

Minera Alamos Inc

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Minera Alamos marks major milestone as it begins construction of Santana gold mine

Minera Alamos Inc (CVE:MAI) (OTCMKTS:MAIFF) is on track to build and commission its first gold mine as it revealed that construction at the Santana project in Sonora state, Mexico was now underway.

"This marks a major step in the company's transition from gold project developer to gold producer in 2020," the company said in a stock market statement.

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Santana is a simple open-pit heap leach project and the strategy is to develop this first and use cashflow from that mine to advance its other Mexican project -- La Fortuna -- which already features a resource estimate and preliminary economic assessment (PEA).

Construction at Santana is expected to take between six and eight months, and during January and February this year, the firm will begin to prepare, aided by the local community, areas designated for leach pads and holding ponds.

The building of a road within the planned mine area will also be started.

"We would like to recognize the collaboration of the local community and the Mexican authorities with our team which has allowed us to reach this significant milestone in a timely fashion," said Darren Koningen, CEO of Minera Alamos.

"This year will be an exciting one as we build and commission our first gold mine and complete the transformation of the Minera Alamos into a new gold producer."

Also in Thursday's statement, Minera Alamos said that Victoria Vargas de Szarzynski, a consultant to the firm since 2018, will be appointed to the role of vice president of investor relations.

The firm will also be attending the Vancouver Resource Investment Conference on Sunday, January 19 and Monday, January 20 this year.

A C\$14 million financing deal

Last month, Minera Alamos said it had reached a C\$14 million financing deal with Osisko Gold Royalties Ltd, allowing it to begin construction at Santana.

Osisko will purchase 30 million shares of Minera at \$0.20 each for a total of \$6 million. In addition, it will buy a 3% net smelter royalty (NSR) of the Santana project for \$5 million in cash and Minera will have the option to draw down from Osisko as much as \$3 million more.

Completing the financing will increase Osisko's equity stake in Minera from 12.3% to 18.7%.

1 Year Share Price Graph



Share Information

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

Company Synopsis:

Minera Alamos is gold development company poised to join the ranks of gold producers in 2020. The Company has a portfolio of high-quality Mexican assets, including the 100%-owned Santana open-pit, heap-leach development project in Sonora currently under construction, which is expected to have its first gold production in late 2020.

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Minera said it would seek disinterested shareholder approval of the royalty and optional royalty at a special meeting to be held on February 20.

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