



Altaley Mining Corporation
1000-1111 Melville St.
Vancouver, BC, V6E 3V6
TSX.V: ATLY OTCQX: ATLYF
Frankfurt: TSGA

Altaley Executes US\$5 Million Bridge Loan Financing Agreement

Vancouver, British Columbia, December 29, 2021

Altaley Mining Corporation (“**Altaley**” or the “**Company**” ([TSX-V: ATLY](#), [OTCQX: ATLYF](#), [Frankfurt-TSGA](#))) is pleased to announce that it has executed a Loan Agreement (the “**Loan Agreement**”) with **Sail Natural Resources LP** (the “**Lender**”) whereby Lender will provide a US\$5million loan facility to Altaley, proceeds to be used to fund the final costs of construction and working capital at the Company’s Tahuehueto Gold Mine Project.

This bridge loan replaces the funding recently lost to Altaley upon the cessation of operation of the Accendo Banco and is more than enough capital to complete and ramp up operation at Tahuehueto where construction has advanced to at least 95% completion and where initial production is anticipated to commence at the end of January, only slightly behind managements targeted expectations.

Loan Agreement terms are as follows,

- Total loan amount – US\$5 million
- Term 4 years
- Interest at 13.5% where Altaley shall make four quarterly payments of interest only on the outstanding amount of the Loan commencing on March 10, 2022, and continuing for four occurrences (being 12 months in aggregate) ending on December 10, 2022,
- 15-month grace period on principal with blended monthly payments of principal and interest on the outstanding amount of the Loan commencing on March 10, 2023, and continuing for twelve occurrences (being 36 months in aggregate) ending on December 10, 2025,
- Bonus Warrants – Altaley, upon advancement of funds, to issue 10 million share purchase warrants where each warrant is exercisable within 36 months at an exercise price of \$0.35/share. The Bonus Warrants contain Vesting Provisions, one of which requires that the entire Loan proceeds be received by Altaley. Additional vesting provisions are presented below. The Loan Agreement and grant of Bonus Warrants is subject to the acceptance of the TSX Venture Exchange (“**TSXV**”).
- Security – Loan is initially unsecured however, the Lender will be allowed to enter the Trafigura Trust upon fulfillment of KYC (Know Your Counterparty) and other documentation acceptable to the Trustee, and thereby gain full security within the trust. ([See press release dated November 16, 2020](#))

The Loan Agreement also acknowledges that the Lender is intending to make a bid to a Receiver, to acquire the Accendo Loan Facility out of liquidation (See press release dated July 22, 2021- [insert link to press release](#))

The Loan Agreement contains provisions that in the event the Lender successfully acquires the Accendo Loan Facility, Altaley will deem the funds advanced under the terms of the Loan Agreement to be included within and part of the



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Accendo Loan Facility, specifically for the purposes of satisfying the maximum Accendo Loan Facility amount as set out within the Accendo Loan Facility Agreement and further, the Lender will assume all liabilities and rights of Accendo in respect of the Accendo Facility, including 15 million conditional Accendo Warrants (*see press release references above for warrant terms*). The possible transfer of the Accendo Warrants to the Lender is subject to TSXV approval and will require the Accendo Warrants to be repriced to a price acceptable to the TSXV.

Additionally, Vesting Provisions of the Bonus Warrants to be issued pursuant to the terms of the Loan Agreement stipulate that the maximum number of warrants available to the Lender on a combined basis (Accendo Warrants plus Bonus Warrants), assuming the Lender successfully acquires the Accendo Loan Facility, is not to exceed 15 million warrants such that some, or all, of the Bonus Warrants could be cancelled if the Lender successfully acquires the Accendo Loan Facility and thereby the Accendo Warrants.

The above terms are subject to TSXV approval.

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 has been advanced to an estimated 95% of completion on its 1,000 tonne per day processing facility and related mine infrastructure to initiate production of gold, silver, lead, and zinc in concentrates at Tahuehueto. The Company is targeting initial pre-production near the end January 2022 and ramping up to full production capacity during Q1-Q2 2022.

Campo Morado is an operating polymetallic base metal mine with mining and milling equipment currently producing at an average rate of approximately 2,100 tonnes per day, Campo Morado is currently estimated to be Mexico's 6th largest zinc producer.

Visit: www.altaleymining.com

On Behalf of the Board of Directors

(signed) "Ralph Shearing"

Ralph Shearing, President, CEO and Director

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

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



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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).

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, the Lender's plans to acquire the Accendo Loan Facility out of liquidation and other possible events; 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 recommencement of operations at Campo Morado 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.

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.

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