



## Operations Update and Q3 Financials

*Accelerated Mining and Stacking Activities at Santana Gold Project*

**Toronto, Ontario - (Newsfile – December 2<sup>nd</sup>, 2024)**

**Minera Alamos Inc. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI)** is pleased to provide an operations update and select financial highlights from the third quarter of 2024. For a full overview please refer to the Q3 Financial Statements and MD&A filed on Sedarplus.ca on November 29<sup>th</sup>, 2024.

“The third quarter was our first full quarter of production from the Nicho Main Deposit and efforts are focused on expanding working areas in the new pit to allow for increased mining and stacking rates which continue to accelerate and are now approaching 2022 levels. In addition, we have initiated the construction of the first phase of leach pad expansion at the project which will further assist in the operational efficiencies. As the lag between mining and stacking and subsequent gold leaching recovery closes, we anticipate an improvement in the financial performance of the Santana operations as we progress later in Q4 and into 2025.” stated Darren Koningen, CEO. “In parallel with the progress at Santana, the last few months have seen the Company announce a significant planned acquisition of Sabre Gold Mines and its flagship Copperstone gold mine in Arizona alongside a modest financing which ensures sufficient operational flexibility during a period of significant growth for the Company. We believe both moves are positive developments for the Company and its shareholders as we prepare for a busy 2025 with development activity on multiple fronts at Santana, Cerro de Oro and Copperstone.”



### Q3 Operational Summary and Q4 Outlook

- The third quarter of 2024 represented the first full quarter of the restart in mining operations at the Santana gold project’s Nicho Main Zone. The focus of the new mine plan was primarily to open up

the areas of operation at the new pit so that mining and stacking activities can be increased at the Santana mine. In the Q3 period this led to 3,800 ounces of mined gold being stacked on the leach pad from the new Nicho Main Zone pit, surpassing the total mined and stacked gold for the entire 2023 year.

- As of September 30, 2024, recoverable gold inventory on the leach pad totaled 8,199 ounces, an increase of 2,041 ounces of recoverable gold since June 30, 2024, net of the gold produced and sold.
- Subsequent to the quarter end, mining and stacking activities continued to increase with a total of 1,788 ounces mined in the month of October, of which 1,585 ounces were stacked on the heap leach pad with the remainder stockpiled for crushing prior to placement on the heap leach pad. Total mining rates approached our baseline target of 7,000 tpd (waste and mineralized material) during October, as the benefits of the expanded mining fleet were realized and the pit areas available for equipment access continued to increase. Projections for mining rates in November are trending at a similar level.
- The average grade of mineralized material mined during Q3-2024 (and October) was 0.60 g/t which remains in-line with forecast levels. The overall strip ratio for Q3-2024 was 1.84:1 waste/mineralized material.
- The Company anticipates beginning the Phase 2 leach pad expansion at Santana towards the end of Q4 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 ramp up of mining operations continues into 2025 with a better separation of the active leaching areas from the stacking of newly mined material. The larger Phase 3 pad expansion is awaiting Permit Amendment approval and will allow the Company to execute on the larger future planned expansion of activities at Santana.
- In August, the Company made the final payment as part of its Cerro de Oro gold project acquisition. With the US\$1,000,000 cash payment and 500,000 share issuance having been made, the Company is now the 100% owner of the royalty-free Cerro de Oro gold project which is currently being permitted for construction.
- On October 28, 2024, the Company announced that it has entered into a definitive agreement whereby the Company will acquire all the issued and outstanding shares of Sabre Gold Mines Corp. pursuant to a plan of arrangement (“Transaction”) (*see news release dated October 28, 2024*). The proposed acquisition adds a complementary low capital intensity gold development project that could be brought back in to production around the beginning of 2026 running in parallel with the plans for Santana and Cerro de Oro in Mexico.
- Subsequent to September 30, 2024, the Company and Auramet have amended the loan facility agreement to extend the term of the maturity date from October 30, 2024 to November 29, 2024 and that if the Company determines that it will extend the term of the remaining loan facility by six months the standby payment of USD\$400,000, subject to TSXV approval may be made with the issuance of the Company’s common shares. As of September 30, 2024, the Company is currently carrying the loan facility as a current liability. This extension would have recorded \$3,600,000 of current portion of debt as long-term debt, increasing the Company’s working capital position as at

September 30, 2024. Given a shift in sentiment and expectations that the new Mexican administration will begin to work through the industry-wide permitting slowdowns from recent years, the Company anticipates extending the Auramet loan and is working on refinancing options for the loan outstanding.

- On November 20, 2024 the Company announced that it has entered into an agreement with National Bank Financial Inc. as lead underwriter and bookrunner, and on behalf of a syndicate of underwriters (collectively, the “Underwriters”), pursuant to which the Underwriters will purchase 28,333,000 common shares (the “Shares”) of the Company at a price of C\$0.30 (the “Offering Price”) per Common Share, on a “bought deal” private placement basis, with a right to arrange for substituted purchasers, pursuant to the listed issuer financing exemption (“LIFE”), for aggregate gross proceeds to the Company of approximately C\$8.5 million (the “Offering”). The Company has also granted NBF an option exercisable at any time up to 48 hours prior to the closing of the Offering, to purchase for placement up to an additional 5,000,000 Shares at the Offering Price, for additional gross proceeds of up to C\$1.5 million. The private placement is expected to close on December 5<sup>th</sup>, 2024.

#### **Selected Financial Data:**

The following selected financial data is summarized from the Company’s Interim Unaudited Financial Statements and related notes thereto (the “Financial Statements”) for the quarter ended September 30<sup>th</sup>, 2024, and the Management’s Discussion and Analysis (“MD&A”) for the quarter ended September 30<sup>th</sup>, 2024 (all numbers in Canadian dollars unless otherwise stated). A copy of the Financial Statements and MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

- While much of the Q3 activity was mining focused, the Company recorded deferred revenue of \$3,453,562 in exchange for the sale of 1,000 ounces of gold, which had been extracted from the Santana gold mine leach pad and is undergoing further refinement. The Company will record the deferred revenue as revenue in early Q4, which will have a positive \$1,738,017 impact on the working capital position of the Company (which reflects the net positive difference of the deferred revenue being extinguished from current liabilities and the corresponding operating costs associated with the gold sold in the work-in-progress inventory).
- Loss from the re-start of mine operations of \$436,177 compared to a loss of \$273,314 in the corresponding quarter in 2023.
- The net loss for the quarter includes a significant non-realized foreign exchange loss (\$8,172,207) on the Company’s inter-company loans which is primarily due to the weakening of the Mexican peso during the quarter as compared to the Canadian dollar. The Company’s functional currency and presentation currency is the Canadian dollar and the functional currency for its Mexican subsidiaries is the Mexican Peso. The unrealized (loss) or gain is associated with the Company’s historical accumulated inter-company funding of its operating Mexican subsidiaries (to be repaid in the foreseeable future) which is sent in Canadian dollars and then converted to Mexican Pesos. The Mexican subsidiaries revalue the Mexican pesos at the end of each period generating a non-cash foreign exchange (loss) or gain.

- Cash and Cash Equivalents of \$5,966,559 compared to \$8,608,289 as at June 30<sup>th</sup>, 2024. The drop in cash balance reflects primarily the increased mining and stacking activity in Q3 as well as non-recurring items including the final US\$1,000,000 payment that has resulted in 100% ownership of the Cerro de Oro project.
- Both the Company's cash position and overall working capital will significantly improve upon closing of the \$8.5 million bought deal private placement (outlined above) expected on Dec 5<sup>th</sup>, 2024 as well as from the adjustments noted elsewhere in this release.

### **Cautionary Statement**

The Company made its production decision at the Santana gold mine without having completed a feasibility study demonstrating economic and technical viability. As such, there may be increased uncertainty of achieving planned production levels, estimated recovery of gold, the costs associated with such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure.

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

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### **About Minera Alamos Inc.**

Minera Alamos is a gold production and development Company. The Company has a portfolio of high-quality Mexican assets, including the 100%-owned Santana open-pit, heap-leach mine in Sonora that is currently going through the start-up of operations at the new Nicho Main deposit. The 100%-owned Cerro de Oro oxide gold project in northern Zacatecas has considerable past drilling and metallurgical work completed and the proposed mining project is currently being guided through the permitting process by the Company's permitting consultants. The La Fortuna open pit gold project in Durango (100%-owned) has a positive, robust preliminary economic assessment (PEA) completed, and the main Federal permits are in place. Minera Alamos is built around its operating team that together brought three open pit heap leach gold mines into successful production in Mexico over the last 14 years.

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

### **Caution Regarding Forward-Looking Statements**

This news release may contain forward-looking information and Minera Alamos cautions readers that forward-looking information is based on certain assumptions and risk factors that could cause actual

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

The Company does not have a feasibility study of mineral reserves, demonstrating economic and technical viability for the Santana project, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure.

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