

Altaley Mining Closes Non-Brokered Private Placement and Reports on Q1 2022 Financials

VANCOUVER, BRITISH COLUMBIA – MAY 31, 2022

Altaley Mining Corporation (TSXV: ATLY) (OTCQX: ATLYF) (FSE: TSGA) (the "Company" or "Altaley") is pleased to announce that it has closed the final tranche (the "Final Tranche") of its non-brokered private placement previously announced on March 17, 2022 and has released its Q1 2022 financial results.

Private Placement

The Company has closed a Final Tranche and issued 2,169,418 units (each, a "Unit") at a price of \$0.35 per Unit for gross proceeds of \$759,296.30. In total, the Company issued 14,285,714 Units at a price of \$0.35 per Unit for aggregate gross proceeds of \$5,000,000. Each Unit consists of one common share (a "Common Share") and one-half of one common share purchase warrant (each whole such warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Common Share of the Company at a price of \$0.55 per Common Share within 24 months from the relevant closing date (the "Closing Date"), subject to an acceleration clause. If, at any time between the Closing Date and the expiry date, the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange") exceeds \$0.75 for 15 consecutive trading days, then the Company will earn the right, by providing notice to the warrant holder via news release or written notice, to accelerate the expiry date of the warrants to 4 p.m. (Vancouver time) on that date which is 30 days from the date of the acceleration notice. See April 21, 2022, news release regarding first tranche closing. All securities issued under the Private Placement are subject to a hold period expiring four months and one day after the Closing Date. Total issued and outstanding Common Shares of the Company after completion of the Private Placement is 277,894,422.

In accordance with applicable securities laws and the policies of the Exchange, the Company will issue 42,000 Units of the Company as a finder's fee to certain finders in connection with the Final Tranche.

A portion of the Final Tranche closing was purchased by an affiliate of a director of the Company. Accordingly, this participation in the Private Placement is considered a related-party transaction as such term is defined under Multilateral Instrument 61-101 (Protection of Minority Security Holders in Special Transactions). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 (sections 5.5(b) and 5.7(1)(b) of MI 61-101) on the basis that the Company is listed on the Exchange (and has no shares listed on the Toronto Stock Exchange or certain other

named exchanges) and the fair market value of the securities distributed to the related party under the Private Placement was less than \$2,500,000. The Private Placement was approved by the board of directors of the Company, which includes at least one independent director who is not an employee of the Company, which considered the best interests of the Company in completing the Private Placement. The Company did not file a material change report more than 21 days before the expected closing of the insider transactions as the details of the Private Placement and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons and in a time frame consistent with usual market practices for transactions of this nature.

The net proceeds from the Units will be used by the Company for working capital purposes related to the ramp-up of mining and milling operations at the Tahuehueto Mine and for general working capital purposes.

The private placement financing is subject to final Exchange approval

Q1 2022 Financials

During the three months ended March 31, 2022, Campo Morado produced 9,657 tonnes of zinc concentrate grading an average of 46% zinc, 1.58 g/t gold, 609 g/t silver and sold approximately 9,781 tonnes of zinc concentrate generating Q1-2022 revenue from zinc concentrate of US\$12.34 million. Additionally, produced 2,379 tonnes of lead concentrate grading an average of 19% lead, 2.37% copper, 4.66 g/t gold, 647 g/t silver and sold 2,626 tonnes generating Q1-2022 revenue from lead concentrate of US\$1.84 million.

Approximately 176,610 tonnes of mineralized material were mined with average grades of 3.59% zinc, 0.91% lead, 103 g/t silver, 0.83 g/t gold achieving recoveries of 70.1% in zinc, 27.7% in lead, 9.8% in gold, and 27.6% in silver.

An estimated 176,610 tonnes of mineralized material were processed through the processing plant at a C1 cash cost per lb of US\$1.26.

Ralph Shearing states, "Q1 2022 was a difficult quarter at Campo Morado where mechanical issues resulting in excessive mill downtime combined with lower recoveries, lower mill feed head grade mineralized material plus increased off taker charges all combined to substantially reduce operating profit and increase costs during the quarter. The mechanical issues have been resolved and the mine plan is producing increased grade mill feed with recoveries of zinc back on track. In addition, the mine started copper concentrate production during mid-May which we are expecting will add an additional revenue source to the project. We anticipate a much improved second quarter."

The following table and subsequent discussion provide a summary of the operating performance of the Company for the three months ended March 31, 2022, and 2021.

TABLE 1

	Three months ended March 31,	
	2022	2021
Operational		
Ore Processed	176,610	174,382
Zn concentrate produced (ton)	9,657	11,013
Average realized zinc price per tonne (US\$)	\$ 3,255	\$ 2,687
Zn grade	46%	46%
Zn recovery	70%	74%
Pb concentrate produced (ton)	2,379	1,908
Average realized lead price per tonne (US\$)	\$ 2,306	\$ 1,709
Pb grade	19%	25%
Pb recovery	28%	26%
Cost Analysis		
C1 Cash Cost (US\$/lb)	\$ 1.26	\$ 0.72
All-in Sustaining Cost (US\$/lb)	\$ 1.49	\$ 0.90
Financial		
Gross revenues	\$ 21,534	\$ 21,216
Mine operating profit	\$ 1,215	\$ 5,297
Income (Loss) for the period	\$ (155)	\$ 3,802
Cash	\$ 1,822	\$ 10,792
Working capital deficiency	\$ (9,496)	\$ (45,881)
Shareholders		
Basic (loss) earnings per share	\$ 0.00	\$ 0.02
Diluted earnings per share	\$ 0.00	\$ 0.01

Campo Morado Mine

Production and concentrate sales in Q1-2022 were negatively affected compared to all quarters of 2021 as a result of the following;

- lost production days largely related to mechanical issues with the SAG mill reduction gear box and scheduled maintenance, where a combined 11 days of operation were lost during the quarter,
- maintenance costs for both plants increased as a result of the above mechanical issue.
- average head grades and recoveries were lower by the following amounts:
 - Gold Head Grade from 1.07 g/T 2021 to 0.82 g/t 2022
 - Silver Head Grade from 124.7 g/t 2021 to 102.2 g/t 2022
 - Au recoveries from 13% in Zn con and 8% in Pb con to 10% and 6% respectively
 - Ag recoveries from 35% in Zn con and 9% in Pb con to 30% and 7% respectively
 - Pb recoveries from 29% to 25%
- approximately 75% increase in offtake charges in Q1 2022 vs Q1-2021 (9% increase Q1-2022 vs Q4-2021) largely related to rollback, treatment, and escalator charges.

The graphics below illustrate changes in costs, treatment charges, and credits between Q1-2021 and Q1-2022.

CHART 1

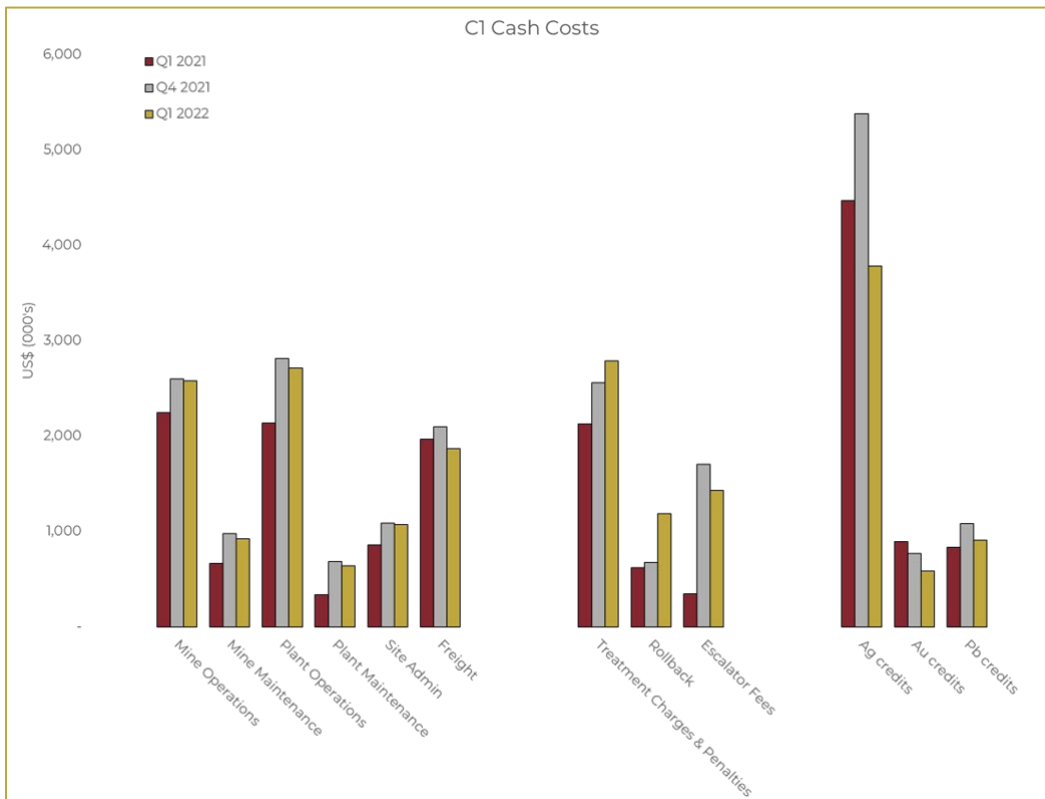
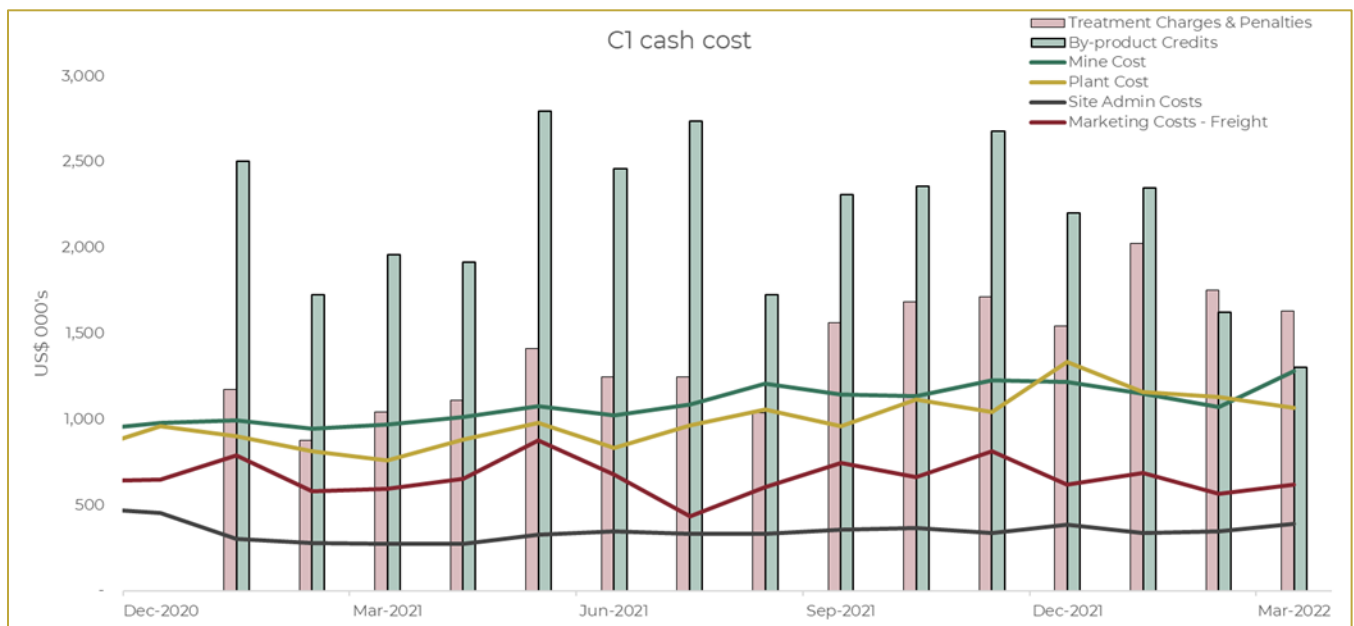


CHART 2



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 near completion on its 1,000 tonne per day processing facility and related mine infrastructure for production of gold, silver, lead, and zinc in concentrates at Tahuehueto. The Company began initial pre-production in May 2022 and ramping up to full production capacity late 2022.

Campo Morado is an operating polymetallic base metal mine with mining and milling equipment currently producing at an average of 2,200 tonnes per day and 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, P. Geol,

CEO, President, 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.

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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