

Altaley Mining Corporation

TAHUEHUETO PRE-PRODUCTION UPDATE

AVERAGE RECOVERIES SINCE SEPT 1, 2022 - GOLD 89.9% AND SILVER 83.2%

VANCOUVER, BRITISH COLUMBIA – January 09, 2023

Altaley Mining Corporation (the “Company” or “Altaley”) is pleased to provide the following update on its pre-production efforts during mill commissioning at its Tahuehueto Gold Mine Project.

Tahuehueto is currently operating one ball mill in a commissioning phase, as part of the initial 500tpd project, producing precious metals-rich, commercial grade lead and zinc concentrates. All the associated production systems are operating satisfactorily, and pre-production will continue to generate revenue whilst the remaining definitive operations systems are completed.

Sept. 2022 to Dec. 2022 – Lead and Zinc Concentrate Production

During September and October 2022 approximately 11,259 tonnes of mill feed was provided by a temporary crushing system, whilst the definitive crusher circuit was being completed. During this period throughput was constrained by the non-ideal feed sizing from these temporary systems to the mill, but this was resolved in late October with the commissioning of the definitive crushing system. The current installed comminution capacity is 350 tpd, and since crusher commissioning the mill has processed approximately 18,341 tonnes of ore at an average of 297 tonnes per day over 62 operating days. The nameplate 500 tpd installed comminution capacity will be achieved by the installation of closed-circuit cyclones, and this is expected to be completed before end Q1, 2023, subject to a successful outcome from the forthcoming rights offering.

Recoveries

Excellent precious metal recoveries have been achieved since Sept 1, averaging **89.95% gold and 83.23% silver**, with a peak daily recovery of gold at 97.52% and silver 92.33%. Over the same period, average base metal recoveries of 76.68% lead reporting to the lead concentrate and 54.31% zinc reporting to zinc concentrate were also achieved.

CONCENTRATE PRODUCTION AND AVERAGE GRADES

(Sep 1st to Dec 31st, 2022)

Lead Concentrate - 882 Tonnes			
	Lead	Gold	Silver
Grades	26.31%	46.92 g/t	642.86 g/t
Recoveries	76.68%	76.72%	68.11%
Zinc Concentrate - 878 Tonnes			
	Zinc	Gold	Silver
Grades	47.51%	7.50 g/t	145.14 g/t
Recoveries	54.31%	13.23%	15.12%

Recoveries and concentrate grades continue to improve, and in December exceeded expectations, partly as a result of the mining of fresh and high-grade ores from underground. December 2022 recoveries and grades for lead concentrates were 84.23% (grade 29.22% Pb), gold 81.32% (grade 55.74 g/t Au) and silver 73.94% (grade 693.20 g/t Ag) respectively. Similarly for zinc concentrates; zinc 65.28% (grade 51.30% Zn), gold 10.62% (grade 5.96 g/t), silver 10.85% (grade 77.91 g/t Ag).

CONCENTRATE PRODUCTION AND AVERAGE GRADES (December 2022)

Lead Concentrate - 223 Tonnes			
	Lead	Gold	Silver
Grades	29.22%	55.74 g/t	693.20 g/t
Recoveries	84.23%	81.32%	73.94%

Zinc Concentrate - 287 Tonnes			
	Zinc	Gold	Silver
Grades	51.30%	5.96 g/t	77.91 g/t
Recoveries	65.28%	10.62%	10.85%

Mike Struthers, CEO commented: “We have been very pleased with the progressive improvements in the pre-production plant performance at Tahuehueto, thanks largely to the team on site and helped by the mining of higher-grade ores from the Creston vein. Early pre-production was largely from stockpiled material, and some of this was partially oxidized which impacted on the plant performance. However, the fresh ores are performing well, in line with expectations from metallurgical testwork. This gives us confidence in future plant performance. Some initial challenges with zinc suppression in the lead circuit were resolved, so we are now producing zinc concentrates with grades above the minimum commercial specification. The precious metals grades in our lead concentrates are also especially pleasing with, for example, an average of 55.74 g/t Au and 693.2 g/t Ag in December.

I look forward to providing further updates as we finalize Tahuehueto construction.”

Debt Settlement

The Company has also entered into a debt settlement agreement with an arms' length mining contractor (the “Creditor”) to settle CDN\$1,176,297 which is owing to the Creditor as a result of underground mine development work. The Company and the Creditor have agreed that the issuance to the Creditor of 735,186 common shares of the Company at a deemed price of CDN\$1.60 per common share will extinguish and settle the debt. The completion of the debt settlement and issuance of the common shares is subject to TSXV approval. All shares issued in connection with the debt settlement will be subject to a hold period of four months and one day from the date of issuance.

The Company is pleased to have this vote of confidence, with the settlement being made at a significant premium to the market, from such a reputable mining contractor.

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 expansion project, will follow. The operation is generating 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 and 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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