

Minera Alamos Inc

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Minera Alamos on the cusp of developing first mine, says Roth, which starts coverage

Minera Alamos Inc's (CVE:MAI) (OTCMKTS:MAIFF) Santana project is expected to enter construction within the coming months and should reach commercial production by year-end 2020, reckons Roth, which has started coverage on the shares with a Buy recommendation.

The firm is a Mexico-focused gold mine developer and also has a second project in the pipeline, in the shape of La Fortuna, where it plans to break ground once Santana reaches commercial production.

READ: Minera Alamos makes new Gold Ridge discovery at Santana project in Mexico

"La Fortuna is further along on the technical side with a resource estimate and PEA. However, the project has a higher capital cost to develop and is nearing the end of the permitting process. We believe La Fortuna will enter production in 2022," noted Roth analyst Joe Reagor.

Santana is an open-pit heap-leach development project in Sonora state and the analyst highlights that the project had a historical resource and the firm had completed a bulk sample to confirm it, but that Minera has yet to release an initial NI 43 101 resource estimate.

initial resource estimate

"We believe this is one of the key drivers in the company's current discount to our valuation. We also note that management expects to release an initial resource estimate in early 2020, which should serve as a significant catalyst, in our view," said Reagor.

"The management team of Minera Alamos has a proven track record of developing mines in Mexico and then selling the operating assets. Most notably, management was responsible for the advancement and sale of Castle Gold for C\$130 million in 2009," also said Reagor.

Roth targets C\$0.35 for the shares. Today, they are at C\$0.22, up 2.3%

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1 Year Share Price Graph



Share Information

Code: MAI
Listing: TSX-V
Sector: Gold & silver
Website: www.mineraalamos.com

Company Synopsis:

Minera Alamos is an advanced stage exploration and development company. Its growing portfolio of high-grade Mexican projects includes the La Fortuna open pit gold project in Durango and the Guadalupe de Los Reyes open pit gold-silver project in Sinaloa. Our strategy is to develop low capex assets while expanding the near mine resource and remaining opportunistic for additional assets.

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