



Santana Gold Project Operations Update

Nicho Main Zone development activities largely complete; Working Capital Facility provides short-term support for expanded mining rates

Toronto, Ontario and Vancouver, British Columbia— (Marketwired – May 31st 2022)

Minera Alamos Inc. (the “Company” or “Minera Alamos”) (TSX VENTURE:MAI) is pleased to provide an update on the continuing progress at the Company’s Santana gold mine.

The development of the Nicho Main Zone (“NMZ”) is now underway with haulage and access roads largely completed along with the removal of limited vegetation and surface cover. Following the initiation of mining activities and as the pit working areas opens up, the much larger scale of the NMZ compared to the current starter pit at Nicho Norte will help drive project mining rates to planned levels for the overall commercial operation. First mineralized material from the NMZ should be stacked on the Santana leach pad as operations move into the second half of the year and will help drive gold production rates higher.

“This advancement of the Nicho Main Zone is a significant and positive development and the final major milestone in the ramp-up of operations at Santana. Th development of the second and larger pit will provide access to the main source of known mineralization at the project supplementing current starter pit operations and allowing the Company to ultimately exit the project’s pre-commercial phase of production.” stated Darren Koningen, CEO.

Photo 1: Main Haulage Road for the Planned NMZ Open Pit



Working Capital Facility with Ocean Partners

The Company has agreed to basic terms for a modest US\$3 million unsecured working capital facility with Ocean Partners USA Inc. (“OP”) and definitive documentation is in the process of being finalized. The facility will bolster the Company’s existing working capital and provide added financial flexibility to assist with short-term demands related to the expansion of site mining activities to incorporate production from both the Nicho Norte and NMZ open pits (cover lags between mining and the receipt of proceeds from ultimate gold recovery). Company management have an existing relationship with OP and anticipate that the new facility will serve as a starting point that can grow in scale as the Santana project operations expand.

Nicho Norte Operations Update

Gold mined and stacked on the leach pad to date totals approximately 18,000 oz with roughly 7,000 oz of gold recovered in concentrate. Operations in May have been seasonally impacted from the severe and ongoing drought that has affected Sonora for much of the last two years. Typical rainfall in the region from January to June is in the range of 120-150 mm. However, in 2021 this totalled 45 mm and in the current year less than 2 mm has accumulated to date forcing the Company to locate additional local sources of water to support operations. The upcoming rainy season (late June-September) is expected to recharge water reservoirs and allow for an acceleration of the recovery of gold stacked on the leach pads in Q3.

Following receipt of its explosives storage permit, the Company has now fully transitioned all production drilling and blasting activities “in-house”. The added flexibility this has provided has been significant in terms of explosive purchase options as well as better utilization of existing mine contractor personnel for drilling and blasting operations. Overall, the changes implemented to date have allowed for a greater than 80% reduction in overall blasting costs while allowing the Company increased efficiency in scheduling the sequences between blasting and mining operations. Efforts continue to further optimize blasting activities. The implementation of these improvements were critical prior to decisions related to the initiation of mining activities at the Nicho Main Zone.

The Company’s on-site lab should be complete and operational in the coming weeks in anticipation of first blasting at the NMZ. The faster sample assay turnaround provided by these facilities is also a critical pre-requisite to maintaining effective mine and plant production controls as site mining activities continue to increase.

Selected Financial Data:

The following selected financial data is summarized from the Company’s unaudited condensed interim consolidated financial statements and related notes thereto (the “Interim Financial Statements”) for the three months ended March 31st, 2022, and the Management’s Discussion and Analysis (“MD&A”) for the three months ended March 31st, 2022 (all numbers in Canadian dollars). A copy of the Financial Statements and MD&A is available on SEDAR at www.sedar.com.

In accordance with the adoption of the Amendment to International Accounting Standard (“IAS”) 16 Property, Plant & Equipment, Proceeds Before Intended Use, the Company is providing revenues and costs

of goods sold for the period ending March 31st 2022. A more thorough explanation of this new accounting rule is outlined in the financial statements (note that these costs pursuant to the IFRS accounting rule for their treatment do not factor in depletion or depreciation)

- Revenues from approximately 65% of gold production in the quarter totalled \$5,160,026 with cost of goods sold amounting to \$2,255,305. The remaining gold was sold post quarter end.
- Income from operations of \$1,529,128 compared with a loss of \$4,166,739 in the corresponding quarter of 2021
- Net income of \$1,067,853 for the quarter amounted to \$0.002/share compared to a Net loss of \$2,790,352 or \$0.006/share in the corresponding quarter of 2021.
- Cash and Cash Equivalents totalled \$8,177,510 compared to \$9,379,390 at year end – the difference reflecting gold sales in process that were recorded after quarter end and a modest reduction in the marked to market valuation of investment holdings (subsequently sold – see *below*).
- Subsequent to quarter end the Company sold its remaining 590,000 shares in Prime Mining at a price of \$3.50/share for gross proceeds of \$2,065,000.

Photo 2: Site Preparations Underway at the Nicho Main Zone Breccia Pipe



Cautionary Statement

The Company made its production decision and has started the development and production of the Santana gold mine without having completed a feasibility study demonstrating economic and technical viability. As such, there may be increased uncertainty of achieving planned production levels, estimated recovery of gold, the costs associated with such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations.

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

For Further Information Please Contact:

Minera Alamos Inc.

Doug Ramshaw, President

Victoria Vargas de Szarzynski, VP Investor Relations

Tel: 604-600-4423

Tel: 289-242-3599

Email: dramshaw@mineraalamos.com

Email: vvargas@mineraalamos.com

Website: www.mineraalamos.com

About Minera Alamos Inc.

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

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

About Ocean Partners USA Inc.

Ocean Partners specializes in the trading of precious metal, copper, zinc and lead, as well as related by-products and secondary materials. The Ocean Partners team has spent over 25 years providing successful trading services to miners, smelters, and refiners, and has a strong global network of relationships and contacts in the precious, base metal mining, smelting and refining sector.

Caution Regarding Forward-Looking Statements

This news release may contain forward-looking information and Minera Alamos cautions readers that forward-looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Minera Alamos included in this news release. This

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

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

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