

Alphamin Completes Offering of US\$31 Million of Shares for Prepayments of Debts and Signs Amended Credit Facility Agreement

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GRAND BAIE, May 14, 2020 - [Alphamin Resources Corp.](#) (AFM:TSXV, APH:JSE AltX, “Alphamin” or the “Company”) is pleased to announce that it has completed its previously announced offering of common shares pursuant to which an aggregate of 312,319,539 common shares were issued (approximately US\$31.01 million) (the “Offering”).

The Company issued for cash on a non-brokered private placement basis 100,819,541 common shares at a price of C\$0.14 for gross proceeds of approximately C\$14,114,736 (approximately US\$10.01 million). Of this amount, 60,428,571 common shares (approximately US\$6 million) were acquired by the Company’s major shareholder, Tremont Master Holdings (“Tremont”). Directors and officers of Alphamin and their associates and affiliates acquired a further 4,673,755 common shares. The Company also completed concurrent shares for debt transactions of C\$29,610,000 (approximately US\$21 million) that resulted in the issuance of 211,499,998 additional common shares at a deemed price of C\$0.14 per share. Of this amount, 191,357,143 common shares were issued to Tremont for the assignment and transfer by Tremont to Alphamin of US\$19 million of the amount owing to Tremont under the senior secured credit facility (the “Credit Facility”) made to Alphamin’s 80.75% subsidiary, Alphamin Bisie Mining S.A. (“AFM”). A further 20,142,856 common shares were issued to arm’s length third-party creditors of AFM under similar debt settlements.

Tremont, based in Grand Baie, Mauritius, acquired direct ownership of 251,785,714 common shares under the Offering. Prior to the Offering, Tremont directly owned 420,881,510 common shares and warrants exercisable to acquire a further 100,350,245 common shares of the Company. Following the Offering, Tremont now owns 672,667,224 common shares, representing approximately 57.09% of the number of issued and outstanding common shares, as well as warrants to acquire up to a further 100,350,245 common shares of the Company. Assuming the exercise of all warrants by Tremont only and no other exercises, Tremont would own up to approximately 60.45% of the number of common shares of the Company on a partially diluted basis. Tremont has advised that they have acquired the common shares in the Offering for investment purposes and may, depending on the market and other conditions, increase or decrease its beneficial ownership of securities of the Company, whether in the open market, by privately negotiated agreements or otherwise, subject to general market conditions and other available investment and business opportunities.

As a result of the participation of Tremont and other insiders of Alphamin in the Offering, the Offering was considered to be a “related party transaction” under Multilateral Instrument 61-101 (“MI 61-101”) and TSX Venture Exchange Policy 5.9 (“Policy 5.9”). The Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 and Policy 5.9 however, as neither the fair market value of the securities issued to insiders nor the consideration for such securities exceeded 25% of Alphamin’s market capitalization as calculated in accordance with MI 61-101 and Policy 5.9. The participants in the Offering and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Offering at least 21 days prior to the completion date.

The Offering was undertaken in connection with certain amendments to the Credit Facility detailed in the Company’s press release dated April 27, 2020 which are now effective pursuant to an amended and restated credit agreement among the parties. The amendments will reduce debt service costs, reduce mandatory debt repayments and provide more favourable financial covenants moving forward. The completion of the Offering resulted in the prepayment of US\$31.2 million in principal under the Credit Facility, with US\$19 million settled under the shares for debt transaction with Tremont and a further US\$12.2 million prepaid from the net proceeds of the private placement and existing cash resources.

As partial consideration for the amendments to the Credit Facility, Alphamin issued to two arm's length lenders, Sprott Private Resource Lending (Collector), L.P. and Barak Fund SPC Limited, an aggregate of 2,014,284 common shares at a deemed price of C\$0.14 per share (Bonus Shares). The Bonus Shares and all shares issued under the Offering are subject to a 4 month hold period in Canada expiring on September 14, 2020. No finder's fees were paid in connection with the Offering.

The securities described in this press release have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

FOR MORE INFORMATION, PLEASE CONTACT:

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