Minera Alamos Inc.

Cerro de Oro Surface Rights Secured

MAI (TSXV)	STOCK RATING	TARGET	EST. TOTAL RETURN
C$0.53	Outperform (Unchanged)	C$1.10 (Unchanged)	107.5%

Next in Line for Development

Impact: Positive

This morning, Minera Alamos confirmed receipt of a final surface rights agreement with the local municipality and Ejido at the Cerro de Oro project in Zacatecas, Mexico. Cerro de Oro is the second asset in the portfolio, for which we expect a PEA in Q3/22, receipt of final permits in ~H1/22, construction start by H2/23, and production in early 2024.

Details of the Agreement & Next Steps

The surface rights agreement allows for all activities including final permitting work, construction and mining, with enough room for future expansion if necessary as resources grow. The agreement covers an 816 Ha area (~80% municipal, ~20% Ejido land), up to 25 years with annual rental payments, and commitments from MAI for limited social works and preferential employment of locals once the mine is operating. Up next, we expect steady progress towards permit finalization and construction. This includes:

- Submission of the permit (H2/22), which then typically takes ~8 months to approve (~H1/23). The submission requires finishing certain preparation work that was on hold during permit negotiations, such as flora and fauna surveys, and can be done in only a few months. The company had previously finished other relevant engineering, geology and geotechnical work as needed for the application.
- Advanced engineering and optimization, metallurgical test work, infill & resource expansion drilling, regional drilling, identification and securing of long-lead time items, and project financing.
- While not detailed in today's release, we expect a Preliminary Economic Assessment (PEA) based on the existing 630koz resource at US$1,450/oz gold. Based on earlier commentary by management, initial capex may be in the ~US$25mln range and could be financed with debt.

It is notable that by the end of this year, the company will have a 43-101 report on all assets: an upcoming maiden resource on Santana (~Q2/22), an existing resource and upcoming PEA on Cerro de Oro (~Q3/22), and an existing PEA on La Fortuna. Availability of some form of 43-101 data available for all three assets may ease risk around disclosures which had deterred some investors in the past. MAI trades at 0.49x NAV vs. producers ~0.73x and developers 0.47x. Our target is based on ~1x NAV.

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STOCK DATA

52-Week High and Low ($)	0.75-0.48
Dividend per Share ($)	0.00
Dividend Yield (%)	0.0
Shares Outstanding (Mln)	446.1
Market Capitalization ($Mln)	236.0

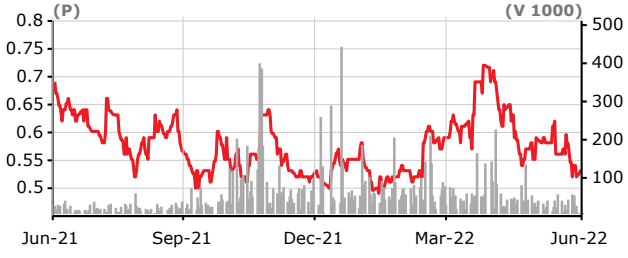
NBCFM ESTIMATES & VALUATION

Fiscal Y/E December	2021A	2022E	2023E
Gold Price (US$/oz)	1,799	1,921	1,935
Au Production (koz)	0	20	57
AISC (US$/oz)	0	1,070	1,045
EBITDA ($Mln)	(6.0)	15.0	61.0
NAVPS ($)		1.08	
P/NAV (x)		0.49	

All figures in C$ unless otherwise noted

Source: National Bank Financial, Refinitiv and Company reports

STOCK PERFORMANCE *(Source: FactSet)*



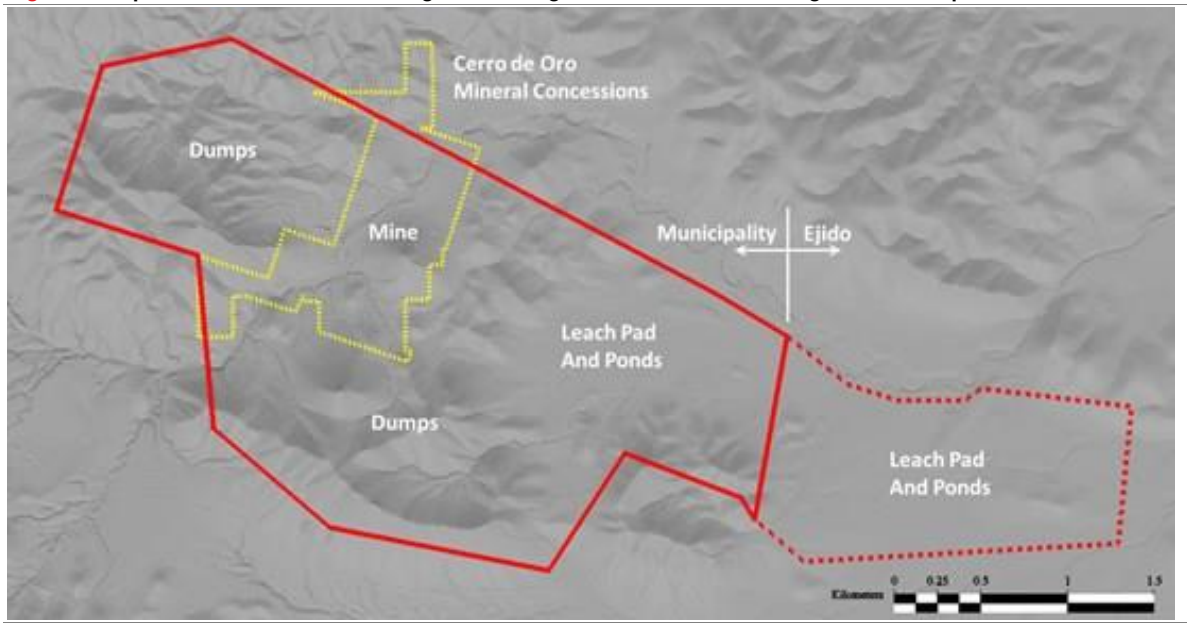
RISK RATING: Speculative

COMPANY PROFILE

Minera Alamos owns a 100% interest in its flagship Santana project in Sonora, Mexico, and also owns the recently acquired Cerro de Oro project in Zacatecas, Mexico and the La Fortuna project in Durango, Mexico. The company is currently focused on bringing Santana into production.

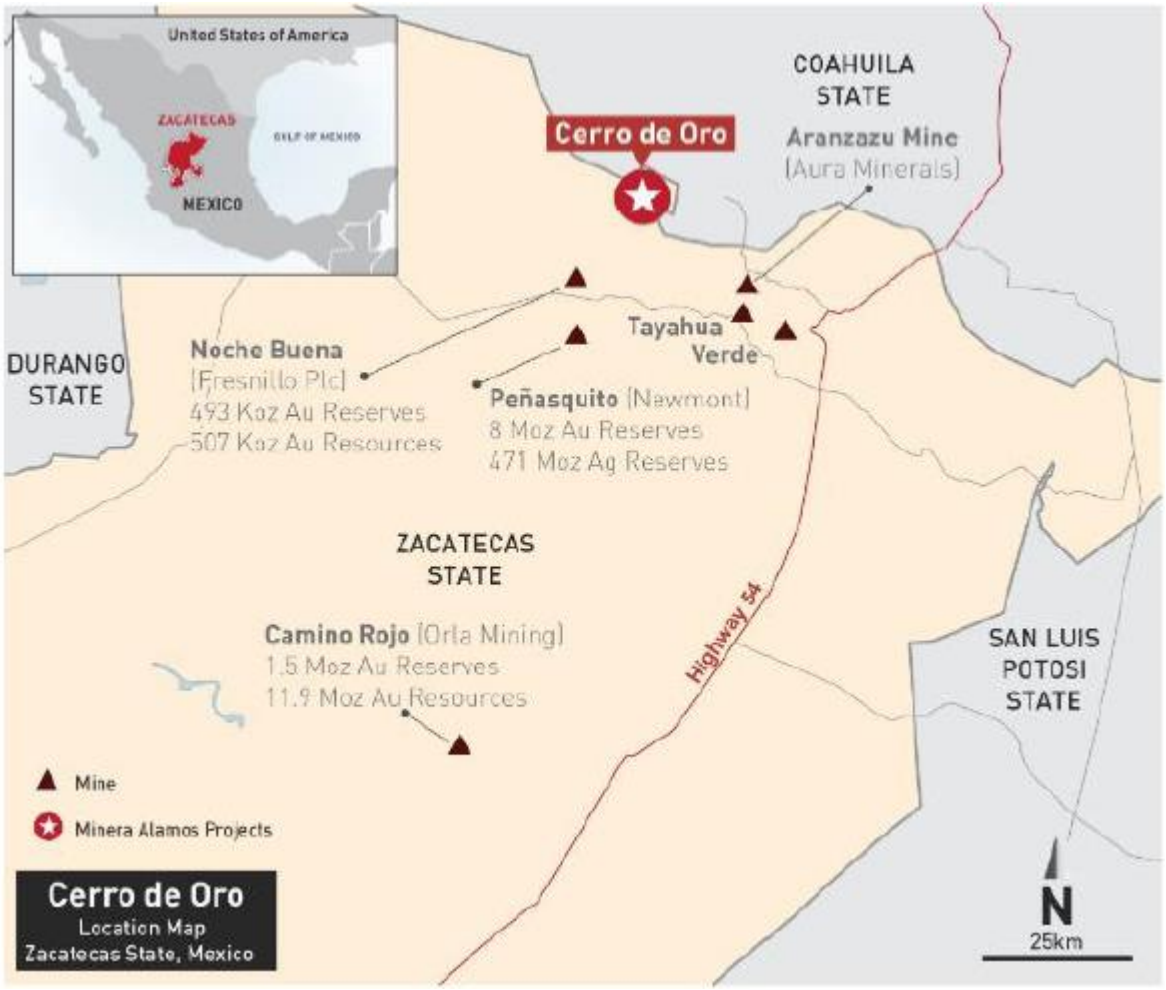
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Figure 1: Map of Cerro de Oro Surface Rights Showing Areas Where Surface Rights Were Acquired in Red



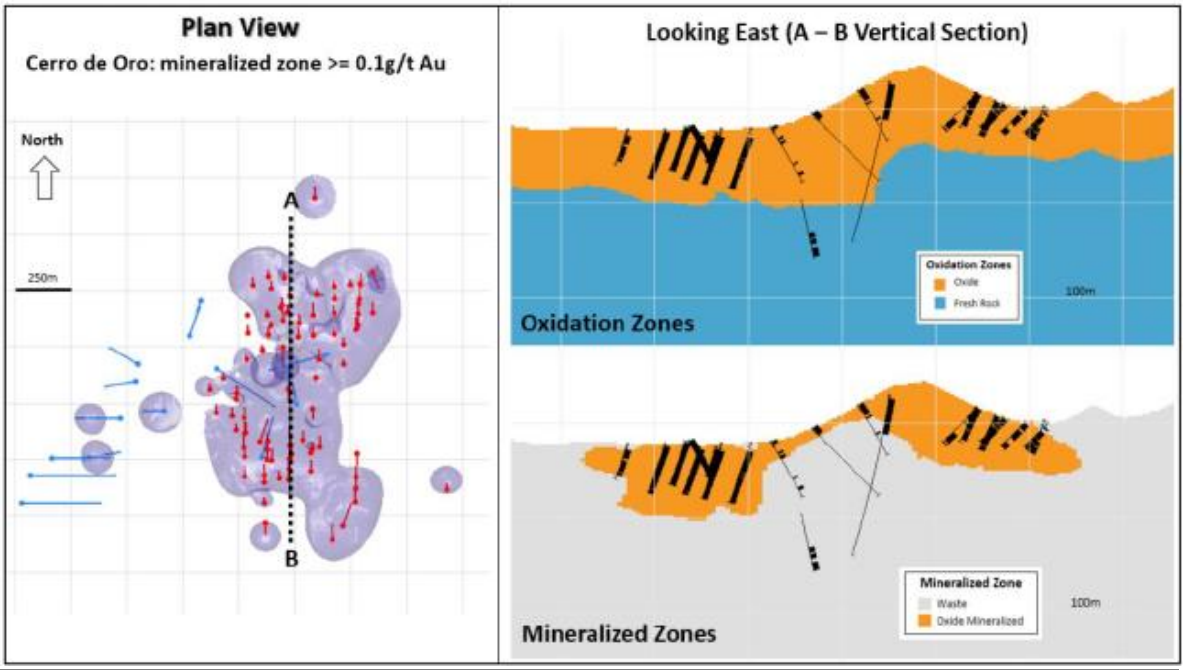
Source: Company Reports

Figure 2: Map of Cerro de Oro and Other Nearby Mines in the Region in Zacatecas State, Mexico



Source: Company Reports

Figure 3: The Cerro de Oro Project has an Inferred Mineral Resource of 630,000 oz of contained gold (48 Mt grading 0.41 g/t Au), defined at US$1,450/oz gold. The Resource Is Based on Historical Drilling and There Is Room to Grow



Source: Company Reports

Minera Alamos Inc. (TSXV:MAI)

TICKER	MAI.V	FISCAL YEAR-END	December 31
CURRENT PRICE (C$)	0.53	52-WEEK HIGH (C$)	0.73
STOCK RATING	Outperform	52-WEEK LOW (C$)	0.49
TARGET PRICE (C$)	$1.10	P/NAV (cash adjusted) (x)	0.49
TOTAL RETURN	108%	P/NAV target multiple (x)	1.00
RISK RATING	Speculative	2021 FCF Yield (%)	-7.1%
SECTOR RATING	Overweight	2022 FCF Yield (%)	3.8%
SHARES OUTSTANDING (mln)	446		
MARKET CAPITALIZATION (C$ mln)	236		

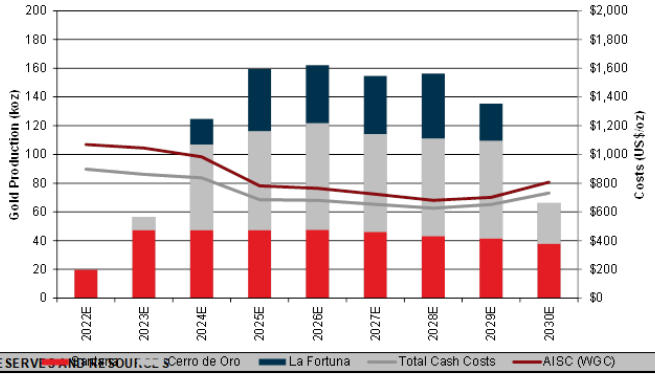
FINANCIAL DATA

Technical Assumptions	2019A	2020A	2021E	2022E	2023E
Gold (US$/oz)	1,392	1,770	1,799	1,921	1,935
CAD/USD	1.33	1.34	1.25	1.25	1.25
MXN/USD	19.2	21.5	20.3	20.1	19.9

Financial Forecasts	2019A	2020A	2021E	2022E	2023E
Balance Sheet (C$ mln)					
Cash & Equivalents	5	23	11	36	25
Working Capital	1	23	11	36	25
Total Debt	2	0	0	15	15
Income Statement (C$ mln)					
Revenue	0	0	0	48	137
Cost of Sales	0	0	0	22	61
G&A Expense (ex non-cash items)	3	3	3	3	5
EBITDA	**(4)**	**(2)**	**(6)**	**15**	**61**
Depreciation, Depletion and Amortization	0	0	0	2	7
Net Income	(4)	6	(2)	10	39
Cash Flow ($ mln)					
Operating CF - Before W/C	(3)	1	(5)	14	47
Capital Expenditures	0	7	10	5	57
Net Proceeds from Equity	5	21	0	0	0
Net Proceeds (Repayment) from Debt	2	1	1	15	0
Free Cash Flow	(3)	(7)	(17)	9	(10)
Per Share Data ($/FD share)					
EPS F-D ($)	**(0.01)**	**0.01**	**(0.00)**	**0.02**	**0.09**
Adjusted EPS ($)	**(0.01)**	**0.01**	**(0.00)**	**0.02**	**0.09**
CFPS (b.c.w.c.)($)	**(0.01)**	**0.00**	**(0.01)**	**0.03**	**0.11**
FCFPS ($)	**(0.01)**	**(0.02)**	**(0.04)**	**0.02**	**(0.02)**
Weighted-Avg Basic Shares O/S (m)	357	417	443	446	447
Weighted-Avg Diluted Shares O/S (m)	357	435	443	446	447
End of Period Shares O/S (m)	376	442	446	447	447

OPERATIONAL DATA

Consolidated Production Profile	2019A	2020A	2021E	2022E	2023E
Gold Production (koz)	0	0	0	20	57
Total Cash Costs (US$/oz)	0	0	0	898	862
WGC All-in Sustaining Costs (US$/oz)	0	0	0	1,070	1,045

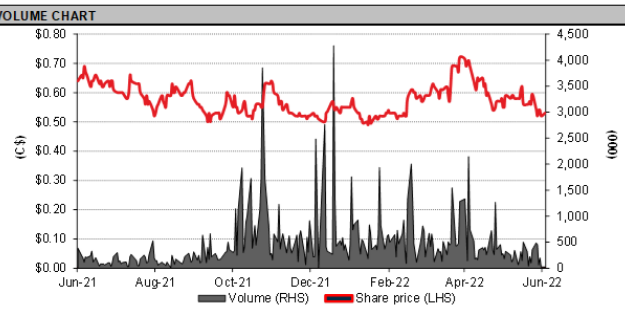


RESERVES AND RESOURCES

As at November, 2020	Tonnes (m)	Au Grade (g/t)	Contained Au (moz)
Proven and Probable Reserves	0.0	0.00	0.0
M&I Resources	3.5	2.78	0.3
Inferred Resources	48.2	0.41	0.6

Source: National Bank Financial, Refinitiv, Minera Alamos Inc.

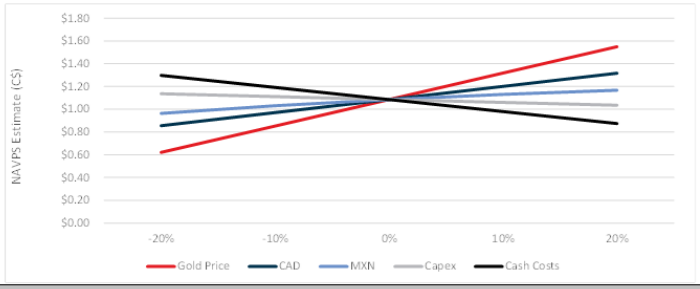
STOCK/VOLUME CHART



NAV SUMMARY

Asset	Ownership (%)	NAVPS (C$/sh)
Santana (6% DR)	100%	0.47
La Fortuna (6% DR)	100%	0.27
Cerro de Oro (7% DR)	100%	0.36
Project NAV		**1.09**
Cash & ST Investments (FY1)		0.07
In-the-money options & warrants		0.01
Other		0.02
Corporate G&A (10 years @ 5%DR)		(0.08)
ST & LT debt (FY1)		(0.03)
Total NAVPS (C$)		**1.08**
P/NAV (x)		**0.49**
Shares Outstanding (m)		463

NAV SENSITIVITY



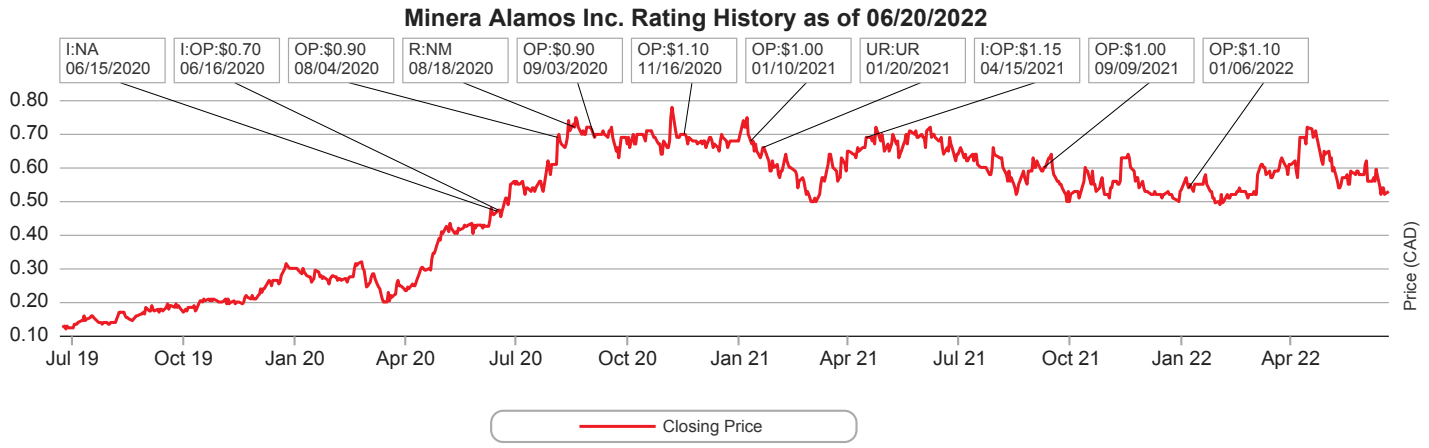
MARKET DATA

Capital Structure	Weighted-Avg Strike (C$)	Shares (mln)
Shares Outstanding		446.6
Exercisable Options	0.35	25.3
Warrants	-	0.0
Fully Diluted Shares		462.9

Top Ownership	% Outstanding	Shares (mln)
Osisko Gold Royalties, Ltd.	9.3%	41.8
Aegis Financial Corporation	5.2%	23.4
Invesco Advisers, Inc.	3.7%	16.6
Koningen (Darren M)	1.6%	7.4
Ramshaw (Doug)	1.5%	6.6
Goehring & Rozencwajg Associates, LLC	0.4%	1.6
Orrell Capital Management Inc.	0.2%	1.0
Incrementum AG	0.2%	0.9
Durham (Robert Bruce)	0.2%	0.9
DWS Investment GmbH	0.2%	0.8

Disclosures

PRICE, RATING AND TARGET HISTORY: I = Initiation, OP = Outperform, SP = Sector Perform, UP = Underperform, UR = Under Review, R = Restricted; T = Tender (Source: Factset, NBF)



RISKS:

Lack of economic studies – There are no economic studies available to the public for the Santana and Cerro de Oro assets.

Jurisdictional risk – All the company's operating assets are located in Mexico. There is the risk of changes in FX or regulations pertaining to taxes, royalties, land access and use, input prices and environment among other risks that could negatively impact the value of the company.

Financing Risk – There is a risk that the company could require additional capital to complete its growth plans, which could potentially result in greater dilution than we model.

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Minera Alamos Inc. 2, 3, 4, 5, 7

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	Outperform	Sector Perform	Underperform
Coverage Universe Ratings Distribution	66%	31%	0%
Investment Banking Distribution	70%	64%	50%

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