

Altaley Mining Corporation

CEO UPDATE

VANCOUVER, BRITISH COLUMBIA – DECEMBER 09, 2022

Altaley Mining Corporation (the “Company” or “Altaley”) is pleased to provide an update on the status of the Company’s operations and projects, and corporate matters.

CEO Update

On 12th September 2022 the Company announced the appointment of Mr. Mike Struthers as the new CEO for Altaley. Mr. Struthers is a seasoned professional and Chartered Engineer with over 40 years of international mining experience, starting in operations in Africa and Australia; followed by a technical consulting career in Australia and internationally, with extensive experience in feasibility studies and capital projects; seven years with Lundin Mining in capital projects in Europe and Chile; and latterly in C-suite roles in the UK and Canada. A summary bio is appended.

Upon arrival, and with the full support of the board of directors, Mr. Struthers undertook a review of the Company operations, administration, finance and corporate functions, and organization. This was recently concluded.

Mr. Struthers stated: *“The CEO Review was an important introduction to the Company, to gain a full understanding of the status of the operations and projects, administrative and financial functions and controls, organizational strengths, and weaknesses, etc. I’m pleased to say that this is now completed.*

It is evident to our shareholders and those watching Altaley that the Company’s performance in 2022 has not lived up to expectations. This is a result of many factors, some within the Company’s control, some not. Campo Morado had a difficult 1H22, but performance in 2H22 has been steadily, albeit slowly, improving. Tahuehueto failed to deliver on expectations regarding the conclusion of the construction project.

It became clear during the review that a greater level of discipline was required in certain functions, including budgeting, planning, and forecasting; together with the need to address certain organizational weaknesses; to transform Altaley into a respected, professional and consistently performing mining company. A number of improvements have already been put in place, others will follow in the coming weeks and months.



New Permanent Crushing Circuit

The objective of the review was to develop robust, deliverable production plans for 2023 at both mines. These have now been completed.

The Tahuehueto Gold Mine Construction Project is substantially behind schedule and over budget. There were many factors involved, including delayed funding, but we now have updated and detailed plans and budgets, and are strengthening the organization, to ensure the project is now delivered successfully. One of my early decisions was to split the 500tpd and 1000tpd projects into two stages. It is important to first

deliver the 500tpd project successfully, and from that foundation expand to 1000tpd. The 500tpd Project is expected to be completed in early Q2, 2023, and the Company expects to then move directly to the 1000tpd expansion. Many elements for the 1000tpd project are already in place with the first stage, and we already have the second ball mill.

Pre-production at Tahuehueto has been progressing well. We are currently milling an average of 350tpd and the plant is performing to expectations, producing saleable zinc and lead concentrates, the latter with an average 50 g/t gold.



Tailings Thickener and Filter for Drystack Tailings

On 6th December 2022 the Company announced a Rights Offering, and a share consolidation that the Board of Directors recommends is necessary to properly restructure the Company's share capital and prepare for future growth. The Rights Offering allows shareholders to participate in a funding round and will raise additional funds to complete the construction of the 500tpd project at Tahuehueto. These additional funds will be sufficient to complete this project.

Campo Morado had an excellent 2021, but a poor 1H22. Declining performance in 1Q22 was linked to a particular ore zone in the mine, El Largo, driven by complex mineralogy, unusually high iron content, and declining head grades as the zone neared depletion. The decision was taken to move production to new areas, with elevated copper grades, and by the end of 2Q22 this was well established with performance progressively improving since. The keys to continuously improving performance at Campo Morado lies in stabilizing the mill with consistent blended ore feed, and putting into place an effective geometallurgical program, linking resources, the mine and the mill into a unified planning and production process. We recently concluded a plant review by leading consulting engineers Ausenco, and from this we have a detailed path forwards to improve performance. I'm now optimistic we'll see steady improvements through 2023 and beyond.

I look forwards to providing shareholders with further regular updates."

CEO Summary Biography

Mr. Mike Struthers is a registered Chartered Engineer with the Institute of Engineers in the UK and has had a mining career spanning over four decades, in Africa, Australia, Europe, Russia, and North and South America.

- Operational roles in large base metal mines in Zambia and Australia
- Former Director and Principal Geotechnical Engineer for 13 years with an international mining consulting organization, consulting to and leading teams on a range of projects for a wide variety of clients including major miners such as Rio Tinto Group and BHP Billiton, and large number of other mid-tier and junior development and producing companies.
- Former CEO (3 years) and Director of Empire Metals Ltd., an AIM-listed exploration and resource development company, and current CEO of Candelaria Mining Corp. a TSX.V listed Mexican exploration and development company.
- Seven years as Project Manager and Projects Director with Lundin Mining Corporation, responsible for developing and executing a range of strategic medium and long-term brownfield growth initiatives at Lundin Mining's operations in Portugal and Chile.
- Former COO and Technical Director for a Russian minerals development company with large base and precious metals assets in Siberia.

Mike's experience includes project management in feasibility and engineering studies, project development, technical reviews, financial evaluations, strategic planning, mine expansions, construction management, and project due diligence over a wide range of commodities and jurisdictions including base-metals, gold, and diamonds, in jurisdictions including Africa, Australia, North America, South America, Europe and Russia. Prior to his consulting career he held operational and management positions in mining operations in Africa and Australia

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 Gold Mine Project is in north-western Durango State, Mexico where construction of an initial 500 tonnes per day ("tpd") operation is well advanced. The second stage, the 1000 tpd project, will follow immediately after commissioning the initial stage. The operation will generate gold, silver, lead and zinc in concentrates.

Campo Morado is an operating polymetallic base and precious metals mine currently producing at an average of 2,400 tpd, is currently estimated to be Mexico's 6th largest zinc producer and is progressively increasing its copper revenues.

Visit: www.altaleymining.com

On Behalf of the Board of Directors

(signed) *Mike Struthers*

Mike Struthers,

CEO and Director

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that Altaley declared commercial production at Campo Morado and elected to initiate construction to go into production at Tahuehueto prior to completing full feasibility studies demonstrating economic and technical viability. Accordingly, readers should be cautioned that Altaley's production decisions have been made without comprehensive feasibility studies of established reserves at Campo Morado and prefeasibility level reserves at Tahuehueto, such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and at Tahuehueto mine where reserves are established to the prefeasibility level of confidence and therefore a higher technical risk of failure than would be the case if full feasibility studies were completed and relied upon to make production decisions. Altaley has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine and a prefeasibility study ("PFS") at Tahuehueto mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017, April 4, 2018, and April 25, 2022).

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 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: 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.

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