

# Altaley Mining Announces Operations Plans for 2023



NEWS RELEASE BY ALTALEY MINING CORP

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Altaley Mining Corporation (the “**Company**” or “**Altaley**”) is pleased to provide an update on its operations plans for 2023.

Following a change in management in September 2022 the Company has focused on developing robust plans for each site for 2023, and as a consequence the Company expects a strong performance this year.

Changes to strengthen the organization at the **Tahuehueto Gold Mine Project** in Durango are underway – a new consulting Construction Manager has been appointed, and recruiting for a new site General Manager is in process. This advanced construction project is expected to achieve some critical milestones during 2023, ultimately to achieve the nameplate 1,000 tonnes per day (“**tpd**”) capacity. Construction of the initial 500 tpd operation is anticipated to be completed in 2Q23. The 500 tpd stage is expected to be cash positive at the site level. Some of the remaining critical tasks to achieve the 500 tpd project are installation of the final comminution equipment and construction of the definitive tailings storage facility.

Expansion up to the nameplate capacity of 1,000 tpd at Tahuehueto is expected to be completed in 4Q23, subject to funding. In addition to installing a second ball mill and associated circuits, the scope of the 1,000 tpd project includes a third tailings filter press (as backup), a materials handling orepass in the mine to alleviate traffic congestion, and completion of the final stages of the definitive tailings facility. Currently the mine is in pre-production, averaging 300 tpd, and the plant is performing very well.

At the 1000 tpd capacity the mine is projected to produce on average 42,822 AuEq oz per year (average of first 5 years, PFS, 2022), and generate an annual average EBITDA of USD 28.1m (@US\$1,900/oz Au) (reference NI43-101 Technical Report “Pre-Feasibility Study – Tahuehueto Project”, April 25, 2022). Based on the updated 2022 Pre-Feasibility Study, Tahuehueto producing at 1,000 tpd has an after-tax NPV of US\$ 161.3m (5% discount rate) and an IRR of 65%.

Plans for 2023 at the **Campo Morado Mine** in Guerrero have strategically shifted focus towards the mining of higher-grade copper orebodies. The higher-grade copper zones comprise the Fish and South-West orebodies (refer diagram below), with copper head grades in the range of 0.7 – 1.1 % Cu. Mining in these areas will ramp up in February. Furthermore, additional “Sub-A” flotation cells have been commissioned in the copper circuit, which in combination with mining higher-grade ore

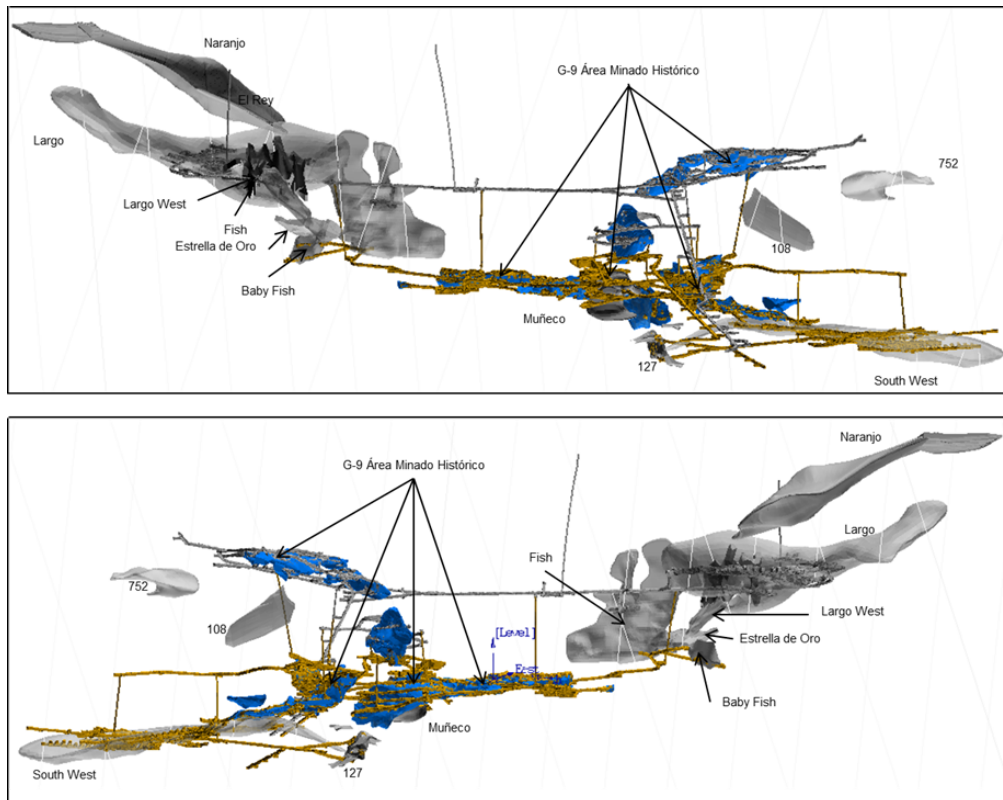
will result in an expected 5% increase in copper concentrate grade to 16% Cu. The majority of silver also reports to the copper concentrate, with the result that copper concentrates are expected to contribute 40% of total revenue in 2023. The balance of approximately 60% of revenue comes from zinc and gold combined, within the zinc concentrates. Campo Morado EBITDA for 2023 is projected to be USD 15.9M.

The Company also expects to make progress on implementing recommendations made by international engineers Ausenco to progressively improve plant performance at Campo Morado, following a detailed review of the plant in October 2022. The mine has already implemented a Mine-to-Mill / Geometallurgy program, which is a vital component in successful volcanogenic massive sulphides (“VMS”) operations worldwide. The Ausenco engineers will continue to guide the process improvements during 2023 and beyond. None of the performance improvements (increased recoveries etc.) have been factored into plans for 2023, so they are all upside.

Total planned metal production from the two sites in 2023 is summarized below:

<b>2023 Production</b>	<b>Zinc (t)</b>	<b>Copper (t)</b>	<b>Lead (t)</b>	<b>Gold (kg)</b>	<b>Silver (kg)</b>
<b>Campo Morado</b>	15,433	2,967	2,142	184	25,810
<b>Tahuehueto</b>	1,903	545	1,454	289	6,258

#### **Isometric Views of Campo Morado Mine, Showing 2023 Mining Areas**



**Mike Struthers, CEO, commented:** “We expect 2023 to be a strong year for Altaley, turning the corner on performance at both sites and achieving some critical milestones at Tahuehueto. We are determined to transform Altaley into a successful mining company and achieve a significant re-rating in 2023 as a result. I look forward to providing more information on our progress in the coming weeks and months.”

## About Altaley Mining Corporation

Altaley Mining Corporation is a Canadian based mining company with two 100% owned Mexican gold, silver, and base metal mining projects.

Altaley's Tahuehueto mining project is in north-western Durango State, Mexico, where construction of an initial 500 tpd operation is well advanced. The second stage, the 1000 tpd project, will follow immediately after commissioning the initial stage. The operation is generating gold, silver, lead, and zinc in concentrates.

Campo Morado is an operating polymetallic base metal mine in Guerrero, Mexico, currently producing at an average of approximately 2,400 tonnes per day and is

currently estimated to be Mexico's 6th largest zinc producer and is progressively increasing its copper revenues.

Visit: [www.altaleymining.com](http://www.altaleymining.com)

## **On Behalf of the Board of Directors**

(signed) "Mike Struthers"

**Mike Struthers**

**CEO and Director**

## **Cautionary Note Regarding Production Decisions and Forward-Looking Statements**

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

It should be noted that Altaley declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Altaley's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision. Altaley has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017, and April 4, 2018).). Furthermore, It should be noted that Altaley intends to commence pre-production and ramp up to full commercial production at Tahuehueto prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Altaley's

pre-production and production decisions will be made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Tahuehueto mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make such production decisions. Altaley has completed a positive pre-feasibility study (the "Pre-Feasibility Study") and updated mineral reserves/resources estimates at its flagship Tahuehueto Mine that provides a conceptual life of mine plan and a preliminary economic analysis based on a 1,000 tonne per day operation (see News Release dated March 7, 2022)

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities laws. Forward-Looking Information includes but is not limited to conditions or financial performance that are based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company's properties, such as production rates and increases; success of exploration, development and bulk sample processing activities, and timing for processing at its own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified using words and phrases such as "plans," "expects," "scheduled," "estimates," "forecasts," "intends," "anticipates" or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved; that commencement of pre-production mining and milling operations at Tahuehueto will proceed as planned; the continuity of the price of gold and other metals, economic and political conditions, and operations. 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. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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