

# Alphamin Announces Record Annual Tin Production / Ebitda And Aisc Guidance / Us\$50 Million Tin Prepayment Arrangement Secured

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Grand Baie, Jan. 26, 2024 - [Alphamin Resources Corp.](#) (AFM:TSXV, APH:JSE AltX) ("Alphamin" or the "Company"), a producer of 4% of the world's mined tin<sup>1</sup> from its high grade operation in the Democratic Republic of Congo, is pleased to provide the following update for the year and quarter ended December 2023:

- FY2023 tin production of 12,568 tonnes, up 1% from the prior year
- Q4 tin production of 3,126 tonnes
- Q4 tin sales of 2,046 tonnes impacted by poor road conditions, which have subsequently improved
- FY2023 EBITDA<sup>3,4</sup> guidance of US\$136m at an average tin price of US\$26,009/t, with EBITDA negatively affected by a temporary delay in Q4 tin sales volumes
- US\$50 million tin prepayment arrangement and lower marketing commission secured

## Operational and Financial Summary for the Year and Quarter ended December 2023<sup>2</sup>

| Description                                         | Units       | Year ended December 2023 | Year ended December 2022 | Change |
|-----------------------------------------------------|-------------|--------------------------|--------------------------|--------|
| Ore Processed                                       | Tonnes      | 400,691                  | 436,400                  | -8%    |
| Tin Grade Processed                                 | % Sn        | 4.15                     | 3.82                     | 9%     |
| Overall Plant Recovery                              | %           | 75                       | 75                       | 1%     |
| Contained Tin Produced                              | Tonnes      | 12,568                   | 12,493                   | 1%     |
| Contained Tin Sold                                  | Tonnes      | 11,385                   | 12,764                   | -11%   |
| EBITDA <sup>3,4</sup> (FY2023 and Q4 2023 guidance) | US\$'000    | 135,541                  | 222,215                  | -39%   |
| AISC <sup>3, 4</sup> (FY2023 and Q4 2023 guidance)  | US\$/t sold | 14,259                   | 14,237                   | 0%     |
| Dividends paid (cents per share)                    | C\$ cps     | 6                        | 6                        | 0%     |
| Average Tin Price Achieved                          | US\$/t      | 26,009                   | 30,636                   | -15%   |

<sup>1</sup>Data obtained from International Tin Association Tin Industry Review 2022 <sup>2</sup>Information is disclosed on a 100% basis. Alphamin indirectly owns 84.14% of its operating subsidiary to which the information relates. <sup>3</sup> FY2023 and Q4 2023 EBITDA and AISC represent management's guidance. <sup>4</sup>This is not a standardized financial measure and may not be comparable to similar financial measures of other issuers. See "Use of Non-IFRS Financial Measures" below for the composition and calculation of this financial measure.

## Operational and Financial Performance

Contained tin production of 3,126 tonnes for the quarter ended December 2023 was in line with the previous quarter. Tin production of 12,568 tonnes for the year ended December 2023 exceeded market guidance of 12,000 tonnes. The Mpama North underground mine continues to deliver ore at tin grades and volumes in line with expectations. The Mpama North processing facility performed well, achieving overall recoveries of 75% during FY2023 (FY2022: 75%).

As previously reported, poor road conditions resulting from record heavy rainfall, had a negative impact on truck transit times and export revenue receipts during Q4 2023. The rains have subsided significantly from mid December 2023 with rainfall now averaging ~10% of that recorded in October/November 2023. As a

result of increased truck transit times, Q4 2023 contained tin sales of 2,046 tonnes was 1,080 tonnes less than the quarter's production and resulted in high levels of tin in stock. The delay in tin sales should catch-up during Q1 2024 and accordingly only then report to EBITDA and revenue receipts.

Guidance for AISC per tonne of tin sold is US\$14,259 and US\$14,645 for the year and quarter ended December 2023 respectively. This is in line with that of the prior periods. On-mine operating expenditure increased by 5% compared to the prior year mainly due to a 32% increase in underground development metres at Mpama North and higher diesel prices. Additional Mpama North underground development has resulted in increased developed reserves, higher run-of-mine ore stockpiles and improved future operational flexibility.

EBITDA for FY2023 and Q4 2023 is estimated at US\$136m (FY2022: US\$222m) and US\$20m (Q3 2023: US\$38m), respectively. The EBITDA variance compared to prior periods is attributable to lower tin prices and a delay in tin sales in Q4 2023 (Q4 sales delay has a -US\$14 million impact on EBITDA for the quarter and year ended December 2023).

Alphamin's audited consolidated financial statements and accompanying Management's Discussion and Analysis for the year and quarter ended 31 December 2023 are expected to be released on or about March 14, 2024.

#### Mpama South update and production guidance for the year ending December 2024

The initial development of the Mpama South underground mine has been completed on time. In addition, the underground development should ensure sufficient developed mineral resources to ensure adequate stockpiles ahead of the processing plant's commissioning. This should allow for a rapid ramp-up of tin production following plant commissioning. As was previously reported, logistical delays due to poor inbound road conditions have deferred the commencement of processing to the end of March 2024. The processing plant mechanical erection and installation is essentially complete with the main outstanding work relating to completion of the installation of electrical cabling, the installation of instrumentation and the commissioning of the plant.

On the basis of incremental tin production from the Mpama South plant from 1 April 2024, we expect contained tin production of between 17,000 tonnes and 18,000 tonnes for the year ending December 2024 (FY2023: 12,568 tonnes).

The Mpama South capital expenditure cost to steady state production, including operational readiness costs, are expected to exceed the US\$116 million budget by approximately 10% primarily as a result of weather-related delays, higher logistical and import costs as well as minor scope changes.

Figure 1: Mpama South portal - ore being trammed to surface

[Please click here to view image](#)

Figure 2: Gravity processing plant

[Please click here to view image](#)

Figure 3: Crushing plant

Please click here to view image

### US\$50 million tin prepayment arrangement secured

Alphamin is pleased to announce that it has secured a four-year extension (1 October 2024 to 30 September 2028) to its current off-take agreement with the Gerald Group on the basis of a ~60% reduction in tin marketing costs and an up to US\$50 million tin prepayment arrangement. The tin prepayment arrangement is effective immediately and may be utilised for tin concentrates in transit but not yet exported as well as up to US\$10 million for tin concentrates produced not yet loaded for departure. The facility carries an interest rate of CME 3M Term SOFR plus 5% (calculated at 10,3% currently).

### Capital allocation

Alphamin's vision is to become one of the world's largest sustainable tin producers. From a capital allocation perspective, the Board considers the combination of investment in growth, ongoing exploration, and a high dividend yield a robust value proposition. The funding of the Mpama South expansion project, shareholder distributions and DRC income tax payments were a priority during the year ended December 2023. The allocation of capital in FY2024 will be prioritised towards completion of the Mpama South project in Q1 2024, significantly lower DRC income taxes on the basis of large advance provisional payments made during FY2023 and ongoing shareholder distributions. As previously reported, the Company intends to make a final FY2023 dividend decision in April 2024 to align with the timing of holding the annual general meeting of Alphamin Bisie Mining SA (ABM), the Company's DRC subsidiary, to approve ABM's annual financial statements and consideration of the declaration of a dividend for distribution to the Company and other minority shareholders.

### Qualified Person

Mr. Clive Brown, Pr. Eng., B.Sc. Engineering (Mining), is a qualified person (QP) as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this news release. He is a Principal Consultant and Director of Bara Consulting Pty Limited, an independent technical consultant to the Company.

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### FOR MORE INFORMATION, PLEASE CONTACT:

Maritz Smith  
CEO  
[Alphamin Resources Corp.](https://www.alphaminresources.com)  
Tel: +230 269 4166  
E-mail: [msmith@alphaminresources.com](mailto:msmith@alphaminresources.com)

### CAUTION REGARDING FORWARD LOOKING STATEMENTS

*Information in this news release that is not a statement of historical fact constitutes forward-looking information. Forward-looking statements contained herein include, without limitation, statements relating to expected EBITDA and AISC guidance for Q4 and financial year 2023; annual production guidance for 2024; planned incremental production resulting from Mpama South; the timing for commissioning of the Mpama South processing plant; timing and plans regarding underground development and the total development cost of the Mpama South project; the expected allocation of capital during the 2024 financial year; and expected reversal of the temporary Q4 2023 sales lag by Q1 2024. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements 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 statements. Although Alphamin has attempted to identify important factors that*

could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: uncertainties regarding Mpama North and Mpama South estimates of the expected mined tin grades, processing plant performance and recoveries, uncertainties regarding the underground conditions for development, uncertainties regarding supply chain and logistics for purposes of Mpama South equipment deliveries and the impact on the timing thereof, uncertainties regarding global supply and demand for tin and market and sales prices, uncertainties with respect to social, community and environmental impacts, uninterrupted access to required infrastructure and third party service providers, adverse political events and risks of security related incidents which may impact the operation or safety of its people, uncertainties regarding the legislative requirements in the Democratic Republic of the Congo which may result in unexpected fines and penalties, impacts of the global Covid-19 pandemic or other health crises on mining operations and commodity prices as well as those risk factors set out in the Company's annual Management Discussion and Analysis and other disclosure documents available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking statements contained herein are made as of the date of this news release and Alphamin disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

Neither the 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 news release.

#### USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES

This announcement refers to the following non-IFRS financial performance measures:

##### EBITDA

EBITDA is profit before net finance expense, income taxes and depreciation, depletion, and amortization. EBITDA provides insight into our overall business performance (a combination of cost management and growth) and is the corresponding flow driver towards the objective of achieving industry-leading returns. This measure assists readers in understanding the ongoing cash generating potential of the business including liquidity to fund working capital, servicing debt, and funding capital expenditures and investment opportunities.

This measure is not recognized under IFRS as it does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

##### EBITDA MARGIN

EBITDA margin is EBITDA divided by gross revenue.

##### NET CASH

Net cash is defined as cash and cash equivalents less total current and non-current portions of interest-bearing debt and lease liabilities.

##### AISC

This measures the costs to produce and sell a tonne of contained tin plus the capital sustaining costs to maintain the mine, processing plant and infrastructure. AISC includes mine operating production expenses such as mining, processing, administration, indirect charges (including surface maintenance and camp and tailings dam construction costs), smelting costs and deductions, refining and freight, distribution, royalties and product marketing fees and corporate costs. AISC does not include depreciation, depletion, and amortization, reclamation expenses, borrowing costs and exploration expenses.

*Sustaining capital expenditures are defined as those expenditures which do not increase contained tin production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.*

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