above or any other problems encountered in connection with such acquisitions. The occurrence of any of the foregoing risks in connection with future acquisitions could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

If the Company chooses to finance acquisitions using existing financial resources, it could decrease funds available for other business. If the Company chooses to finance acquisitions through debt, the Company's leverage will be increased. If the Company chooses to use equity as consideration for any such acquisition, existing shareholders may suffer dilution.

Evaluating, negotiating, and completing an acquisition may also require substantial management time commitments, regardless of whether the acquisition is completed. The negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management and employees' attention away from day-to-day operations.

Employee and Contractor Misconduct

The Company may be subject to, or held liable for, misconduct by our employees or third-party contractors, such as theft, bribery, sabotage, fraud, insider trading, violation of laws, slander or other illegal actions. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets or harmed reputation, any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dividends

The Company does not intend to declare dividends for the foreseeable future as the Company anticipates that any future earnings will be re-invested in the development and growth of the business. Therefore, investors will not receive any funds unless they sell their Common Shares, and shareholders may be unable to sell their Common Shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in Common Shares.

DESCRIPTION OF THE BUSINESS

General

The Company's business is the exploration, development, construction and operation of mining operations at its three material properties: the Santana Project, the Cerro de Oro Project, and the La Fortuna Project. The Company also owns the Los Verdes Project, an exploration-stage property that hosts copper-molybdenum deposits.

Upon reaching sustainable gold production levels at the Santana Project, the Company's near-term objectives are to continue expanding production capacity and operations at the Santana Project, and complete the permitting of the Cerro de Oro gold mine in Zacatecas for which a funding package is in place for its development upon permit receipt.

In addition, the Company continues to identify and potentially acquire additional property interests and conduct exploration and evaluation to assess their potential.

Production and Services

The Company is a junior resource issuer focused on advancing its Santana Project, Cerro de Oro Project, and La Fortuna Project, all located in northern Mexico. For further details, see "*Material Properties*".

Principal Markets and Distribution Methods

The Company's revenues are currently generated exclusively from the sale of gold concentrate extracted from the Santana Project. Loaded carbon extracted from the Santana Project is shipped to various refiners retained by the Company in Mexico and the United States, where the loaded carbon is stripped and doré is produced and sold to one or more international market participants on the basis of pricing that is at or close to spot prices.

Gold is traded on a worldwide basis. The demand for gold is primarily for jewelry fabrication purposes and bullion investment. The use of gold as a store of value and the large quantities of gold held for this latter purpose play a role in pricing, as well as current supply and demand trends, which play some part in determining the price of gold. However, easily measurable macroeconomic factors do not play the same role in price discovery as with other commodities. Gold prices are significantly affected by factors such as U.S. dollar strength, expectations for U.S. inflation and U.S. bond yields, interest rates, international exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. Due to these factors, the gold price fluctuates continually, and such fluctuations are beyond the Company's control. See "*Risk Factors*".

Specialized Skill and Knowledge

Management is comprised of a team of individuals who have extensive expertise and experience in the mining and exploration industry and mining finance and are complemented by an experienced board of directors. See the section entitled "Directors and Executive Officers" below.

Competitive Conditions

The Company competes with other mineral exploration and mining companies for mineral properties, joint venture partners, equipment and supplies, qualified personnel and exploration and development capital. See "*Risk* Factors".

Components

The profitability of the Company's mining operations is affected by the price and availability of various commodities. The Company uses critical components such as water, electrical power, explosives, diesel, steel, concrete and chemical products (including cyanide and lime) in the ordinary course of business. More specifically, the Company uses diesel to power its mining equipment and to generate some of the electricity to power its mining operations.

Environmental Protection

The current and future operations of the Company are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, greenhouse gas emissions, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations increases costs and may cause delays to the exploration and development process.

Employees and Consultants

As of December 31, 2023, the Company had 27 employees and retains 8 independent contractors on a consultancy basis. No management functions of the Company are performed to any substantial degree by a person other than the directors and officers of the Company.

Foreign Operations

The Projects are all located in northern Mexico, considered amongst the top mining jurisdictions in Latin America according to consistent grading in the annual Fraser Institute rankings. The Company manages a number of risks related to operating in a foreign jurisdiction, including security of rights and title, repatriation of funds, availability of a skilled and dependable workforce, access to permits for operation, and stability of the government. Management's assessment of these risks is low as title to minerals is provided in law, surface rights are obtainable by negotiation as guided by law, permits are available in a time frame provided by law and regulation, there is a

skilled and available workforce, and the government has been openly supportive of foreign investment in general and expansion in the mining industry.

Social or Environmental Policies

The Company is committed to providing all employees and contractors ("**Staff Members**") a workplace that respects their basic human rights. Each Staff Member at the Company has the right to work in an environment that is free from discrimination and harassment, including sexual harassment. Every Staff Member is responsible for taking all reasonable precautions not to demonstrate behavior that can be reasonably construed as discrimination or harassment.

The Company will take every incident of harassment or discrimination very seriously and any Staff Member that is found to have engaged in conduct constituting discrimination or harassment will be disciplined and, in appropriate circumstances, dismissed or removed from office.

Safety and environmental protection are fundamental values of the Company and every Staff Member has a role in ensuring the Company's operations comply with safety and environmental legislation and standards.

Each Staff Member is responsible for taking all prudent precautions in every activity to ensure both personal safety and the safety of others.

MATERIAL PROPERTIES

The Company has three material mineral properties: the Santana Project, the Cerro de Oro Project, and the La Fortuna Project.

MINERAL PROPERTY – SANTANA

The Santana Project

In accordance with the instructions set out in Section 5.4 of Form 51-102F2 – *Annual Information Form*, the Company has reproduced below the summary from the Santana Technical Report. Reference should be made to the detailed disclosure in the Santana Technical Report, which is incorporated by reference in its entirety into this AIF, and which is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Terms defined in this section titled "*Mineral Property – Santana*" relate to this section only, and have the meanings given to them in the Santana Technical Report.

Project Overview

The Santana Gold Project (the Santana Project) is in Sonora State, Mexico, 190 km southeast of the state capital of Hermosillo and 164 km east of the City of Obregon. The Company acquired a 100% interest in the Santana Project on April 13, 2018, by way of a business combination with Corex Gold Inc., the parent company of Corex Global S. de R.L. de C.V (Corex) by plan of arrangement under the British Columbia Business Corporations Act. As part of the transaction Corex became a wholly owned subsidiary of Mineral Alamos. Following the acquisition of the Santana Project, from 2018 to 2021 Minera Alamos completed additional drill programs that have been used as part of the Project Mineral Resource estimate contained in this Report. The Company also completed pilot-test heap leach activities initiated by Corex that comprised approximately 50,000 tonnes of mineralization mined from the Nicho Norte Zone. These pilot plant activities in addition to metallurgical test work conducted on surface and core samples provide the basis for the recovery and consumption quantities used in this Report. Santana is a conventional truck-and-shovel open pit heap leach mine. Development activities began in 2021, including construction of a carbon plant and the first phase of the heap leach pad. Open pit operations began in the Nicho Norte pit in 2021 with pre-stripping activities commencing in the Nicho pit in 2022.

Geology and Mineralization

The Santana Project lies in the physiographic province of the Sierra Madre Occidental (SMO) within the geologic sub-province of the Basin and Range. The Santana Project is in southeastern Sonora, within the prolific Upper

Cretaceous Paleocene “Laramide” magmatic-hydrothermal metallo-tectonic event. This region of Sonora probably represents part of the back arc of the Laramide magmatic arc. The largest known deposits of the Laramide event are porphyry copper systems and their associated breccias, skarns, and vein deposits; however, the mineralization at Santana represents a style that has not been reported to date for this region of northwestern Mexico. Four mineral zones of significance have been identified in the Santana Project area. These include: Nicho Norte and Divisadero, Nicho and Benjamin.

The rock formations covering most of the Santana Project area are late Cretaceous and early Tertiary-aged Tarahumara rocks, as well as San Nicolas quartz monzonite and Eocene–Oligocene (Tertiary)-aged silicic volcanic rocks. The Santana Project area is underlain by the Tarahumara Formation, which has been intruded by the San Nicolas quartz monzonite and is overlain by the silicic volcanic rocks. Sub-vertical pipe-like breccia bodies intersect the volcanic units and are visible as topographic highs. Most of the mineralized zones in the Santana Project area lie over the southwest margins of the San Nicolas batholith and Tarahumara Formation. The central area of the Santana Project is dominated by the Tarahumara andesitic and dacitic volcanic rocks, while the southwest is covered by Oligocene to Miocene basalts, felsic tuffs, and conglomerates. A north-northwest to south-southeast striking regional fault marks the boundary between the Tarahumara volcanics and the younger rock units. The areas that host most of the known gold mineralization are in the central area and comprise primarily the Tarahumara andesitic volcanic rocks that abuts the batholith to the north. The eastern areas of the Santana Project are dominated by Laramide-age rocks such as the andesitic and felsic volcanic units that overlie the San Nicolas batholith and have been intruded by sub-vertical pipe-like breccia bodies. Mineralization at the Santana Project occurs within breccias that have a jigsaw-type texture. These breccias typically comprise angular elongated fragments that have a preferential sub-vertical orientation. Review of core and outcrop indicates that these fragments did not undergo large displacements or rotations, which left open spaces between them that were subsequently infilled by gold-bearing hydrothermal minerals. The breccias are principally clast-supported and monomictic and are found in pipe-like bodies. The presence of gold mineralization is directly related to the areas dominated by the breccia intervals.

Mineralization at the Santana Project is of the intrusive-related gold (Au-Cu-Ag-W) type and is associated with calc–alkaline-oxidized large intrusive centres, but the mineralization is not reduced as in the Alaskan type, being likely formed in the back-arc environment. Gold is hosted by hydrothermal breccias and their causative inter-mineral dykes and stocks. The sericite-stable nature of the alteration and the type of quartz observed in the area indicate mesothermal levels of emplacement (~300°C) below possible eroded, epizonal levels, and around high-temperature sheeted-vein-controlled intrusive mineralization. The size of the known intrusive related deposits associated with inter-mineral dykes, stockwork, replacements, and breccias can vary from ten tonnes to tens of millions of tonnes, grading up to around 1 gram per tonne of gold (g/t Au), representing 300,000 to over 1 million troy ounce (oz) gold deposits, and can form important mining districts with clusters of deposits.

Mineral Resource Estimate

Data

Extensive quality assurance and quality control (QA/QC) and data validation were performed to thoroughly verify the data from both the Corex and Minera Alamos drill programs. Sample certificates from these programs were reviewed in their entirety, and data comparisons were conducted to verify the results. The Corex and Minera Alamos drilling campaigns used modern techniques and QA/QC procedures. The author finds that the data are reliable for the purposes of this Report.

Mineral Resource Estimate

This Report represents the first Mineral Resource estimate for the Santana property. The estimate has been prepared with the assistance of Scott Zelligan, P.Geo., an independent QP as defined in NI 43-101. Mr. Zelligan is the QP for the Mineral Resource estimate contained in this Report, which has an effective date of May 31, 2023.

The Mineral Resource was classified according to the CIM Definition Standards. The classification considered the drill and sample spacing, QA/QC, deposit type, density measurements, and the need to develop a lithological model. The estimate used an indicator model and the ordinary kriging (OK) method to interpolate gold grades.

The estimate of Mineral Resources for the Santana Project is shown in Table 1.

Table 1: Estimate of Mineral Resources

Zone	Category	Tonnes (t)	Gold Grade (g/t)	Contained Ounces
Nicho	Measured	6,390,000	0.65	133,000
	Indicated	2,810,000	0.64	57,000
	Total M&I	**9,200,000**	**0.65**	**190,000**
	Inferred	1,530,000	0.66	33,000
Nicho Norte & Divisadero	Measured	150,000	0.66	3,000
	Indicated	260,000	0.62	5,000
	Total M&I	**410,000**	**0.63**	**8,000**
	Inferred	2,470,000	0.55	44,000
Benjamin	Inferred	1,510,100	0.54	26,000
Total	Measured	6,540,000	0.65	136,000
	Indicated	3,070,000	0.64	62,000
	Total M&I	**9,610,000**	**0.65**	**198,000**
	Inferred	5,510,000	0.58	103,000

Notes:

- The independent QP for the Mineral Resource estimate, as defined by NI 43-101, is Scott Zelligan, P.Geo. The effective date of the 2023 mineral resource estimate is May 31, 2023. A gold price of US$1,700/oz was used in the calculation of the Mineral Resources.
- The Mineral Resource estimate is reported for a potential open pit and heap leach scenario.
- The limits of the Mineral Resource-constraining pit shell assumed a mining cut-off based on a total operating cost (mining, processing, and general and administrative (G&A) of US$12.00/t stacked, a metallurgical recovery of 75%, and a constant open pit slope angle of 40°. This constraining pit shell contained a total volume of 49 Mt (mineralized + unmineralized) implying a strip ratio of 2.25.
- The gold cut-off grade applied to oxide mineralized material is 0.15 grams per tonne (g/t) Au.
- These Mineral Resources are not Mineral Reserves, as they do not have demonstrated economic viability.
- The Mineral Resource estimate follows CIM Definition Standards.
- Results are presented in situ. Ounce (troy) = metric tonnes x grade / 31.1035. Calculations used – metric units (metres, tonnes, g/t). Rounding followed the recommendations as per NI 43-101.
- The number of tonnes has been rounded to the nearest ten thousand.
- The QPs of this Report are not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical, marketing, or other relevant issues that could materially affect the Mineral Resource estimate. Extensive modelling and statistical work were performed to analyze the effect of the oxide zone on gold grade and rock specific gravity. Due to the fractured nature of the host rock, the oxide-sulphide transition zones of the deposits are irregular and difficult to model using conventional wireframing techniques. It was decided for the current Resource Estimate to model without a transition boundary and allow the measured variations in density to populate the blocks accordingly. Metallurgical testwork is ongoing and results from limited sulphide samples tested to date indicate the potential for heap leaching of this material although final required parameters like crush sizes are not yet fully understood. It has been recommended that the Company continue to evaluate the overall database of exploration information with a goal of incorporating geo-metallurgical information into future resource estimates.

Metallurgy

Historical Testwork

Most metallurgical data obtained for the Santana Project was the result of studies completed between 2017 and 2020 that focused primarily on the Nicho and Nicho Norte zones. Metallurgical studies included several laboratory test programs, as well as a test mine and leach pad operated from 2017 to 2019 that sampled and leached approximately 50,000 tonnes of mineralization from Nicho Norte.

Testwork Programs

The metallurgical testwork was completed in five phases. A brief description of each phase is listed below.

- 2008–2009—cyanide shake tests from RC chip samples (~<2 mm). This program compared the fire assays of the chips (total gold) and the cyanide shake gold contents (leachable gold) to provide preliminary information regarding the leachability of the mineralization at the Santana Project. Chip samples were collected predominately from the Nicho and Nicho Norte zones (33 of 47 samples), with laboratory results providing

evidence of gold leachability for the oxide, transition, and sulphide zones. The leach times were limited; therefore, the results were not indicative of achievable recoveries using cyanidation in a commercial operation.

- 2017—Minera Alamos Santana Project due diligence assessment completed as part of the Corex acquisition. Core samples were selected and sent to a laboratory for evaluation using coarse mineral leach procedures to confirm suitability for heap leaching. The samples selected were targeted to represent a “worse case” sulphide-zone mineralization with respect to leachability from the Nicho Zone. Seven samples in all were taken, with two samples consisting of fine disseminated sulphides crushed to ½”. The remaining samples were selected to contain more massive sulphides (including chalcopyrite) and were crushed to two size fractions, <1/4” and <1/2”. Coarse-mineral bottle roll techniques (50% solids, 1,000 parts per million (ppm) NaCN) were used with one minute rolling per hour for 28 days (d) of leaching used as a minimum. The results of this program showed that gold contained in areas of sulphide mineralization appeared to be recoverable via heap leaching methods, with most gold recoveries from the samples between 60% and 70% at a crush size of ½”. Reagent consumptions were typical of those expected on the “low” end of the range for heap leach operations for both lime (~2 kilograms per tonne (kg/t) or less) and cyanide which was driven primarily by soluble copper in the tests.

- 2017–2019—Nicho Norte test leach pad activities commenced under the authorization of a temporary environment permit licence. Mineralization for the test leach pad was obtained from surface outcrop at the Nicho Norte Zone. This mining zone consisted of a mix of upper breccia style and quartz–feldspar–porphyry dykes and sills (QFP) intrusive material that is typical of the rock deeper in this zone. The extracted material was transferred to the test leach pad area for processing. No attempts were made to separate any possible low-grade waste material that was mined prior to leaching. In total, approximately 50,000 tonnes of mineralized material were stacked and leached in three sequential phases to evaluate different operating parameters. Phases 1 (23,000 tonnes crushed to <2"–3" with no agglomeration) and phase 2 (crushed to <5/8" and agglomerated) were leached as single lifts until recovery was minimal. Phase 3 (mixed run-of-mine [ROM] and crushed to <2"–3") was loaded on top of Phases 1 and 2 and leached last. Results of this testwork confirmed that the mineralization was leachable and showed that the bulk of mineral recovery was completed in 60 to 90 days for Phase 1 and 30 to 45 days for Phase 2.

Following completion of leaching activities at the test pad, four bulk samples were taken and analyzed for residual gold content. The samples were obtained by trenching into the leach pad 1.5 m from the surface. Each sample was subject to size analysis, with individual size fractions analyzed for residual gold content. The -80% fraction size (d80) for sizes ranged from 1" to 1.5" down to 5/8". Based on this work, the average gold grades of the final residue samples were consistent at approximately 0.10 g/t Au, with gold content by particle size also relatively consistent for all sizes less than 1”. An increase in residual gold was observed for rock sizes greater than 1".

The Santana test leach pad operations demonstrated that the Nicho Norte mineralization was very consistent in terms of both gold content and metallurgical performance.

- **2020**—coarse bottle roll tests were completed to compare samples of oxide mineralization taken from the Nicho Zone to material from the Nicho Norte Zone (test leach pad area). Testwork was completed on two samples from Nicho and a single sample from Nicho Norte. Each sample was divided into three size fractions: –1"/+3/4", –3/4" +1/2", –1/2" +1/4", with each fraction processed according to standard coarse bottle roll techniques, namely 1,000 ppm NaCN 50% solids, 1 minute (min) rolling/h for 28 d of total leach time. The samples were assayed and found to have low head grades (0.121 g/t Au to 0.188 g/t Au) on seven of the nine total samples. Despite these low head grades, the ultimate leach recoveries for all of the size fractions approached 90% or greater, including the two Nicho Zone samples (size fractions –1/2” +1/4”. The high amenability to gold recovery from the samples was illustrated by the extremely low residual gold grades (across all size fractions) contained in the solids following the completion of the tests. The coarse bottle testwork completed during this program demonstrated that the gold contained in the oxide material from the Nicho Zone is highly amenable to recovery via heap leaching and similar in metallurgical characteristics to that observed for the Nicho Norte mineralization.

- **2021—**Nicho Norte bottle roll test program. This was initiated to confirm that expected reagent consumptions for the Nicho Norte mineralization that had been stacked on the new Santana pad (commissioned in the second half of 2021) were in general agreement with the preceding metallurgical studies. Samples were taken from the 895-bench in the Nicho Norte open pit and from material that was in the process of being stacked. Results

from this program indicated that gold extractions ranged from 88% to 96%, and copper recoveries were lower than that seen for gold recoveries (80%–90% less), showing that the residual copper content in the mineralization can be managed effectively through reductions in free cyanide concentration without impacts to gold recovery, and lime and cyanide consumptions were predicted to be low.

The main findings of the metallurgical studies discussed above can be summarized as follows:

- Gold mineralization appears to be generally well disseminated throughout the host rock, with little correlation to rock particle-size distributions. There was some evidence that, in the breccia zone, material that exists above the deeper QFP intrusive, some small-scale enrichment may occur in the fractures between the breccia matrix fragments.

- Leaching results indicate that the extraction of any copper that might be present in the mineralization should be manageable using free cyanide level-control in the leach solutions, with little impact on overall gold recoveries.

- Gold mineralization in the oxide zones responds positively to gold cyanidation. Residual gold levels following heap leaching are expected to be approximately 0.1 g/t Au or less. At mined head grades of 0.6 g/t Au to 0.7 g/t Au this would equate to gold recoveries more than 80%.

- Although more data are available for material from the Nicho Norte satellite deposit, comparative studies looking at samples from the Nicho main deposit appear to exhibit similar results.

- Leach kinetics are rapid for particle sizes up to approximately 1" (30–45 days or less). Although kinetics slowed somewhat at sizes greater than 1", ultimate gold recoveries at the end of the extended leach period were simar to those experienced with the finer-sized material.

- Leach tests on samples of “worst case” sulphide material from the Nicho Zone exhibited acceptable gold recoveries approaching 70% at crush sizes of <1/2” (coarsest size used for screening tests). Further testwork is warranted for this part of the deposit to better optimize actual required crush sizes and to examine the impact of larger particle sizes on overall gold recoveries.

- Major reagent consumptions are expected to be low (<2 kg/t lime and 0.3 kg/t–0.5 kg/t CN).

Environmental and Permitting

There are no known existing environmental liabilities associated with the Santana Project beyond current leaching and mining activities. The test leach pad constructed in 2017–2019 has been closed, and the small plant associated with gold extraction activities has been removed.

The Company holds ongoing discussions with local landowners, the municipality, the town of Guadalupe de Toyopa, the local Ejido, and other stakeholders. A surface rights agreement with these stakeholders is in place.

The Santana Project has all the permits required to undertake mining and leaching activities. The Santana environmental impact statement, formally known as the Manifestación de Impacto Ambiental (MIA), and the technical justification study, Estudio Técnico Justificativo (ETJ), which also includes the change of land use, Cambio de Uso de Suelo (CUS) have been submitted and approved by Secretaria del Medio Ambiente y Recursos Naturales (SEMARNAT).

The MIA was completed and submitted on September 18, 2018, and approved by SEMARNAT on July 25, 2019. The ETJ (including the CUS) was completed and submitted on July 13, 2018, and approved on July 28, 2019. The MIA and ETJ provided the Company with all the necessary rights to initiate construction of a commercial-scale gold operation, which began on January 16, 2020. Construction activities have been largely completed, and the Santana Project is in operation.

The MIA and ETJ documentation approval was the critical prerequisite for the Company to initiate applications for other permits required to start mining and processing activities at the site. Such additional permits include the explosives use and storage permit (received on January 25, 2022).

Development and Operations

The Santana Project hosts several mineral prospects and small historical mines. However, no records of production history outside of the pilot heap leach test program initiated by Corex and completed by Minera Alamos between 2017 and 2019 are available. The total amount of material historically extracted does not appear to exceed a few thousand tonnes.

As part of the Corex test mine and pad activities, approximately 50,000 tonnes of mineralized material grading 0.80 g/t Au (1,326 contained ounces) were placed on the test pad. Over the leaching period (2017–2019) 1,100 oz of gold were recovered for an overall recovery of 83.8%. Minera Alamos finished leaching activities, and residual recovery and rinsing of the pad, in 2019. Active leaching began at a new leach pad location in 2021, with a total of 1,108,535 mineralized tonnes placed at a grade of 0.69 g/t Au (24,598 gold ounces) up to the effective date of the Technical report dated May 31,2023.

Interpretation and Conclusions

The QPs reviewed the Santana data provided by Minera Alamos (including the drill–hole database); historical sampling and analytical procedures; and security. Two of the QPs have visited the site. The QPs believe the data presented by Minera Alamos to be an accurate and reasonable representation of the Santana Project mineralization.

Mr. Scott Zelligan, P.Geo. completed the Mineral Resource estimate for the Santana Project. The Mineral Resource is based on the results of both the Corex and Minera Alamos RC and DDHs completed up to March 31, 2022.

The authors of this Report make the following conclusions:

Geology

- Minera Alamos has validated all the exploration data obtained during Corex's tenure on the Santana Project.
- Exploration drilling campaigns undertaken at Santana from 2008 to March 31, 2022 (resource database cut-off date) include 40,191 m of RC and 39,100 m of assay sampling.
- The QP concludes the data, data density, and Santana exploration database are acceptable to form the basis for a Mineral Resource estimate.
- The QP completed a site visit and reviewed the property deposit geology; exploration and drilling methods and results; sampling method and approach; and sample data handling, including chain of custody. A qualified geologist evaluated the compilation of QA/QC data and believes that the Corex and Minera Alamos sample preparation, security, and analytical procedures followed industry-standard procedures, and that the analytical data are acceptable for use in a Mineral Resource estimate.
- There are no off-the-shelf deposit-type models that can be used to describe the mineral system at Santana. However, it can be reviewed in the larger framework of intrusive-related systems first suggested by Sillitoe (2000), which was subsequently extended to reduced intrusive rocks mostly using Alaskan examples (plutonic systems) (Lang et al., 2000).
- The Santana Project is in southeastern Sonora within the prolific Upper Cretaceous–Paleocene Laramide magmatic–hydrothermal metallo–tectonic event. Gold is hosted by breccias and intra-mineral dykes and stocks.
- Porphyry-style mineralization has been ruled out because of the absence of typical A/B veins and potassic alteration of porphyry systems, and by the presence of iron–manganese carbonate and specular hematite that is typically missing in porphyry systems.
- The bulk of the mineralization at Santana is present in elliptical, irregular breccia bodies.

Mineral Resource

- Mineral Resources have been defined for three zones at the Santana Project denoted Nicho Norte and Divisidero, Nicho and Benjamin.
- The grade interpolations for gold were carried out using conventional methods commonly used in the industry and applied with reasonable geological inference and controls.
- The existing sample data have been collected using protocols that are consistent with industry best practices. The sampling that has been completed on the Santana Project to date has been appropriate for the mineralization type, and the samples are representative of the deposit.
- All samples collected were transported in a secure manner, and a chain of custody was followed.
- Assays were carried out in well–managed facilities using conventional methods commonly used in the industry. During each drilling campaign, suitable levels of independent QA/QC samples were submitted to the laboratory to ensure reasonable results were returned.
- The QP is of the opinion that the analytical work performed by the various laboratories was suitable for use in the Mineral Resource estimate.
- The assumptions, parameters, and methodology are appropriate for the Mineral Resource estimate, are consistent with the style of mineralization, and are applicable for an open pit and heap leach operation.

Metallurgical Recovery

- Metallurgical testwork completed to date meets industry standards.
- Gold mineralization appears to be generally well disseminated throughout the host rock, with little correlation to rock particle–size distributions. There was some evidence that, in the breccia-zone material that exists above the deeper QFP intrusive, some small–scale enrichment may occur in the fractures between the breccia matrix fragments.
- Overall copper content in the oxide mineralization was low and leaching results indicate that the extraction of this copper should be manageable using free cyanide level control (low concentrations) in the leach solutions with little impact on overall gold recovery.
- Gold mineralization in the oxide zones responds positively to gold cyanidation. Residual gold levels following heap leaching are expected to be approximately 0.1 g/t Au or less. At mined head grades of 0.6 g/t Au—0.7 g/t Au this would equate to gold recoveries more than 80%.
- Although more data are available for material from the Nicho Norte satellite deposit, comparative studies looking at samples from the Nicho main deposit appear to exhibit similar results.
- Leach kinetics are rapid for particle sizes up to approximately 1" (30 d–45 d or less). Although kinetics slowed somewhat at sizes greater than 1", ultimate gold recoveries at the end of the extended leach period were similar to those experienced with the finer material.
- Leach tests on samples of “worst-case” sulphide material from the Nicho zone exhibited acceptable gold recoveries approaching 70% at crush sizes of <0.5" (coarsest size used for screening tests). Further testwork is warranted for this part of the deposit to better optimize actual required crush sizes and examine the impact of larger particle sizes on overall gold recoveries.
- Major reagent consumption is expected to be low (< 2 kg/t lime and 0.3 kg/t–0.5 kg/t cyanide).

Environmental and Permitting

- The company is currently in possession of the necessary permits for the start-up phase of mining operations at the Santana Project. An amendment has been filed (pending) with SEMARNAT to expand the total area for mining activities to 170Ha which would be sufficient to include the full extent of the currently estimated resources at the Nicho and Nicho Norte deposits.

- A permit application (pending) has been filed related to a new water well which was located and drilled by the Company and found to contain sufficient volume to support commercial-scale heap leach operations during periods of reduced precipitation like those experienced from 2020 through 2023.

Project Risks

The following risks have been identified for the Santana Project:

- The Mineral Resource model has been used as the basis for ongoing mining activities at site. There is no guarantee that the model will accurately predict gold production. As production continues to increase, the model will be reconciled to production and adjusted as needed.

- Geotechnical risks related to open pit wall, pad, and waste dump stability exist at the Santana Project site. If conditions change from those currently assumed, design changes could be required that would have an adverse impact on the Santana Project economics.

- The mine plan uses a contract mining company to achieve planned production rates and cost targets. It has also been assumed that the contractor will be able to deliver the desired head grades to the leach pad and will use proper blasting and mining techniques to achieve geotechnical designs for the open pits. If the mining contractor cannot meet target production rates due to equipment or labour shortages the operation may not meet planning requirements, resulting in a negative impact on the Santana Project.

- Changes to current regulations related to matters involving environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues have the potential to materially affect access, title, or the right or ability to perform the work recommend in this Report. At the present time the QPs are unaware of any such potential issues affecting the Santana Project.

Project Opportunities

Opportunities that could enhance the Santana Project include:

- Exploration potential to identify additional zones that have not been sampled (beyond the Nicho and Nicho Norte zones) that are amenable to small-scale open pit mining and heap leaching activities.

- There are four excellent prospective areas within the Santana Project area that have been identified by surface sampling that have the potential to increase the resource base at the Santana Project. These zones are denoted the Goldridge, Zata, Bufita and East project targets.

Recommendations

The QPs of this Report have reviewed the Santana Project data provided by Minera Alamos, including the drill–hole database, sampling, analytical procedures, and security. Mr. Lawrence Segerstrom, CPG, visited the Santana Project site from April 27 to 29, 2021. The QPs believe the data presented by Minera Alamos to be an accurate and reasonable representation of the Santana Project mineralization. In the QP's opinions, the Santana Project has the potential to continue to expand as an open pit heap leach operation and warrants continued advancement of the Santana Project. To continue to advance the potential of the Santana Project, the QPs responsible for this Technical Report make the following recommendations:

Exploration and Geology

- Complete additional drillholes on approximately 25m centres at the Benjamin zone to further understand the distribution of gold mineralization within the zone and to look at opportunities to expand the size of the currently defined mineralized area.

- Further review of the additional mineralized breccia targets which have been identified by the Company in the areas surrounding the Nicho complex (Goldridge, Zata, Bufita and East Zones) to prioritize the next phases of follow-up resource drilling.

- Continue effective surface sampling activities with a focus on new areas that show similar mineralization characteristics as the Nicho and Nicho Norte zones.

- Geophysical studies targeting blind targets that have similar signatures as those observed over the known Nicho and Nicho Norte gold-bearing breccia zones.

Geotechnical

- Initiate a mapping program to identify and assess the potential impacts of structures exposed in open pit walls on highwall stability.

- Continue to analyze and expand existing geotechnical data contained in the exploration DDH logs.

Mineral Resources

- Compile new exploration drilling results from Benjamin into the database to increase the confidence level in the current inferred resource and potential extensions of the known mineralization along strike and at depth.

- When sufficient drill data is available, complete preliminary resource estimates for other identified mineralization targets within the overall Santana Project area.

Metallurgical

- Complete additional metallurgical studies (particularly crushing optimization studies) aimed at improving the overall understanding of variations in parameters such as leachability, recoveries, and reagent consumptions for newly delineated zones of mineralization.

- Expand available metallurgical data for different types of mineralization (oxide/mixed/sulphide) contained within the Nicho deposit and other adjacent delineated deposits (i.e. Benjamin).

Environmental and Permitting

- Continue to work proactively with government agencies to receive final approvals for permit amendment applications currently under review for the expanded Santana Project area.

Table 2 provides a preliminary budget for the recommended work activities.

Table 2: Preliminary Budget for Recommend Work Activities

Work Activity	Budget (US$)
Resource Drilling at Benjamin (~15 holes)	300,000
Metallurgical Optimization Work	100,000
Exploration Drilling at Regional Targets	150,000

MINERAL PROPERTY – CERRO DE ORO

The Cerro de Oro Project

In accordance with the instructions set out in Section 5.4 of Form 51-102F2 – *Annual Information Form*, the Company has reproduced below the summary from the Cerro de Oro Technical Report. Reference should be made to the detailed disclosure in the Cerro de Oro Technical Report, which is incorporated by reference in its entirety into this AIF, and which is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Terms defined in this section titled "*Mineral Property – Cerro de Oro*" relate to this section only, and have the meanings given to them in the Cerro de Oro Technical Report.

Project Overview

The Cerro de Oro project (Cerro de Oro or the Project) is in the Concepción del Oro mining district, 3 kilometres (km) from the town of Melchor Ocampo in the State of Zacatecas, Mexico. The Cerro de Oro Project is near the Zacatecas – Coahuila state line at 24.84° north latitude, 101.62° west longitude or in Universal Transverse Mercator (UTM) coordinates, Zone 14N, 234837 east, 2749794 north (NAD 27). The state's capital is Zacatecas City (population 369,000 in 2020), 310 km south. The Cerro de Oro Project can be accessed by road from Saltillo, the state capital of Coahuila (population 984,000 in 2020), 165 km northeast. The City of Monterrey (population 4,874,000 in 2020) is 242 km northeast and is a major urban centre with an international airport.

The climate is semi-arid, with warm to hot summers and mild, dry winters. Average annual rainfall is about 338 millimetres (mm), with the heaviest rains occurring between June and September—the rainy season. Exploration, development, and operations can be conducted year-round, although the rainy season has the potential to create some short-term difficulties with respect to accessibility. Over the last decade, small miners and/or prospectors (known locally as gambusinos) have been drawn to the area by the presence of high-grade gold mineralization. While the presence of their activities is visible from the surface, there are no records that document how long these activities have been occurring, nor any record of metal production.

There have not been any recent development activities or any commercial-scale operations conducted on the Property.

Exploration and small-scale development activities are believed to have occurred in the early 1900s. These initial activities primarily included a series of exploration pits, shafts, and adits around the Cerro de Oro hill that lies in the centre of the concession area. Two adits were developed into the Cerro de Oro hill. The longest of these, the Zacatecas adit, was developed 156 metres (m) and shown possibly to connect to irregular shafts that follow mineralized chimneys. The second adit, denoted Occidental, is approximately 119 m long and has no internal workings. Detailed surveys and sampling from these early works were not completed until the second half of the 1900s.

Minerales Noranda S.A. de C.V. completed exploration activities on the property in the 1990s. Noranda completed mapping, trenching, and a series of drill programs that included reverse circulation (RC) and diamond drilling. Following the completion of Noranda' s programs, only a limited amount of sampling, mapping, and data compilation was completed on the property until 2017, when Minera Mexico Pacific optioned the property. Between 2017 and 2018, Minera Mexico Pacific completed additional trench sampling and two RC drilling programs totalling 4,272 m. On August 4, 2020, Minera Alamos Inc. (Minera Alamos or the Company) acquired the property.

This report represents the first Preliminary Economic Study (PEA) for the Project. The PEA envisages a conventional truck and front-end loader open pit operation that uses 100-t trucks and approximately 11.5 m3 front-end loaders. All mining activities will be completed by a contractor under the supervision of Company staff, who will be responsible for mine planning, grade control and other technical aspects of the Project. The process design for the Cerro de Oro Project includes crushing of higher grade material to less than ¾ – 7/8" (30% to 35% of the total with the remaining low grade sent to the leach pad directly as run-of-mine [ROM]), a heap leach pad, solution ponds and carbon recovery of gold from pregnant leach solutions. The current design excludes carbon desorption and gold refining facilities, as gold-loaded carbon will be shipped off-site for final doré production.

Geology and Mineralization

Cerro de Oro is in the Sierra Madre Oriental and lies within the geological province of the Mexican Fold and Thrust Belt (Ortega-Gutierrez, 1992). This region is characterized by synclines and anticlines with east-to-west orientations and north-northeast vergence, composed of Mesozoic sedimentary marine sequences that were cut by late Eocene to mid-Oligocene intrusive rocks.

Mineralization at the Cerro de Oro Project occurs within a granodioritic porphyritic stock and within its enclosing sedimentary country rocks. The sedimentary rocks that host mineralization mostly belong to the Indidura and Caracol Formations, and include calcareous siltstone and shale, sandstone, and limestone. Much of the mineralization is hosted by the metamorphosed equivalents of these sedimentary rocks, hornfels and skarn that have been uplifted by the intrusion of the granodiorite stock. Mineralization consists dominantly of pyrite that is widely disseminated throughout the porphyritic granodiorite, and in hornfels and skarns developed at contact with the predominately limestone sedimentary rock units.

The Cerro de Oro deposit is typical of a porphyry system and is characterized by the development of agnetite and quartz veins (A and B veins). These veins developed during an early potassic alteration phase and were later overprinted by silica and sericite (phyllic overprinting) within the inter-mineral porphyritic intrusive phases. These phases form part of the overall intrusive complex, with the gold resources at the Cerro de Oro Project primarily hosted by the porphyritic granodiorite.

Exploration Status

Minera Alamos has not carried out exploration activities at Cerro de Oro since acquiring the rights to the Project. The Company has completed the required surface rights agreements for the Cerro de Oro Project and is in the process of planning and initiating an exploration campaign.

MINERAL RESOURCE ESTIMATES

Data

Extensive quality assurance and quality control (QA/QC) and data validation were performed to thoroughly verify the data from the Noranda drilling campaigns in the 1990s and the drilling campaigns completed by Minera Mexico Pacific in 2017 and 2018. Sample certificates from these programs were reviewed in their entirety, and data comparisons were conducted to verify the results. The Noranda drilling campaign used appropriate methods at the time, including QA/QC procedures. The Minera Mexico Pacific drilling campaigns used modern techniques and QA/QC procedures. The author finds that the data are reliable for the purposes of this Technical Report.

Resource Estimate

This Technical Report represents the second Mineral Resource estimate for the Cerro de Oro Property. The estimate has been prepared with the assistance of Leonardo de Souza, MAusIMM (CP) and has been reviewed and verified by Scott Zelligan, P.Geo., an independent Qualified Person (QP) as defined in NI 43-101. Mr. Zelligan is the QP for the estimate of the Mineral Resource contained in this Report, which has an effective date of September 28, 2022.

The Resource was classified according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) CIM Definition Standards for Mineral Resources & Mineral Reserves (CIM Definition Standards). The classification considered the drill and sample spacing, QA/QC, deposit type, the absence of representative density measurements, and the need to develop a lithological model. The estimate used an indicator model and the inverse distance squared (ID2) method to interpolate gold grades. The density used for the oxide zone is 2.55 tonnes per cubic metre (t/m3).

The model for Cerro de Oro was prepared using Leapfrog GEO (version 5.1.0) and Datamine Studio RM (version 1.6.87.0). Leapfrog was used for the mineralized solid modelling via gold-grade indicator interpolation. Datamine was used for the grade estimation, which consisted of three-dimensional (3-D) block modelling and the ID2 interpolation method.

As part of the review and verification process, Mr. Zelligan was provided with the original or raw data set that included all collar, survey, and assay files, as well as the Leapfrog Project and Datamine files created by Mr. de Souza for estimation purposes. This information was used to confirm the selection of composite length, the approach to grade capping, parameters used to create the indicator model, the approach to density modelling, the interpolation, and to recreate the resource model and estimation. Further verification work included the creation of a declustered data set from the drill hole files to check the impacts of grade smearing, additional model runs to evaluate the sensitivity to changes to input parameters, and visual validation by review of plan and vertical sections (on 25 m spacing) against the original drill holes, composites, the declustered data set, and the final model. Mr. Zelligan's review confirmed the estimate of Mineral Resources provided by Leonardo de Souza and satisfies the QP requirements of NI 43-101 and the CIM Definition Standards.

The Inferred Mineral Resource estimate for Cerro de Oro is shown in Table 1-1.

Resource Category	Material Type	Tonnage (Mt)	Au (g/t)	Au (oz 000s)
Inferred	Oxide	67	0.37	790

Notes:

- The independent QP for the Mineral Resource estimate, as defined by NI 43-101, is Scott Zelligan, P.Geo. The effective date of the Mineral Resource estimate is September 28, 2022.
- A gold price of US$1,700/oz was used in the calculation of the Mineral Resource.
- The estimate is reported for a potential open pit/heap leach scenario.
- The limits of the Resource-constraining pit shell assumed a mining cut-off based on a total operating cost (OPEX) (mining, milling, and general and administrative [G&A]) of US$8.80/t stacked, a metallurgical recovery of 70%, and a constant open pit slope angle of 45°. This constraining pit shell contained a total volume of 84 million tonnes (Mt). Inferred Mineral Resources are too speculative geologically to have economic considerations applied to them.
- The gold cutoff grade applied to oxide mineralized material is 0.15 grams per tonne (g/t) Au.
- The Mineral Resource are not Mineral Reserves, as they do not have demonstrated economic viability.
- The Mineral Resource estimate follows CIM Definition Standards.
- Results are presented in situ. Calculations use SI units: metres, grams, tonnes.
- The number of tonnes has been rounded to the nearest million.
- The QPs of the technical report are not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical, marketing, or other relevant issues that could materially affect the Mineral Resource estimate other than those disclosed in this NI 43-101 compliant Technical Report.

Mining Methods

The Cerro de Oro project is planned as a conventional open pit mine. The mine will consist of two open pits denoted the north and south pits. Mining will initially commence in the south pit and will expand into the north pit as the mine plan progresses. It has been assumed that a mining contractor will be used for all drilling/blasting/ loading and hauling activities. The Company will oversee mining activities, planning, grade control, and other technical-related services.

A fleet of 100-t haul trucks and front-end loaders in the 11.5 m3 range have been used for this Technical Report. This mining equipment size is common in Mexico, and contractor availability is currently high, yielding competitive rates.

Mine plan phases have been developed to bring higher-grade material forward and minimize strip ratios earlier in the mine life.

Table 1-2: Cerro de Ore Annual Mine Schedule

Year	Mineralized Tonnes	Au (g/t)	Contained Gold (oz)	Waste Tonnes	Total Tonnes	Strip Ratio
1	6,536,612	0.44	93,435	693,394	7,230,006	0.11
2	6,645,988	0.41	87,254	1,849,643	8,495,631	0.28
3	7,499,879	0.41	98,986	2,496,696	9,996,575	0.33
4	7,508,224	0.42	100,773	3,223,998	10,732,222	0.43
5	7,202,634	0.32	73,815	3,301,171	10,503,805	0.46
6	7,737,702	0.37	91,261	2,778,248	10,515,951	0.36

7	7,500,015	0.32	76,940	3,237,229	10,737,244	0.43
8	7,500,678	0.27	65,015	302,195	7,802,873	0.04
9	1,164,176	0.36	13,418	254	1,164,430	0.00
Total	**59,295,909**	**0.37**	**700,897**	**17,882,828**	**77,178,737**	**0.30**

Note: The production schedule uses an average density of 2.55, consistent with the density used for resource estimation.

Table 1-3: Process Schedule

Year	Total	1	2	3	4	5	6	7	8	9
Contained Ounces	700,897	93,435	87,254	98,986	100,773	73,815	91,261	76,940	65,015	13,418
Recovered Ounces	476,610	63,536	59,333	67,310	68,526	50,194	62,057	52,319	44,210	9,124

Note: The recovered ounces have been estimated using a flat life-of-mine (LOM) Metallurgical Recovery of 68%.

Metallurgy

Historical Testwork

Minera Mexico Pacific completed the majority of the metallurgical testwork at the Cerro de Oro project from 2016 to 2018. This testwork consisted predominantly of standard bottle roll cyanidation studies on RC exploration chips (<2 mm particle size). A few coarse rock bottle and column tests were also completed on surface materials. Samples were taken from the main mineralized lithological units (endoskarns and hornfels), predominately from the oxide zone. A limited number of sulphide transition zone samples were tested.

Metallurgical Testwork Programs

The main findings of the metallurgical studies to date can be summarized as follows:

- Gold mineralization appears to be well disseminated through the host rock, with little correlation to rock particle size distributions.
- Oxide gold mineralization responds positively to gold cyanidation, with residual gold contents (unrecovered gold) typically in the range of 0.10 g/t Au or lower, regardless of variations in sample head grades.
- Bottle roll test samples (RC drill chips) had an average head grade of 0.42 g/t Au (similar for oxide and mixed sulphide transition material), corresponding to a metallurgical recovery in excess of 75%.
- Bottle roll-test leach recovery kinetics were generally rapid (majority of gold extracted from RC chips in less than 24 hours).
- Bottle roll tests using coarse particle sizes (minus 2” material) produced gold recoveries similar to those observed with RC chip samples.
- Three column samples (minus 2” material) resulted in leach extractions consistent with those performed using coarse bottle roll methods.
- Reagent consumptions were consistently in the low to moderate range expected for heap leach gold projects.
- While the majority of the historical testwork focused on the oxide mineralization, the results from a limited number of mixed/sulphide transition samples did not appear significantly different from what was observed with the oxide material.
- LOM recovery of 68% has been assumed for the PEA.

Mineral Processing

The Cerro de Oro gold recovery facilities will consist of the following unit operations:

- Low-grade ROM material leach pad loading via direct truck dump
- Two-stage crushing (jaw and cone) and screening operations for higher grade mine material with conveyor/stacker transport to leach pad.
- Lined heap leach pad area sufficient to handle current LOM resource (40%–50% constructed initially as the first phase with subsequent expansions).
- Lined leach solution ponds adjacent to the leach pad–barren, pregnant and emergency overflow solution capacity.
- Four trains of four-stage carbon in columns with an area to expand to six trains.
- All required process pumping and loaded and barren carbon handling.
- Reagent preparation and storage facilities.
- Metallurgical laboratory (necessary production samples only).
- Utilities including water supply system (surface wells) and diesel power generation

Environmental and Permitting

There are no known existing environmental liabilities associated with the Cerro de Oro Project. The Cerro de Oro Project is in a region of Zacatecas State where mining has been carried out in the past (small-scale underground mines) and where it is currently being pursued on an adjacent claim.

In June 2022, Minera Alamos announced the formal conclusion of agreements to rent a total of 833 ha (656 ha in the municipality area and 177 ha in the Ejido area, which is immediately adjacent and to the east of the municipality) following a final general meeting held with the Ejido. Both agreements are for a period of 25 years and cover all activities necessary for the permitting and development of a mining operation. As part of the process, the Company committed to make annual rent payments, conduct a program of limited social works in both communities and that qualified residents of these communities would have preference for employment once the mine is in operation.

The Company will continue to work with its consultants on the preparation of two permit applications for submission to the federal government's Secretariat of Environment and Natural Resources (SEMARNAT), namely the Environmental Impact Statement (Manifestación de Impacto Ambiental or MIA), and the Technical Justification Study (Estudio Técnico Justificativo or ETJ), which also includes the Change of Land Use (Cambio de Uso de Suelo or CUS).

Capital Costs

The capital cost estimate was divided into initial capital and production "sustaining" capital. Pre-production capital includes all mine and process costs up to the initiation of commercial mining operations. Total pre-production costs at the Cerro de Oro project are estimated at US$28.1 million. Sustaining capital costs over the LOM are estimated at US$14.7 million for a total Project capital cost of US$42.8 million. A breakdown of the Cerro de Oro Project capital costs is summarized in Table 21-1.

The Company decided that the following strategies would be incorporated into the Cerro de Oro Project design to reduce the initial capital requirements:

- All open pit mining operations and associated capital costs would be the responsibility of an independent mining contractor (including installation of mine maintenance facilities).
- An existing crushing plant purchased previously by the Company will be used for site crushing operations.

- Personnel will stay in the local municipality eliminating the requirement for mine site camp facilities.

The Company's management has been involved with constructing multiple gold heap leach operations with similar designs as proposed for the Cerro de Oro project; this includes the recent Santana gold project that commenced production in 2021. The capital cost data from these projects has been compiled and made available as a reference for the Cerro de Oro project estimates.

Table 1-4 Project Capital Costs

Area	Initial (US$)	Sustaining (US$)	Total (US$)
Preproduction Technical Work and Engineering (geotechnical drilling, etc.)	1,500,000	1,500,000	3,000,000
Infrastructure and Miscellaneous Construction (excluding crushing)	3,000,000	-	3,000,000
Process Plant	3,400,000	-	3,400,000
Pad Construction	7,000,000	13,200,000	20,200,000
Pond Construction	2,700,000	-	2,700,000
Crushing and Stacking Refurbishment	2,000,000	-	2,000,000
Substation, Miscellaneous Power	2,000,000	-	2,000,000
Contingency (30%)	6,480,000	-	6,480,000
Total Project	**28,080,000**	**14,700,000**	**42,780,000**

The pre-production capital cost estimate of US$28.1 million includes the construction of stand-alone gold recovery facilities, Phase 1 of the heap leach pad construction and all necessary site infrastructure to bring the mine into production. A conservative 30% contingency has been included to account for capital requirements that are not detailed in the current study.

Operating Costs

The total unit operating cost (OPEX) for the Cerro de Oro Project is estimated at US$6.66/t of mineralized material, including provision for general and administrative (G&A) expenses. Operating costs were developed based on first principles where possible, including estimated staffing levels, reagent consumptions, and power requirements. Unit cost allowances for items such as maintenance and supplies are based on information from Minera Alamos's Santana Gold Project and similar heap leach operations in Mexico. Power requirements for the process operation were estimated based on operating equipment motor sizes, and plant availability. The cost of diesel fuel that was used in the estimate is US$1.10/litre (L). Power for the crushing system is assumed to be supplied by the nearby power grid at a price of US$0.13/kWh. An overall contingency of 20% was applied to the OPEX totals to account for additional cost items such as outside contractors, laboratory consumables, vehicle fuel, and other items.

All mine operating activities are assumed to be the responsibility of a third-party mining contractor. Contractor rates include drilling, blasting, loading and transportation of the waste/mineralization. Costs for the Company mine services group were prepared separately and are included in the G&A. LOM OPEX is summarized in Table 1-5. Annual operating expenditures in the economic model for the Cerro de Oro Project (See Section 22) vary based on the proposed annual mine schedule and the unit costs provided below.

Table 1-5: Project Operating Cost Summary

Area	Cost (US$/a)	Mineralized Material[1] (US$/t)	Mined[2] (US$/t)
Open Pit Mining[3]	20,300,000	2.90	2.23
Crushing[4]	3,658,000	0.52	0.40
Processing	16,038,000	2.29	1.76
G&A	2,259,000	0.32	0.25

Contingency (20%)[5]	4,391,000	0.63	0.48
All-in Operating Costs	45,646,000	6.66	5.13

Notes:

(1) "Mineralized Material" represents mined material estimated to generate positive cash flows.
(2) "Mined" means total tonnes mined (mineralized + waste).
(3) Open pit mining cost is US$2.00/t for waste and US$2.30/t for mineralization. A cost of US$0.30/t mineralization has been included in the base case mining cost for mineralization to account for longer haulage routes to the leach pad.
(4) Crushing costs are calculated per tonne of mineralized material to leach pad (or mined), assuming 30% of mineralized material is crushed (crushing unit cost is estimated at US$1.74/t of crusher feed material).
(5) Contingency is applied to OPEX, excluding current mining contractor rates.

Economic Analysis

Using a gold price of US$1,600/oz, the production schedules and operating and capital costs developed as part of this PEA, an estimate of the Cerro de Oro Project after tax-free cash flow has been made. The underlying assumptions and parameters that have been used are as follows:

- All units of measurement are metric unless otherwise stated.
- All values are United States dollars unless otherwise stated.
- No inflation is assumed (all dollars are real dollars).
- The gold price (US$1,600/oz) is based on the conservative end of a review of recent consensus long-term pricing studies reviewed by the author.
- Overall life-of-mine (LOM) average gold recovery of 68%.
- The model allows for a one-year pre-production period from the point of a construction decision; this should be more than sufficient time to complete pre-production activities and to finish the Cerro de Oro Project construction and start-up.
- The model assumes an 8.2-year mine life.
- The processing plant produces a gold "loaded carbon" product sent off-site for final gold doré production. Transportation and processing costs for the loaded carbon are based on current Company costs for loaded carbon produced at its Santana mine in Sonora, Mexico.
- Operating cost estimates:
    - Mining costs are based on typical rates for similar gold open pit operations in Mexico, including the Company's Santana mine.
    - An additional allowance was included to compensate for extra haulage distances from the open pit to the heap leach pad over the LOM.
    - Processing costs as developed for the Cerro de Oro Project are based on metallurgical testwork completed to date, along with data from other gold projects that have similar unit operations.
    - Labour costs are based on the Projected workforce summary for the Cerro de Oro Project.
    - G&A costs estimated from other Minera Alamos operations appear reasonable in the author's opinion.
- Capital costs are relatively low and are based on the recent (2020/2021) construction costs from the Company's Santana project and adapted as necessary based on the preliminary engineering work completed for Cerro de Oro. The Company has already purchased a used crushing plant which can be adapted to the Cerro de Oro Project. There are no provisions for mining capital, as all mining will be performed by a Mexican-based contractor.

- Sustaining capital estimated (starting in Year 2) at a rate of US$0.25/t of material stacked on the leach pad as additional pad area will be constructed in phases. Total sustaining capital for the LOM is consistent with the ultimate area of new leach pad to be constructed after Phase 1 with an additional allowance for other related ancillaries.

- The economic model assumes 100% equity-based financing.

- The model calculates book depreciation using both the Units of Production (UOP) and straight-line methods.

- Taxes and government royalties deducted by the economic model include:

    - Special Mining Duty—7.5% of earnings before income tax, depreciation and amortization. The Special Mining Duty is deductible for corporate taxes (see below).

    - Extraordinary Mining Duty—0.5% of gold and silver net smelter return (NSR). Also deductible before calculating Mexican Corporate Taxes.

    - Mexican Corporate Taxes—30% of net income where net income is defined as cash operating profit less the above duties and any opening tax pools and depreciation.

- FCF is calculated as NSR less:

    - Operating costs

    - Mining duties and taxes

    - Capital investment

    - Net changes in working capital.

On an after-tax basis, the Cerro de Oro Project returns an internal rate of return (IRR) of 111% and a payback period of 11 months from the start of mine production. In addition, the total undiscounted free cash flow is US$200 million and the NPV at various discount rates are:

- 5%— US$150.5 million

- 8%— US$128.1 million

- 10%— US$115.5 million.

Table 1-6 presents a summary table that contains a list of the inputs and the results of the economic analysis of the Cerro de Oro Project.

Table 1-6: Summary of Model Inputs and Results

Item	Unit	
Production and Revenue		
Preproduction Period	years	1
Mine Life	years	8.2
Preproduction Waste Stripping		None
Production Waste Stripping	Mt	17.9
Total Waste Mined	**Mt**	**17.9**
Mineralized Material to Leach Pad Directly (ROM)	Mt	41.5
Gold Grade	g/t	0.27
Mineralized Material to Crushing	Mt	17.8
Gold Grade	g/t	0.61

Item	Unit	
Total Material to Leach Pads	**Mt**	**59.3**
Gold Grade	g/t	0.37
Gold Recovered in Loaded Carbon/Doré		
Gold	oz	476,610
Metal Prices		
Gold	US$/oz	1,600
Total Revenue	**US$ million**	**762.6**
Operating Costs		
Waste Mining (waste)	US$/t	2.00
Mineral Mining (mineral)	US$/t	2.00
Additional Haulage (LOM) (mineral)	US$/t	0.30
Crushing (crushed)	US$/t	1.74
Processing (mineral on leach pad)	US$/t	2.29
General and Administration (mineral)	/t	0.32
Contingency (mineral)	US$/t	0.63
Waste Mining (Total)	US$ million	35.8
Mineral Mining (Total)	US$	118.6
Additional Haulage (LOM)	US$	17.8
Crushing (Total)	US$	31.0
Processing (Total)	US$	173.1
General and Administration (Total)	US$	19.0
Doré Production, Refining, Selling (Total)	US$	6.2
Total Operating Cost	**US$**	**401.5**
Economic Results		
Operating Cash Flow	US$ millions	361.1
Less:		
Expansion Capital	US$	28.1
Sustaining Capital	US$	14.7
Special Mining Duty	US$	27.1
Extraordinary Mining Duty		3.8
Mexican Corporate Taxes		87.5
Free Cash Flow		200.0
After Tax Results		
Free Cash Flow to Project	US$ millions	200.0
Project IRR	%	111
NPV		
Discounted at 5%	US$	150.5
Discounted at 8%	US$	128.1
Discounted at 10%	US$	115.5
Payback Period (from start of production)	months	10.4
Operating Costs per ounces Gold Sold	US$/oz	842
All-in Sustaining Costs per ounces Gold Sold	US$/oz	873
Breakeven Gold Price	US$/oz	953

Note: The author has used the World Gold Council definitions of Operating Costs and All-In-Sustaining Costs. In the current project. All-In-Sustaining Costs include OPEX plus sustaining capital less by-product credits.

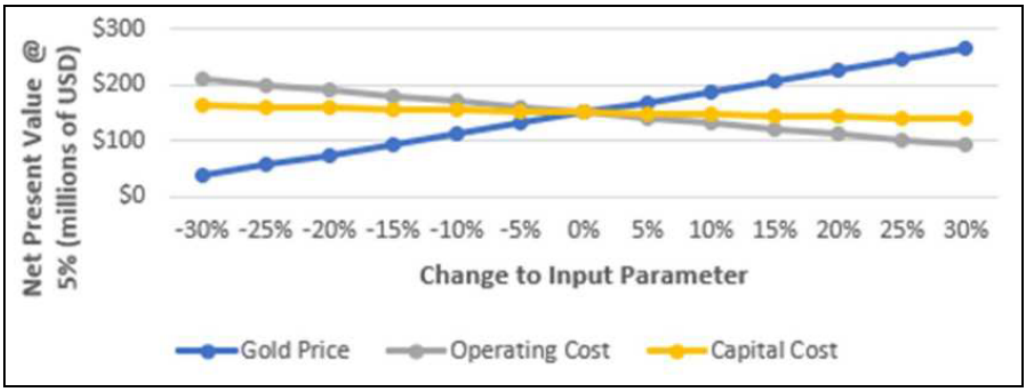
Sensitivity Analysis

A sensitivity analysis was conducted on the base case (after-tax) NPV for the Cerro de Oro Project using the following variables: metal price/recovery, initial capital costs and total operating costs. Table 1-7 and Figure 1-1 summarize the sensitivity analysis results. As illustrated, the Cerro de Oro Project NPV is most sensitive to changes in metal price/recovery and less sensitive to initial capital and operating costs.

Table 1-7: Sensitivity Analysis (5% discount/after-tax)

NPV (US$ million)	Input Factor						
Input	-30%	-20%	-10%	Base	+10%	+20%	+30%
Metal Prices/Recovery	37	75	113	151	188	226	264
OPEX	209	189	170	151	131	112	92
CAPEX	162	158	154	151	147	143	139

Figure 1-1: Sensitivity Analysis of Project NPV (5% discount/after-tax)



Interpretation and Conclusions

The authors of this Technical Report conclude the following.

Geology

- Mineralization at the Cerro de Oro deposit is typical of a porphyry system and is characterized by the development of A and B veins. These veins developed during an early potassic alteration phase and were later overprinted by silica, sericite, and pyrite (phyllic overprinting), within the inter-mineral porphyritic intrusive phases. These phases form part of the overall intrusive complex.

- The porphyry system at Cerro de Oro, according to Sillitoe (1979), can be defined as a goldrich system because it has a typical gold content of ⩾0.40 g/t Au.

- The mineralization remains open beyond the areas tested by exploration drilling, including at depth and along the strike of the deposit. These areas will be the focus of upcoming exploration campaigns.

Mineral Resource

- The Cerro de Oro project has an Inferred Mineral Resource of 790,000 oz of contained gold (67 Mt grading 0.37 g/t Au).

- The cut-off grade used for resource reporting is 0.15 g/t Au (US$1,700/oz Au, mining, milling and G&A costs of US$8.80/t stacked, 70% recovery, 45-degree constant open pit slope angle).

- Grade interpolations for gold were carried out using conventional methods commonly used in the industry and applied with reasonable geological inference and controls.

- The existing sample data have been collected using protocols consistent with industry best practices. The sampling that has been completed on the Cerro de Oro Project to date has been appropriate for the mineralization type, and the samples are representative of the deposit.

- All samples collected were transported in a secure manner, and a chain of custody was followed.

- Assays were carried out in a well-managed facility using conventional methods commonly used in the industry. During previous drilling campaigns, suitable levels of independent QA/QC samples were submitted to the laboratory to ensure reasonable results were returned.

- The QP is of the opinion that the analytical work performed by the various laboratories was suitable for use in Mineral Resource estimation.

- The assumptions, parameters, and methodology are appropriate for the Mineral Resource estimation, are consistent with the style of mineralization, and are applicable for an open pit heap leach operation.

- The QP has classified the current Mineral Resource estimation as Inferred for the oxidized portion of the Cerro de Oro deposit. Although drill spacing is locally sufficient for Indicated classification, there remain necessary revisions and updates to the geological logs, better definition of the limit between the oxides and fresh rock, understanding of mineralization controls and bulk density measurements. The reported Inferred Mineral Resources are estimated with an average drilling grid of 85 m by 85 m.

Mining Methods

- The mineralization at the Cerro de Oro project will be mined from two open pits.

- Conventional open pit methods will be undertaken by a mining contractor using 11.5m3 frontend loaders and 100-t trucks.

- The ultimate open pit configurations are based on the economic parameters in Table 14-5 of the technical report and the US$1,500/oz constraining pit shell that was used as a guide.

- The cut-off grade for mine planning purposes was decreased from 0.15 g/t Au (the cut-off used for resource estimation) to 0.12 g/t Au, which reflects a gold price of US$1,600/oz and the estimated OPEX developed as part of this PEA.

- The mine plan is based solely on an inferred resource.

- The parameters used in the current report generated a production schedule that estimates mining of 59.3 Mt of mineralization grading 0.37 g/t Au and 17.9 Mt of waste for a strip ratio of 0.30:1 (waste to ore).

Metallurgical Recovery

- Metallurgical testwork demonstrated the amenability of oxide mineralization to gold recovery using cyanidation.

- Gold mineralization appears to be well disseminated through the host rock, with little correlation to rock particle-size distributions.

- Oxide gold mineralization responded positively to gold cyanidation, with residual gold content (unrecovered gold) typically in the range of 0.1 g/t Au or lower, regardless of variations in sample head grades.

- Bottle roll test samples (RC chips) had an average head grade of 0.42 g/t Au (similar for oxide and mixed sulphide transition material) corresponding to a metallurgical recovery of in excess of 75%.

- Leach recovery kinetics were generally rapid (majority of gold extracted from RC chips in less than 24 h).

- Bottle roll tests using coarse particle sizes (minus 2” material) produced gold recoveries similar to those observed with RC chip samples.

- Three column samples (minus 2” material) resulted in leach extractions consistent with those performed using coarse bottle roll methods.

- Reagent consumptions were consistently in the low to moderate range expected for heap leach gold projects.

- A limited number of positive metallurgical tests completed on samples of transition/sulphide material indicated that additional testing of this type of mineralization is warranted.

Mineral Processing

- Processing facilities will include two-stage crushing of high-grade material (currently estimated at 30%–35% of total mined mineralization), a heap leach pad, solution ponds and carbon column recovery of gold from pregnant leach solution.

- Loaded carbon will be transported off-site and refined to doré at a suitable facility.

- Overall plant design was based on a nominal 7,000,000 t/a of mineralized material placed on the leach pad with average grades of 0.40 g/t Au.

- Allowances were made in the process plant and solution storage pond designs/layouts to accommodate expansions should future increases in production rates be considered.

- Make-up water for processing operations (leaching and reagent preparation) will be provided by surface wells and will be pumped to the process plant/ponds for use and storage as required.

Infrastructure

- A full evaluation of the required upgrades to existing roads around the Cerro de Oro Project needs to be completed to ensure two-way traffic can be accommodated. Reasonable initial assumptions have been included as part of this PEA study.

- Crushing plant operations have an allowance for a grid connected load of approximately 1.5 MW to power all major equipment unit operations. The Company needs to confirm the availability of the grid power requirement. The Company has purchased a 2 MW diesel generator for backup requirements.

- All power requirements required for leaching and recovery plant operations will be generated at site using diesel generators. Diesel consumption for power generation is estimated to be equivalent to an electric power cost in the range of US$0.30/kWh.

- Water will be available via a series of wells and pumped to the process plant.

- A preliminary plant layout has been completed and incorporated into the overall site plan.

- Maintenance areas required by the mining contractor will be the responsibility of the contractor; however, suitable areas for use have been designated in the site plan.

Economic Analysis

An economic analysis was completed for the Cerro de Oro Project incorporating the following basic parameters:

- A gold price of US$1600/oz (no allowance for recovered silver).

- In-pit cut-off grade of 0.12 g/t Au for ROM material from mine operations.

- Crushing of higher grade mineralization (crushing cut-off of 0.40–0.45 g/t Au) prior to heap leach stacking.

- Existing crushing/screening equipment owned by the Company will be retrofitted to meet the requirements of Cerro de Oro operations.

- Gold recovery from heap leach operations onto “loaded” carbon which will be processed offsite for final gold doré production and sale.

- 400,000 m2 of Phase 1 leach pad construction (and related solution storage ponds) included in initial CAPEX followed by additional sustaining capital investments to expand the leach pad area as mining operations advance.

- Overall average gold recovery of 68% estimated based on a combination of preliminary metallurgical testwork and other similar heap leach operations in Mexico.

- Site operations and contractor personnel will be housed in the nearby town of Melchor Ocampo limiting requirements for site facilities.

- Operating cost estimates were prepared and validated using a combination of first principles, recent operating data from the Company’s existing operations and from other active projects and mines in Mexico.

- Capital cost estimates were prepared using both current and historical data gained from Company assets constructed in Mexico. These costs were benchmarked against other recent CAPEX estimates for similar heap leach projects.

- A surface mine production schedule was completed for the PEA incorporating conventional surface mining methods and equipment. Production highlights include:

    - Eight-year mine life (partial production in Year 9, 8.2 years) based on a mineable inferred resource with 59 Mt of mineralization (0.37 g/t Au) processed at a rate of 19,000 to 22,000 t/d to the heap leach pad operations.

    - Average annual contained metal mined of approximately 60,000 oz (~60,000 to 70,000 oz in years 1 through 4).

    - 477 koz of gold extracted from leaching operations and recovered as loaded carbon concentrate to be shipped for final gold doré production and sale.

Highlights from the economic modelling and analysis of the Cerro de Oro Project include:

- Robust economics at a gold price of US$1,600/oz:

    - All-in sustaining cost (AISC) of US$873/oz (US$763/oz average in years 1 to 4)

    - After-tax NPV at 5% of US$150.5 million and an IRR of 111%

- Low CAPEX and rapid payback

    - Pre-production CAPEX of US$28.1

    - Payback period of 11 months.

In the QP’s opinion, the Cerro de Oro project is potentially very robust and warrants the Company’s continued advancement towards a construction decision.

The reader is cautioned that this PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them. There is no certainty that the PEA will be realized.

Project Risks

- The Mineral Resource estimate is based on the results of the Noranda and Minera Mexico Pacific field programs that included trenching, RC drilling, and some limited diamond drill holes. It is recommended that additional drilling and testing be undertaken to further delineate the known zones of mineralization.

- The Mineral Resource estimate is based on the results of previous drilling by Noranda and Minera Mexico Pacific. It is recommended that additional drilling and testing be undertaken to further delineate the known zones of mineralization.

- The open pit, waste dump and heap leach pad designs are based on assumed configurations and do not include the results of a geotechnical investigation. If conditions differ from those currently assumed, changes to the designs will be required that could have an adverse impact on the economics of the Cerro de Oro Project.

- Metallurgical work completed to date for the Cerro de Oro Project remains limited. Additional studies are required to better evaluate the particle size/gold recovery relationships for the different zones of mineralization.

- Environmental, permitting, legal, title, taxation, socioeconomic, marketing, political, or other relevant issues have the potential to materially affect access, title, or the right or ability to perform the work recommend in this Report. At the present time the QPs are unaware of any such potential issues affecting the Cerro de Oro Project.

- Potential challenges and risks are related to the low-grade nature of the deposit. Follow-up programs to improve the confidence of resource estimates and projected metallurgical performance can reduce these risks.

- A permit application (MIA/ETJ) has not yet been submitted for the Cerro de Oro Project. The project evaluation uses generic year numbers as the exact timing of the permit submission and approval cannot be guaranteed.

- The cost estimations used as part of this PEA are based on both first principles and bench marking and are not based on firm quotations or detailed engineering. Earthworks estimates for road, leach pad and dump constructions are based on historical unit rates and modelled quantities. Changes to the unit rates assumed could have a negative impact on project economics.

Project Opportunities

Opportunities that could enhance the Cerro de Oro Project include:

- The known zones of gold mineralization appear to remain open both laterally and at depth.

- Potential for the presence of skarn mineralization at the contact of the porphyry and surrounding sedimentary rocks.

- Additional metallurgical testwork should allow for a more complete understanding of the gold recovery versus crush size relationships for different areas of the deposit and could result in potential improvements in overall gold extraction via optimization of the processing parameters.

- There appears to be potential to leach transition/sulphide mineralization. Further metallurgical work should continue to evaluate the amenability of leaching this material, followed by additional drilling to better delineate the extents of these zones if warranted.

- Additional mine planning studies to evaluate opportunities to expand annual production rates, optimize production phasing and haul road optimization to attempt to reduce distances to the planned leach pads.

Recommendations

To continue to advance the Cerro de Oro project toward a potential development decision, the QPs responsible for this Technical Report make the following recommendations:

Exploration and Geology

- An exploration program for the Cerro de Oro project area involving drilling (infill and step-out); further mapping and rock outcrop sampling; soil sampling (100 m grid); soil spectral analysis (with Terraspec); and possible geophysical studies (i.e., magnetic and electromagnetic/induced polarization surveys) to delineate the shape of the porphyry at depth.

- Topographic work to provide additional accurate positions and directional details for historical holes.

- Preparation of plans for an additional phase of exploration drilling aimed at defining disseminated sulphide extensions below the known oxide mineralization.

- Infill drilling program (Phase 1) for resource modelling purposes and to collect samples for additional metallurgical test work as well as in-situ rock density studies.

- Plan for a second phase of drilling (Phase 2) that is based on additional geologic work and the results of Phase 1 (step-out drilling).

- Continue regional geological studies to identify other areas with mineralization similar to Cerro de Oro

Mineral Resources

- Compile new exploration results into a more advanced geological model for the Cerro de Oro Project, to increase the confidence level in the current resources (Inferred) and potential extensions of the known mineralization along strike and at depth.

- Incorporate data from in-situ rock density into the resource model to better define the densities of each of the main rock types.

- Evaluate the potential of the silver mineralization at the Cerro de Oro Project, and if warranted establish a compliant silver resource estimate.

- Expand the Cerro de Oro Project geological model to include lithological information and other details that may impact engineering studies, including metallurgical evaluations.

Open Pit Mining

- Complete geotechnical and hydrology site investigations to obtain a better understanding of existing ground conditions for open pit slope, waste dump and leach pad design purposes.

- Further pit design optimization to examine access road development alternatives, open pit phasing to maximize mineralization release and further smoothing of the production profile later in the mine life.

- Complete haulage optimization studies to better determine the cost of the overhaul of mineralized material to the leach pads and to estimate the equipment fleet that will be required more accurately.

- Completed additional pit design work to determine the impact of changing the open pit layout to include a double lane road up to the last two benches of the ultimate pit depth. The PEA uses a single lane for the last six benches to maximize mined mineralization.

Metallurgy and Processing

- Coarse bottle roll (and possibly column) optimization studies to examine crush size/gold recovery relationships and variability for primary lithological zones within the Cerro de Oro Project mineralization.

- Leach variability studies to specifically examine areas of reduced rock permeability and elevated copper contents.

- Leach studies on sulphide mineralization materials.
- Hardness/abrasion studies for major rock lithologies.
- Evaluate the potential silver recoveries.

Environmental and Permitting

- Complete environmental baseline studies for the preparation of the MIA/ETJ permit application.
- Complete a hydrogeological survey of the concession area to prioritize locations for process water sources and permit applications.
- Advance basic engineering studies required for permitting a heap leach gold recovery facility.
- Work proactively with government agencies to submit all necessary permit and license applications to advance the Cerro de Oro Project toward a construction decision

Preliminary Budget for Work Activities

A preliminary budget to cover the work activities that will be initiated and completed prior to a construction decision is presented in Table 1-8.

Table 1-8: Preliminary Budget for Recommended Work Activities

Work Activity	Budget (US$)
Road Cleaning, Mapping and Sampling	170,000
Hydrological Studies (inc. water test wells)	350,000
Phase 1 Drilling (Infill: 5,000–6,000 m)	1,000,000
Phase 2 Drilling (Step out: 5,000–6,000 m)	1,000,000
Geophysical Studies	150,000
Hydrological Studies	100,000
Metallurgical Studies	200,000
Engineering Studies	150,000
Environmental and Permits	100,000
Contingency (15%)	540,000
Total	**4,160,000**

MINERAL PROPERTY – LA FORTUNA

The La Fortuna Project

In accordance with the instructions set out in Section 5.4 of Form 51-102F2 – *Annual Information Form*, the Company has reproduced below the summary from the La Fortuna Technical Report. Reference should be made to the detailed disclosure in the La Fortuna Technical Report, which is incorporated by reference in its entirety into this AIF, and which is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Terms defined in this section titled "*Mineral Property – La Fortuna*" relate to this section only, and have the meanings given to them in the La Fortuna Technical Report.

Project Overview

The La Fortuna Project ("La Fortuna" or "Fortuna") is located within the Tamazula District of northwest Durango State, near to Durango-Sinaloa state line at approximately 25°19'N latitude and 107°52'W longitude. The Project can be reached by road from the city of Culiacan (capital of Sinaloa state – population just under 1 million) approximately 100 kilometers to the southwest. Culiacan itself is situated 270 kilometers northwest of Mazatlan, a major port and tourist city, and 200 kilometers southeast of Los Mochis, another major port city.

The climate is typical of north-western Mexico with hot summers and moderate to warm dry winters. The rainy season extends from July to early October and can bring 200 to 500 mm of rainfall. Exploration activities can be conducted year-round, although the rainy season can create some difficulties with respect to accessibility.

Initial development of the La Fortuna Mine occurred in the late 1800's. Early accounts are often incomplete or conflicting. However, detailed surveys and sampling of the underground adits, drifts and stopes were completed in the latter quarter of the 1900's. The San Fernando Mining Company completed extensive drilling during the 1990s which forms the basis of the current drillhole database. In the late 2000s Castle Gold acquired the project and completed six (6) twin hole for the purposes of validating the data as part of a modern NI 43-101 cognizant program. In May 2016 Mineral Alamos Inc. acquired the La Fortuna property from Argonaut Gold Inc.

Geology and Mineralization

La Fortuna lies within the Sierra Madre Occidental. It is hosted by a granodioritic batholith exposed by erosion of overlying and intruded volcanic complexes. The deposit itself consists of intrusive-related quartz-tourmaline breccias, assumed to be the late mineralization phase of a porphyry system. The deposit is tabular in shape, dipping 30° to the west, and is up to 60m thick. Late stage dykes cut through the mineralization. The mineralization consists mainly of pyrite and chalcopyrite stockwork veinlets, fracture fillings, and disseminations within the breccias. Gold and silver grains and minerals are present along the grain boundaries of the chalcopyrite and pyrite with the gold occurring as relatively coarse "free" grains associated, but not encapsulated, with pyrite.

The mineralization at La Fortuna can be best characterized as intrusion-related 'transitional' deposits, assumed to be the mineralized zone within an intrusion related model that occurs in the transition between porphyry mineralization and epithermal mineralization.

Mineral Resource Estimates

Data

Extensive QAQC and data validation was performed in order to thoroughly verify the data from the 1990's San Fernando drilling campaign. Sample certificates from the program were reviewed in their entirety, and data comparisons were conducted to verify the included results. This is in addition to the twinned holes drilled by Castle Gold. The San Fernando drilling campaign was thoroughly modern in its methods, including QAQC procedures. The author finds that the data is reliable for the purposes of this report.

Resource Estimates

A new mineral resource has been estimated for La Fortuna. The estimate has been completed by Scott Zelligan, P.Geo., an independent Qualified Person (QP) as defined in NI 43-101. The effective date of this resource estimate is July 13, 2018.

The La Fortuna resource is comprised of a mineralized tabular volume intruded by barren dykes. The resource estimate was prepared using GEOVIA Surpac™ software (version 6.3). The estimate was conducted utilizing wireframes to domain the mineralized breccia separate from the barren cross-cutting dykes. Based on geometry as well as the nature of the grade distribution, the deposit was estimated as an upper zone and a lower zone. Inverse-distance-cubed (ID^3) was chosen to interpolate grade for gold, copper, and silver. The density was set at 2.65 t/m^3, based on a conservative rounding down from averaged density studies.

The La Fortuna mineral resources were classified according to the Canadian Institute of Mining and Metallurgy, and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves. For classification, consideration was given to drill and sample spacing, QAQC, deposit-type and mineralization continuity, surface and/or underground mineralization exposure, and/or prior mining experience. With respect to resource classification of the La Fortuna deposit, a combination of a constraining wireframe and the search ellipse of the estimated block was employed to best capture the data density and therefore confidence of the estimated value.

The reported mineral resources of the La Fortuna deposit are as follows:

Table 3 - La Fortuna Mineral Resource Estimates (1.0 g/t Au cutoff grade)

Resource Category	Au (g/t) Cut-off	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Au oz	Ag oz	Cu t
Measured	1.0	1,755,375	2.96	17.50	0.23	167,000	987,800	4,000
Indicated	1.0	1,714,336	2.59	15.50	0.21	142,800	854,400	3,600
Measured + Indicated	1.0	**3,469,711**	**2.78**	**16.51**	**0.22**	**309,800**	**1,842,200**	**7,600**
Inferred	1.0	156,322	1.72	8.51	0.09	8,600	42,700	100

Metallurgy

Historic Testwork

Two phases of preliminary metallurgical testwork were commissioned by San Fernando in 1995 which were directed towards “conventional” processing with fine grinding followed by an evaluation of gravity concentration, froth flotation and cyanidation. In 2008, Castle Gold retained SGS Lakefield Canada to perform further testwork to confirm historical results. Preliminary findings included:

- Gravity gold recoveries ranged from 70% to +80%,
- Flotation gold recoveries achieved +95%,
- Ground ore direct cyanidation produced gold recoveries in the high 90s and silver from 50-70%.
- Coarse ore recoverable gold of 60% (or greater) at crush sizes of ¼ - ½ ”

During the 2008 test program. Samples of mineralized material (low and high grade) were also sent to Terra Vision™ for benchtop studies to determine the feasibility of using an automated DEXRT (dual x-ray) ore sorter to separate gold mineralization into a high grade product and a lower grade waste stream. The results indicated that 85%-90% of gold could be recovered into an upgraded concentrate with a mass recovery of 25%. Following the completion of the benchtop studies, bulk samples obtained from an old adit at the La Fortuna mine site were sent to be processed via a commercial scale continuous DEXRT machine in the Commodas lab in Germany. The recovery curves for the tests demonstrated results quite similar to those obtained with the benchtop studies with the DEXRT sensors capable of differentiating mineralized material down to a sulphide content equivalent to approximately 0.3 g/t Au at crush sizes of 32-60mm.

2016/17 Metallurgical Testwork Program

The 2016/17 test programs confirmed that gold in the La Fortuna deposit is recoverable by most conventional extraction techniques. Although completed to a higher level of detail, this confirmed the results of historical work on the project.

- Gold is associated with sulphide content (primarily pyrite with minor chalcopyrite), which creates an opportunity to upgrade low grade mineralization through ore sorting.
- GRG testwork indicates potential for +80% gold recovery at 70-80 microns, which provides opportunity to recovery majority of gold content by cyanide leach of gravity concentrate. Expected production plant recoveries would be 60-80% of this value depending on where the centrifugal concentrator(s) is placed in the process.
- Bulk flotation gold recoveries up to 98-99% are achievable at typical mass recoveries of 8-10%. A combination of gravity with flotation concentration creates a robust process for achieving high gold (high 90s), copper and silver recoveries despite variations in ore mineralization already encountered.

- Ability to produce saleable copper concentrate (~20% Cu content) with copper recoveries of +90%. Removal of copper sulphides prior to downstream cyanidation (if required) significantly reduces overall process cyanide consumption due to removal of soluble copper species.

- +90% gold contained in flotation concentrate reground to <75 microns.

- Gold contained in gravity concentrate is leachable with extractions in the high 90s in 24 hours. Limited kinetics data indicates rapid leach within 8 to 12 hours.

Environmental and Permitting

Currently are no known existing environmental liabilities associated with the La Fortuna Project. The Project is located in a remote part of Durango State where mining has been carried out in the past and where it is currently being pursued.

In March 2017, the Company finalized a surface use agreement with local community representatives for the La Fortuna Project site, the result of the Company holding ongoing talks with landowners, hosting community meetings and negotiating with various stakeholders with the goal of receiving local support for a land access agreement. The Company has secured surface access to a 235 Ha area which encompasses the envisioned mine pit, processing facility and all other necessary infrastructure to begin mining. The surface rights agreement covers a period of up to 25 years during which time the Company will be required to pay annual rental payments while operating activities are ongoing. If deemed appropriate, an option to purchase the land outright will be considered by the Company.

With the assistance of Mexico-based environmental consulting firm Consultoria Ambiental Vugalit, S.C., the Company finalized two permit applications for the La Fortuna project for submission to the government: the Environmental Impact Statement (Manifestacion de Impacto Ambiental - MIA), and the Technical Justification Study (Estudio Tecnico Justificativo - ETJ). The most significant components of the two applications include:

- Infrastructure Proposals: detailed plans covering site layout, areas of disturbance, access roads, camps, wastewater, electricity generation/access, etc. have been submitted to provide a thorough understanding of the Project's impact on the area.

- Mine Construction: a mine plan based on the current mineral resource has been submitted as well as all ancillary plan elements including access ramps, mine waste locations, storage of surface soil and mine fleet details.

- Plant Design: based on the specifications of the grinding/flotation facility purchased in 2016, an overall plant design has been produced and submitted including design drawings detailing the civil, mechanical and electrical works. All required flowsheets summarizing estimated mass and volume flowrates are included.

- Operational Plans: operation and maintenance procedures including workforce estimates, emissions controls, equipment maintenance, explosives use, and waste generation and management.

- Closure Plans: specifying landscape performance goals, reclamation technologies, methods and plans and long-term monitoring and maintenance.

The Company understands that upon review and final acceptance of these applications, the necessary permits allowing for the commencement of mine construction will be granted. This is currently estimated for completion around the end of 2018.

Mining

Using a preliminary Whittle pit shell (based on 1,250 US$/oz gold, 2.50 US%/t mining, 30.00 US%/t processing, 95% recovery, 45 degree pit slopes) as a guide, a full open pit mine plan was completed.

Mineralization at La Fortuna extends close to surface and is amenable to conventional open pit methods utilizing front-end loaders and trucks. Mine planning was completed assuming 5 metres bench heights in order to provide

good ore/waste selectivity although the use of larger bench heights in zones consisting predominantly of waste should be considered as part of future optimization studies. Overall average pit slopes with the benches/ramps in place are approximately 43° for three sides and 41° overall for the north wall. Rock competency is reasonable and higher pit slopes may be considered once the appropriate geotechnical information is available.

Material from the pit benches was categorized according to grade baskets prior to the application of reasonable dilution and loss factors. Very High Grade ("VHG") and High Grade ("HG"), i.e. >1.6 g/t Au material, was assumed to be direct milling, whereas the Medium Grade ("MG") and Low Grade ("LG"), i.e. 0.8 – 1.6 g/t Au material, are stockpiled and upgraded via ore sorting. Further optimization efforts should be aimed at cut-off grade optimization studies and the smoothing of waste mining activities. No inferred resources were utilized in the PEA mine planning. The proposed mill feed schedule shown is as follows:

Table 4 – La Fortuna Processing Plant Mill Feed Schedule (diluted)

Year	Total Mill Feed (tonnes)	Au (g/t)	Ag (g/t)	Cu (%)	Gold (ounces)	Total Mined Material (tonnes)
1	380,000	3.86	21.24	0.29	47,200	2,814,400
2	380,000	3.91	20.27	0.27	47,800	2,848,200
3	410,000	3.39	21.85	0.28	44,700	2,335,700
4	410,000	3.47	19.98	0.29	45,800	4,637,200
5	418,400	3.78	16.79	0.22	50,900	3,095,700
	1,998,400	**3.68**	**19.96**	**0.27**	**236,600**	**15,731,200**

Notes:

(1) Mill Feed totals include direct milling material (1,626,000 tonnes) and mid-grade stockpiled material upgraded starting in Year 3 via crushed ore sorting (372,400 tonnes).
(2) Mine dilution applied as follows – 10% for direct milling material (dilution grade equivalent to average grade of next lower mine grade basket) and 25% for low-grade material to stockpile (0.5 g/t Au dilution grade
(3) Total mined material values include all production from open pit mine (mineralization + waste) for noted intervals.
(4) Ore sorting of medium and low grade material is implemented in Year 3.

Mineralized and waste material will be hauled approximately 500 metres (maximum) to the mineralized stockpile and waste dump locations near the mine. Crushed stockpile material is then transported to the plant processing facilities located at a distance of less than 1.5 km from the mine. All drilling/mining/crushing operations at La Fortuna will be accomplished via an open pit mining contractor. Although the contractor will select the final equipment it is anticipated that trucks in the 25 tonne range will be loaded with two front-end loaders in the $5m^3$ to $6m^3$ range. Contractor availability in Mexico is currently high and rates are competitive. The mine will operate 24 hours per day, 7 days per week.

Minera Alamos personnel will work with the contractor to provide survey control of the mining. All blast holes will be sampled and the resulting assays used to guide the mining operations for the optimum separation of ore and waste. Personnel will map and sample faces, using all the information to update sections and future bench plans. Grade control staff will provide round-the-clock coverage.

Processing

A simplified base case process was utilized for the La Fortuna PEA plant site. Mineralized material from the mine is stockpiled and crushed to a size of <3/4" prior to being transported to the process plant. The overall processing facilities consist of a primary coarse grind to 80% passing 250-300 microns followed by a bulk sulphide concentrate flotation. Bulk concentrate is reground (80 microns) prior to a final flotation producing a copper concentrate. Centrifugal gravity gold recovery circuits are included in both the primary and concentrate reground circuits to extract free gold as a concentrate. Tailings from the flotation circuit are dewatered via filtration and dry-stacked in the tailings containment area adjacent to the processing plant.

Overall gold recovery for the PEA study has been conservatively estimated at 90%. No final gold refining facilities are to be constructed at the La Fortuna site although this decision can be revisited in the future should site production rates increase. Approximately half of the gold is extracted as a gravity concentrate which will be cyanide leached at site and loaded onto activated carbon for shipping outside of Mexico for final dore production. The other half of the recovered gold ends up in the copper flotation concentrate (along with the majority of the copper and silver) which is filtered and transported to the port facilities at Guaymas (approximately 500 km) for final sale.

The Company has purchased a used 2000 tpd processing facility (grinding/flotation/filtration) that has been used as the basis for the La Fortuna project processing facilities. The size of the major equipment items allows for plant throughput to be increased from the currently assumed 1100 tpd rate as the size of the project resource increases. DEXTR (x-ray) ore sorting has been included in the overall project plans as a method to upgrade mid-grade (0.8-2.0 g/t Au) mineralized material from the mine (and future potential project resources). It is conservatively assumed that an ore sorting machine will be purchased and installed in Year 3 of mining operations to upgrade this material (3.5-4.0 g/t Au product at approximately 80% recovery). During Years 1 and 2 the mined mid-grade material will be stockpiled for processing starting in Year 3. In the current operations plan only 20% of the LOM contained gold ounces sent to the processing plant have been upgraded in this manner.

Table 5 - Summary of La Fortuna Metallurgical Assumptions

Product	Grade			Metal Recoveries (%)		
	Au (g/t)	Silver (g/t)	Copper (%)	Au	Silver	Copper
Mill Feed (LOM)	3.68	20	0.27			
Products						
Gravity Concentrate*1	N/A			45		
Copper Flotation Concentrate	120	1,250	18	45	85	90

Notes
*1 Gravity concentrate is leached in cyanide and adsorbed onto activated carbon for shipping offsite for final processing. For PEA modelling purposes it was assumed that gold was the only material payable metal recovered by gravity.

Capital and Operating Costs

Much of the process plant has already been purchased and is containerised ready for transport to Mexico. The equipment purchased to date is oversized and in excess of current design requirements and is therefore considered more than adequate to handle the initial 1100tpd processing rate.

The capital cost estimate was divided into “Pre-production” capital and production “Sustaining” capital. Pre-production capital includes all mine and process costs up to the initiation of commercial mining operations (75% of steady state production). Total pre-production costs at the La Fortuna Project are estimated at US$27 M. Sustaining capital costs over the life of mine are estimated at US$7M for a total project capital cost of US$34M. To reduce the initial capital requirements, it was decided that used processing equipment will be incorporated wherever possible (currently widely available) and that all mining and crushing activities will be provided by third party contractors. A breakdown of the project capital costs is summarized as follows:

Table 6 - Project Capital Cost Summary

Area	Initial (US$’000)	Sustaining (US$’000)	Total (US$’000)
Mining (contractor mobilizations)	1,000		1,000
Site Development/Infrastructure	3,500		3,500
Mineral Processing	15,000	7,100	22,100
Tailings Management	2,000		2,000
Closure		3,000	3,000
Salvage Value		(3,000)	(3,000)
Contingencies (incl. owner’s costs)	5,400		5,400
Total Project	26,900	7,100	34,000

Notes:
* Start-up working capital to be provided by concentrate purchasers on credit revolver basis.

The pre-production capital cost estimate of US$27M includes the construction of a stand-alone process facility, Phase 1 of the tailings storage facilities and all necessary site infrastructure to bring the mine into production. A conservative 25% contingency has been included to account for capital requirements that are not detailed in the current study.

The total unit operating costs for the project are estimated at US$33.34 /tonne of mineralised material (includes G&A, concentrate shipping and treatment charges). It should be noted that the decision to utilize contractors for mining and crushing has added somewhat to this cost. Should the deposit resource grow in the future it may make sense to perform these activities in-house. The life-of mine operating costs are as follows:

Table 7 - Project Operating Cost Summary

Area	US$/tonne Mineralized Material[(2)]	US$/unit	
Open Pit Mining	11.80	2.15	per tonne mined
Processing	15.95	22.89	per tonne milled
Stockpile/Ore Sorting[(1)]	1.73	4.00	per tonne sorted
G&A	3.86	5.54	per tonne milled
All-In OPEX	33.34		

Notes:

(1) "Ore Sorting" as used in the table above is a commercial term referring to sensor-based rock sorting technology and is not related to project resources/reserves. Ore sorting equipment is implemented in Year 3 for upgrading of mid-grade stockpiles.

(2) "Mineralized Material" represents mined material in excess of 0.8 g/t Au cut-off (includes direct milling material + stockpiled material to be upgraded via ore sorting prior to milling).

Operating costs were developed based on estimated staffing levels, consumables (from testwork and modeling) and expenditures required to support the mine and its associated processing, maintenance and administrative activities. Power requirements were estimated based on operating equipment motor sizes and plant availability, and costs assuming diesel generation with a delivered diesel fuel cost of US$1 per litre. An overall contingency of 20% was applied to the operating cost totals to account for additional cost items such as outside consultants, laboratory consumables, vehicle fuel requirements, etc.

All mine operating activities are assumed to be the responsibility of a third party mine contractor. Contractor rates include drilling, blasting and transportation of the waste/ore. Costs for the Company mine services group were prepared separately and included separately. Crushing was assumed to be the responsibility of a third party contractor using portable crushing equipment (two stage crushing circuit). Contractor rates include crushing, handling and transport of crushed rock to plant facilities.

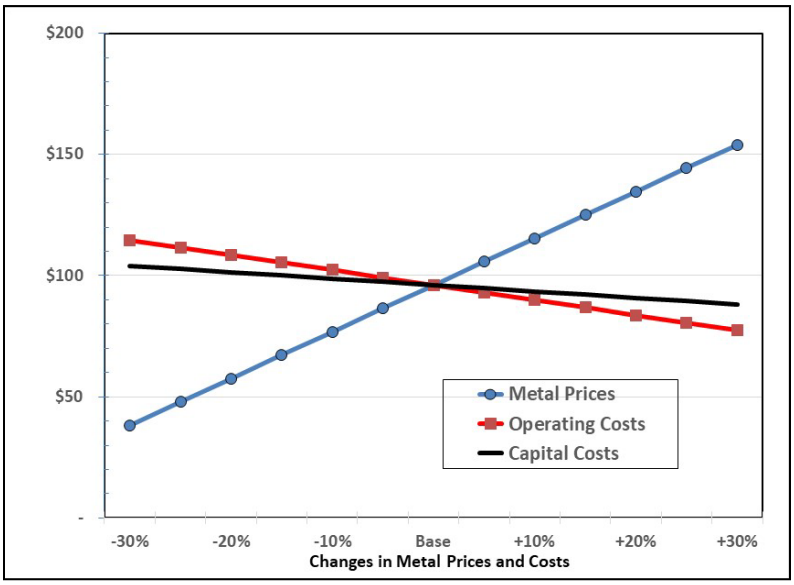
Economic Analysis

CSA Global's economic modelling and analysis of the La Fortuna Project reveals potential for:

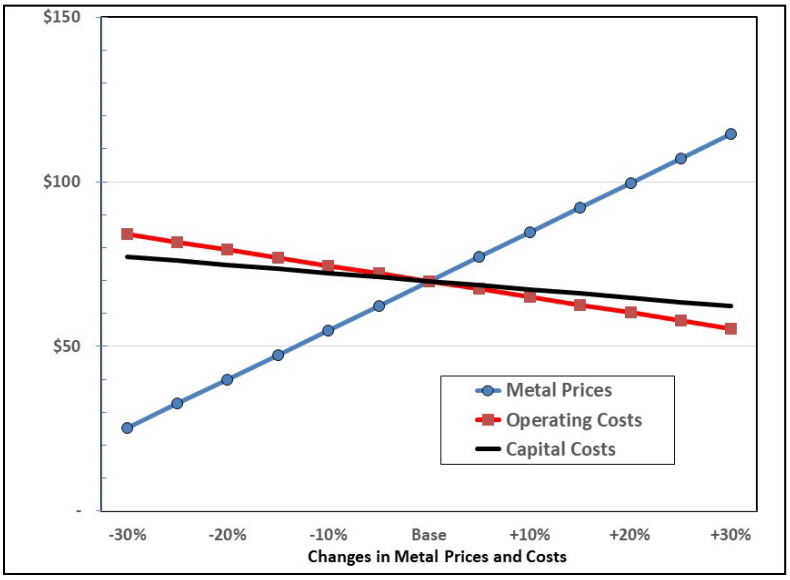
- Robust economics using metals prices (mid July 2018) of US$1,250/oz Au, US$16/oz Ag, and US$5,725/t Cu:
    - All-In Sustaining Cost (AISC) of US$440/oz [net of by-product credits]
    - After-Tax Net Present Value (NPV) at 7.5% of US$69.8M and IRR of 93%.
    - Pre-Tax NPV at 7.5% of US$103.8M and IRR of 122%.
- Low CAPEX and rapid payback:
    - Pre-production Capital of US$26.9M.
    - Payback period of 11 months after tax.
    - 2,000 t/d mill already purchased awaiting shipment to site reduces up-front capital.

Sensitivity analyses reveals the La Fortuna Project to be most sensitive to metal prices, followed by operating costs and finally capital costs. Nonetheless the La Fortuna Project is extremely robust. Project NCF and NPV

(discounted at 7.5%) sensitivity to a -30% to +30% variation in metal prices, operating and capital costs is as follows:



Sensitivity of Project NCF to changes in metal prices and capital and operating costs (US$ millions)



Sensitivity of Project NPV discounted at 7.5% to changes in metal prices and capital and operating costs (US$ millions)

Conclusions and Recommendations

The QPs have reviewed the La Fortuna Project data provided by Minera Alamos, including the drill database, reviewed historic sampling procedures and security and visited the site. The QPs believe the data presented by Minera Alamos to be an accurate and reasonable representation of the Project mineralization. In the QPs' and CSA Global's opinion, the La Fortuna Project is potentially very robust and warrants Minera Alamos' continued advancement of the Project towards further feasibility studies.

The gold, silver and copper metals either leach at high recovery and/or report to a saleable flotation concentrate by conventional extraction pathways.

- 2016 testwork confirmed +80% recovery of gold to a gravity circuit.

- 95% of remaining gold was recovered to a flotation step together with +90% of the contained copper and silver at a copper grade of approximately 20% Cu and silver grade of 2000 g/t - 3000g/t for a mass pull of less than 10%.

- A conventional milling and flotation circuit has already been purchased and is slightly oversized and thus adequate for the project.

- The potential for beneficiation of low grade (below cut-off) material by Duel X-ray (XRT) ore sorting has been demonstrated subject to additional confirmatory testwork.

From a processing perspective, the La Fortuna Project presents as robust and the selected plant and equipment and process treatment pathway should comfortably treat this ore at 1100-1200 tonnes/day and at acceptable recovery of gold, silver and copper.

A surface mine was designed for the PEA that would incorporate conventional surface mining methods and a production schedule was created. Production highlights are:

- 5-year mine life based on initial resource “starter pit” with 2.0 Mt of mineralization (3.68 g/t Au, 20 g/t Ag, 0.27% Cu) processed at 1,100 tpd average processing rate.

- Average annual contained-metal production of approximately 50,000oz Gold Equivalent Ounces (43,000oz Gold, 220,000oz Silver, 1,000t Copper).

- 215koz of Gold, 1.1Moz of Silver, and 5kt of Copper produced in concentrates.

Project risks which potentially could affect the Project economics include:

- The mineral resource estimate is based on the results from 125 core drill holes completed by previous operators prior to Minera Alamos’ acquisition of the Project in 2016. CSA Global recommends additional drill testing to confirm the historic results.

- Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues have the potential materially affect access, title or the right or ability to perform the work recommended in this report on the La Fortuna Project. However, at the time of this report, CSA Global is unaware of any such potential issues affecting the La Fortuna Project.

- The La Fortuna Project is most sensitive to metal prices, followed by operating costs and finally capital costs. However, even a 30% reduction in metal prices produces a positive NCF.

Project Opportunities

Project opportunities which potentially could enhance Project economics include:

- Footprint of the current known deposit is very small compared to the overall land position. Exploration potential exists over the 6100 Ha land package. A number of other areas of historical mining activities have been identified but most of the area has never been explored using modern exploration methods.

- Inferred resources are not utilized in the current PEA mining plans. Step out drilling may be able to define additional extensions of the current resources.

- Additional metallurgical test work to optimize the gold extraction process and further improve overall metal recoveries.

- Reduction of initial start-up CAPEX with a staged plant construction plan (possibly involving earlier use of ore sorting) followed by expansion of the facilities once production is underway.

- Additional mine planning optimization studies to evaluate opportunities to delay portions of early waste removal until later in the mine life.

- Further optimization studies are underway to determine if a more aggressive use of ore sorting may offer additional economic benefits for the project (i.e. plant CAPEX reductions, increased mineable gold ounces, etc.)

- Trade-off studies aimed at optimizing cut-off grades (with and without ore sorting) and the incorporation of additional milling capacity – the PEA based on a starting rate of 1,100 tpd but the project is permitted for a 2,000 tpd operation.

To proceed with the assessment of the potential development of the La Fortuna Project, the QPs recommend Minera Alamos continue to assess Project opportunities which potentially could enhance project economics including:

- Expand exploration over the 6,100 Ha land package. Work should initially investigate other areas of known historical mining activities using modern exploration methods.

- Step out drilling at La Fortuna for the purpose of expanding the current Inferred resources not utilized in the PEA reported herein.

- Infill drilling at La Fortuna for the purpose of upgrading Indicated to Measured and Inferred to Indicated resources; metallurgical sampling and QAQC confirmation of historical drilling.

- Additional metallurgical test work to optimize the gold extraction process and further improve overall metal recoveries.

- Metallurgical variability sampling of underground sampling and diamond drill core.

- Further engineering studies should consider the following:

    - A staged plant construction plan (possibly involving earlier use of ore sorting) to further reduce the initial start-up CAPEX and then expand the facilities once production is underway.

    - Additional mine planning optimization studies to evaluate opportunities to delay portions of early waste removal until later in the mine life

    - Further optimization studies (currently underway) to determine if a more aggressive use of ore sorting may offer additional economic benefits for the project (i.e. plant CAPEX reductions, increased mineable gold ounces, etc.)

    - Trade-off studies aimed at optimizing cut-off grades (with and without ore sorting) and the incorporation of additional milling capacity up to 2,000 tpd.

Minera Alamos has proposed a 2018/2019 program estimated to be in the order of US$1 million. CSA Global concurs with the proposed program and budget.

Table 8 - Minera Alamos Proposed 2018/2019 Program and Budget

Description	Estimated Cost
Metallurgical Variability Testing	US$100,000
Infill/Condemnation Drilling	US$500,000
Further Engineering Studies	US$300,000
Permitting and Environmental	US$100,000
Total	US$1,000,000

DIVIDENDS AND DISTRIBUTIONS

The Company has not, for any of the three most recently completed financial years or its current financial year, declared or paid any dividends on its Common Shares, and does not currently have a policy with respect to the

payment of dividends. For the foreseeable future, the Company anticipates that it will not pay dividends but will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the Company's earnings, if any, the Company's financial condition, and such other factors as the Company's directors consider appropriate.

CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, the Company has 470,683,853 Common Shares issued and outstanding, and 18,200,000 Common Shares reserved for issuance upon the exercise of outstanding Options granted to directors, officers, employees and consultants under the Option Plan, and nil Common Shares reserved for issuance under the RSU Plan.

Holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Company, to attend and to cast one vote per share at such meetings. Holders of Common Shares are also entitled to receive on a *pro-rata* basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor and upon the liquidation, dissolution, or winding up of the Company are entitled to receive on a pro-rata basis, the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority. Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights.

None of the Options provide the holders thereof with any voting rights, dividend rights, rights upon dissolution or winding up, or rights for redemption or retraction.

MARKET FOR SECURITIES

During the year ended December 31, 2023, the Common Shares were listed and posted for trading on the TSX-V under the trading symbol "MAI". The following table sets forth the high and low trading prices and trading volume of the Common Shares for its most recently completed financial year and as at the date of this AIF as reported by the TSX-V for the periods indicated.

Month	Price Range		Trading Volume
	High ($)	Low ($)	
December 2023	0.37	0.30	3,719,651
November 2023	0.39	0.26	5,132,493
October 2023	0.34	0.27	2,722,524
September 2023	0.32	0.27	2,501,073
August 2023	0.325	0.265	6,069,953
July 2023	0.35	0.30	4,113,779
June 2023	0.36	0.30	4,495,781
May 2023	0.415	0.315	6,771,319
April 2023	0.47	0.385	4,431,481
March 2023	0.415	0.355	5,109,614
February 2023	0.405	0.355	6,707,765
January 2023	0.49	0.385	6,430,727

PRIOR SALES

During the year ended December 31, 2023 (and subsequent thereto), the Company issued the following securities that were not quoted on a marketplace:

Securities Issued	Issue Price/Exercise Price per Security	Number of Securities	Date of Issuance
Options	$0.51	2,250,000	February 23, 2023
Options	$0.45	6,900,000	February 23, 2023

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As at the date of this AIF, no securities of the Company are held in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation, and Security Holding

The following table provides the names, province and country of residence, position, principal occupations, and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director or Officer Since[(1)]	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly[(2)]
Darren Koningen[(3)] Ontario, Canada	CEO & Director	Chief Executive Officer, Minera Alamos	July 2009	9,093,070 1.93%
Janet O'Donnell[(4)] Ontario, Canada	CFO	Chief Financial Officer, Minera Alamos (July 2021 to present), Chief Financial Officer, Gowest Gold Ltd. (2008 to 2021)	July 2021	36,000 0.01%
Federico Alvarez[(5)] Guanajuato, Mexico	COO	Chief Operating Officer, Minera Alamos (2020 to present), previously Vice President, Mining Operations, Minera Alamos (2011 to 2020)	July 2020	625,000 0.13%
Doug Ramshaw[(6)] Alberta, Canada	President & Director	President and Director, Minera Alamos (2018 to present); Director, Great Bear Resources Ltd. (2016 to 2022)	April 2018	10,753,500 2.28%
Bruce Durham[(7)(10)(11)] Ontario, Canada	Director	President and CEO, York Harbour Resources	May 2015	1,720,000 0.37%
Kevin Small[(8)(10)(11)] Ontario, Canada	Director	Mining Manager, Sprott Mining Inc.	July 2020	92,850 0.02%
Ruben Padilla[(9)(10)(11)] Arizona, U.S.	Director	CEO and President, Sable Resources Ltd.	June 2017	1,750,000 0.37%

Notes:

(1) Each director will hold office until the next annual general meeting of the Company unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) or the bylaws or articles of the Company.
(2) Percentages shown are based on 470,683,853 Common Shares outstanding as of the date of this AIF.
(3) Mr. Koningen owns a further 2,150,000 Options.
(4) Ms. O'Donnell owns a further 1,700,000 Options.
(5) Mr. Alvarez owns a further 1,650,000 Options.
(6) Mr. Ramshaw owns a further 1,450,000 Options.
(7) Mr. Durham owns a further 1,000,000 Options.
(8) Mr. Small owns a further 1,500,000 Options.
(9) Mr. Padilla owns a further 600,000 Options.
(10) Member of the Audit Committee. Mr. Durham is the Chair of the Audit Committee.
(11) Member of the Compensation Committee. Mr. Small is the Chair of the Compensation Committee.

Shareholdings of Directors and Officers

As of the date of this AIF, the Company's directors and executive officers beneficially own, control, or direct, directly or indirectly 24,070,420 Common Shares, which is 5.11% of the number of Common Shares issued and outstanding.

Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

To the Company's knowledge and other than as disclosed below, no director or executive officer or promoter of the Company is, as at the date of this AIF, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

Mr. Doug Ramshaw was the President, CEO and Director of Aftermath Silver Ltd., a company listed on the NEX board of the TSX-V. On October 6, 2015, Aftermath Silver Ltd. was subject to a cease trade order for failure to file financial statements. The cease trade order was lifted on August 18, 2017, by the British Columbia Securities Commission.

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer, or shareholder.

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities-regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose the director's interest and abstain from voting on such matter. There are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the Company's last financial year, there were no material legal proceedings to which the Company was a party, or of which any of its property was the subject, and there are no such proceedings that the Company knows to be contemplated.

During the Company's last financial year, there were no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities-regulatory authority, and the Company did not enter into settlement agreements before a court relating to securities legislation or with a securities regulatory authority. The Company is not aware of any other penalties or sanctions imposed against it by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who is: (a) a director or executive officer of the Company; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction within the three most recently completed financial years of the Company, or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company is TSX Trust Company, located in Toronto, Ontario.

MATERIAL CONTRACTS

As of the date of this AIF, the following agreements and contracts are reasonably regarded as being material to the Company:

Sabre Acquisition Agreement

On October 28, 2028, Minera Alamos, Sabre and a wholly owned subsidiary of Sabre entered into the Sabre Acquisition Agreement pursuant to which Minera Alamos agreed to acquire all of the issued and outstanding common shares in the capital of Sabre (the "**Sabre Shares**") for consideration of 0.693 Common Shares per Sabre Share by way of a plan of arrangement under section 192 of the *Canada Business Corporations Act* (the "**Sabre Acquisition**"). Sabre's main asset is its Copperstone project, a late development-stage gold project in Arizona, United States. Assuming completion of the Sabre Acquisition in accordance with its terms, existing Minera Alamos and Sabre shareholders will own 86% and 14% of the Common Shares, respectively.

The Company entered into the Sabre Acquisition Agreement as it allows for the acquisition of a low capital intensity former gold producing project in a Tier 1 jurisdiction which complements the Company's existing profile of late-stage development assets and the Santana Project. The acquisition of Sabre also aligns well with Minera Alamos' core competencies with existing in-house expertise in construction, mine development and operations.

The obligations of Sabre and Minera Alamos to complete the Sabre Acquisition are subject to the satisfaction or waiver of conditions precedent including delivery of a satisfactory title opinion regarding Sabre's mineral rights that is satisfactory to Minera Alamos, Sabre completing a shares-for-debt settlement with certain creditors and bringing its aggregate indebtedness below $1 million, the amendment of a gold purchase and sale agreement to which Sabre is a party, and other conditions precedent that are customary for a transaction of this type.

The Sabre Acquisition Agreement contains usual and customary covenants and representations and warranties for a transaction of this type, including non-solicitation covenants applicable to Sabre. The Sabre Acquisition Agreement may be terminated by either party if the arrangement has not become effective by February 17, 2025, if the Sabre Acquisition is prohibited by law, or if Sabre's shareholders do not approve the Sabre Acquisition; by the Company, if Sabre's board of directors changes its recommendation of the Sabre Acquisition, if Sabre breaches its non-solicitation covenants, suffers a material adverse effect, or breaches its representations, warranties or covenants; and by Sabre, if the Company materially breaches its representations, warranties or covenants, or

suffers a material adverse effect, or in order to accept a superior proposal. If the Sabre Acquisition Agreement is terminated, under certain circumstances, the Company would be entitled to receive a break fee of $600,000 from Sabre, or Sabre would be entitled to receive an expense reimbursement payment of up to $250,000 from the Company.

INTERESTS OF EXPERTS

The following experts, firms and companies are named as having prepared or certified a report, valuation, statement or opinion in this AIF (including in a document incorporated in this AIF by reference), or described or included in a filing, or referred to in a filing, made under NI 51-102 during, or relating to, the Company's financial year ended December 31, 2023, and whose profession or business gives authority to that report, valuation, statement or opinion:

- Scott Zelligan, P.Geo.
- Lawrence Segerstrom, M.Sc. (Geology), CPG, of Segerstrom Consulting LLC
- Peimeng Ling, P.Eng, of Peimeng Ling & Associates Limited
- Toren Olson, PG
- Alex Duggan, M.SC., P.Eng., of Kristal Font Inc.
- Ian Trinder, M.Sc. P. Geo., of CSA Global Canada Geosciences Ltd.
- Bruce Brady, B.Eng., P.Eng., of CSA Global Canada Geosciences Ltd.
- Gordon Watts, B.A.Sc., P.Eng., of CSA Global Canada Geosciences Ltd.
- Chris Campbell-Hicks, FAusIMM, CPMet, MMICA, of CSA Global Pty Ltd.

Scott Zelligan, Lawrence Segerstrom, and Peimeng Ling are the co-authors of the Santana Technical Report; Scott Zelligan, Lawrence Segerstrom, Peimeng Ling, Toren Olson, and Alex Duggan are the co-authors of the Cerro de Oro Technical Report; and Ian Trinder, Bruce Brady, Gordon Watts, Chris Campbell-Hicks, and Scott Zelligan the co-authors of the La Fortuna Technical Report. At the time such person prepared or certified the applicable Technical Report, each of them was a QP and "independent" of the Company within the meaning of NI 43-101.

Unless otherwise indicated, the scientific and technical information contained in this AIF relating to the Santana Project, the Cerro de Oro Project, and the La Fortuna Project that is not drawn from the Santana Technical Report, the Cerro de Oro Technical Report, or the La Fortuna Technical Report, respectively, has been reviewed and approved by Darren Koningen, who is a QP within the meaning of NI 43-101. Mr. Koningen is the Chief Executive Officer and a director of Minera Alamos, as is accordingly not "independent" within the meaning of NI 43-101.

To the Company's knowledge, at and after the time each of the experts named above prepared the applicable statement, report or valuation, no individual or company (together with its "designated professionals", as such term is defined in NI 51-102) held any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of any of the Company's associates or affiliates, except for Mr. Koningen, who beneficially owned, controlled, or directed, directly or indirectly, 9,093,070 Common Shares and 2,150,000 Options as at the date of this AIF.

No individual named above, and no director, officer or employee of a company named above, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any of its associates or affiliates, except for Mr. Koningen, who is the Chief Executive Officer and a director of the Company.

McGovern Hurley LLP, Chartered Professional Accountants, Licensed Public Accountants, have audited the consolidated financial statements of the Company for the financial year ended December 31, 2023. McGovern Hurley LLP has advised that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

NI 52-110 requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its external auditor, as set forth below.

Audit Committee Charter

The charter of the Company's Audit Committee is attached to this AIF as Schedule "B".

Composition of Audit Committee

The following are the members of the Audit Committee:

Name	Independence[(1)]	Financial Literacy[(1)]
Bruce Durham (Chair)	Independent	Financially literate
Kevin Small	Independent	Financially literate
Ruben Padilla	Independent	Financially literate

Notes:

(1) As defined under NI 52-110.

Relevant Education and Experience

Mr. Durham has been involved in the mineral exploration business for almost 50 years, most of which have been directly in the junior exploration industry as both a geologist and an executive. Mr. Durham was President and CEO of York Harbour Metals Inc. until January, 2024. Mr. Durham was the President and CEO of Nevada Zinc Corporation until December 2020 and the Managing Director of Norvista Capital Corporation until June 2021. Over the course of his career, Mr. Durham has served as a director of numerous public companies. He is a professional geologist in Ontario. He has acquired the requisite financial literacy and experience to adequately carry out his duties as the Chair of the Audit Committee through his acting as an executive and a director of public junior mining exploration companies.

Mr. Padilla holds a geological engineering degree from the University of Chihuahua in Mexico and Masters and PhD degrees from the University of Arizona. Mr. Padilla has over 30 years of experience working on target generation, project evaluations, mining geology, and management of exploration programs with various companies mostly focused on the Americas. He is founder and Chief Geologist for Talisker Exploration Services Inc. and CEO and President of Sable Resources Ltd. Mr. Padilla worked and completed important research at the La Escondida deposit in Chile where he identified a blind target related with a younger porphyry event today known as the Escondida Este deposit. With Anglo Gold Ashanti, he acted as exploration country manager in Peru and in Colombia and as Chief Geologist for the Americas exploration group. He was part of the team that discovered the Colosa and Gramalote deposits in Colombia. During the last seven years he has spent most of his time working on the Superior Province and the western cordillera of Canada, where he participated in various successful exploration programs and in the modelling of ore deposits for exploration and resource evaluation purposes in his role as founder and Chief Geologist for Talisker Exploration Services Inc. He has acquired the requisite financial literacy and experience to adequately carry out his duties as a member of the Audit Committee through his management of private exploration companies and acting as a current director of two public junior mining exploration companies.

Mr. Small currently is Senior Vice President, Engineering and Operations at Nexgen Energy Ltd. and was previously President and CEO of Jerritt Canyon Gold (100% owned by Sprott Mining Inc.) where he was responsible for the day-to-day operations of a 4,000 tons per day roaster and carbon-in-leach plant producing between 120,000 ounces and 160,000 ounces of gold annually. Elsewhere at Jerritt Canyon Gold, he was responsible for the day to day operation of two underground mines and advanced exploration both from surface and underground. Throughout his 30-year career, Mr. Small has brought his innovative and strategic-thinking as an operations leader to numerous mine operations and start-up projects. This work has included Director of Mine Operations at the Beta Hunt mine in Western Australia owned by Karora Resources Inc. (formerly RNC Minerals); Mine Manager at the East Timmins operations (Taylor mine) of Kirkland Lake Gold; and Superintendent of Technical Services at St Andrews Goldfields. He has acquired the requisite financial literacy and experience to adequately carry out his duties as the Chair of the Compensation Committee and a member of the Audit Committee through his acting as an executive and director of public junior mining exploration companies.

As a result of their respective business experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess

the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the financial year ended December 31, 2023, has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption from subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. As the Company is considered a "venture issuer" for the purpose of Part 6 of NI 52-110, it is exempted from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the Audit Committee charter, the Audit Committee is tasked with reviewing the performance of the external auditors and approve in advance provision of services other than auditing.

External Auditor Service Fees (by Category)

The following table sets out the audit fees incurred by the Company for each of the last two financial years:

Period	Audit Fees ($)	Audit Related Fees ($)	Tax Fees ($)	All Other Fees ($)
Year ended December 31, 2022	145,000	Nil	11,700	5,900
Year ended December 31, 2023	168,380	Nil	13,589	11,891

"**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

"**Audit-Related Fees**" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

"**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

"**All Other Fees**" include all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans is contained in the management information circular dated October 30, 2023, for the annual general and special meeting of the Company held on December 14, 2023, which is available on SEDAR+ at www.sedarplus.ca.

Additional financial information is provided in the Financial Statements and MD&A for its most recently completed financial year.

SCHEDULE "A" – GLOSSARY

The following is a glossary of certain terms used in this AIF. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**AIF**" means this annual information form.

"**Audit Committee**" means the audit committee of the Board.

"**Auramet**" means Auramet International, Inc.

"**Auramet Capital**" means Auramet Capital Partners, LP.

"**Auramet Facility**" means the loan agreement dated October 27, 2023, between Minera Alamos, Auramet, and Auramet Capital, as amended, pursuant to which Auramet agreed to provide a US$15 million secured loan facility to Minera Alamos to fund the anticipated construction of a gold mine at the Cerro de Oro Project.

"**Auramet Royalty**" means the royalty agreement dated October 27, 2023, between Minera Alamos and Auramet Capital providing for a 2.75% net smelter returns royalty on all minerals produced from the Cerro de Oro Project.

"**Board**" means the board of directors of the Company.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Cerro de Oro Technical Report**" means the technical report titled "NI 43-101 Technical Report Preliminary Economic Assessment and Mineral Resource Estimate for the Cerro de Oro Project, Zacatecas State, Mexico" dated January 5, 2023, with an effective date of September 28, 2022.

"**Common Shares**" means the common shares in the capital of the Company.

"**Compensation Committee**" means the compensation committee of the Board.

"**Feasibility Study**" means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors, together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

"**Financial Statements**" has the meaning ascribed to such term under "Preliminary Notes".

"**Indicated Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

"**Inferred Mineral Resource**" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"**La Fortuna Technical Report**" means the technical report titled "Mineral Resource Update and Preliminary Economic Assessment of the La Fortuna Gold Project, Durango State, Mexico" by CSA Global, dated December 12, 2018, with an effective date of July 13, 2018.

"**MD&A**" has the meaning ascribed to such term under "Preliminary Notes".

"**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

"**Mineral Reserve**" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

"**Mineral Resource**" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"**Modifying Factors**" means considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

"**NI 43-101**" means the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 51-102**" means the National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**Pre-Feasibility Study**" means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

"**Probable Mineral Reserve**" means the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

"**Proven Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

"**Sabre**" means Sabre Gold Mines Corp.

"**Sabre Acquisition Agreement**" means the arrangement agreement between Minera Alamos and Sabre dated October 28, 2024.

"**Santana Technical Report**" means the technical report titled "NI 43-101 Technical Report Mineral Resource Estimate for the Santana Project, Sonora State, Mexico" dated October 16, 2023, with an effective date of May 31, 2023.

"**Options**" means options exercisable to acquire Common Shares issued pursuant to the Option Plan.

"**Option Plan**" means the incentive stock option plan of the Company.

"**RSUs**" means restricted share units issued under the RSU Plan.

"**RSU Plan**" means the restricted share unit plan of the Company.

"**Technical Reports**" means, collectively, the Santana Technical Report, the Cerro de Oro Technical Report, and the La Fortuna Technical Report.

"**TSX-V**" means the TSX Venture Exchange.

References to elements, where not defined above, have the meaning given to them in the periodic table which is available in the public domain.

SCHEDULE "B" – AUDIT COMMITTEE CHARTER

Purpose

The committee will assist the Board in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as it relates to financial reporting and disclosure. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

Committee Membership

The Committee shall consist of no fewer than three members, a majority of whom shall not be officers or employees of the Company or any of its affiliates and who shall meet the independence requirements of Canadian securities laws and the TSX-V. The members and chair of the Committee shall be appointed and removed by the Board in accordance with the rules of the Nominating and Governance Committee.

Committee Meetings

The Committee shall meet quarterly each year. The Chairman will schedule regular meetings, and additional meetings may be held at the request of two or more members of the Committee, the CEO, or the Chairman of the Board. External auditors may convene a special meeting if they consider that it is necessary.

The Committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate. The external auditors should be present at each quarterly Audit Committee meeting and should be expected to comment on the financial statements in accordance with best practices.

The Committee shall keep adequate minutes of all its proceedings, and the Committee Chairman will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each Committee meeting and any action taken by unanimous consent.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

In carrying out its responsibilities, the Committee will:

1. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

2. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

3. Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.

4. Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.

5. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

6. Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

7. Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, stock exchange requirements and governmental regulations.

8. Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

9. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

10. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

11. Meet with management and the external auditors to review the annual financial statements and the results of the audit.

12. Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:

    (a) actual financial results for the interim period varied significantly from budgeted or projected results;

    (b) generally accepted accounting principles have been consistently applied;

    (c) there are any actual or proposed changes in accounting or financial reporting practices; and

    (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

13. Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

14. Review the performance of the external auditors and approve in advance provision of services other than auditing.

15. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

16. Make recommendations to the Board regarding the reappointment of the external auditors.

17. Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

18. Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

19. Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

20. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

21. Perform other functions as requested by the full Board.

22. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.

23. Review and update the charter;

24. Receive approval of changes from the Board.