

Minera Alamos Inc

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Minera Alamos secures C\$14M financing package to fund construction at its gold mine in Mexico

Minera Alamos Inc (CVE:MAI) (OTCMKTS:MAIFF) has reached a C\$14 million financing deal with Osisko Gold Royalties Ltd, allowing it to begin construction at its Santana gold mine in Sonora, Mexico.

Under the terms of the agreement, Osisko will purchase 30 million shares of Minera at \$0.20 each for a total of \$6 million. In addition, Osisko will acquire a 3% net smelter royalty 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.

"We appreciate the ongoing support and backing that our operating team has received from Osisko Gold Royalties," Minera CEO Darren Koningen said in a statement. "This financing package allows the company to begin its transition from gold project developer to gold producer. Today's news sets the stage for an extremely busy and exciting 2020 as our team executes our business plan to the benefit of all our shareholders."

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

Minera estimated that construction at the mine will take about six to eight months and will cost roughly C\$10 million. That includes construction of carbon plant, pads, ponds and various earthworks at the mine site, the company said.

Completing the financing will increase Osisko's equity stake in Minera from 12.3% to 18.7%. All shares involved in the agreement are subject to a four month hold.

Closing of the offering is expected to occur on or around December 18 this year.

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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 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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