

Altaley Mining Reports on Q2 2022 Financials

VANCOUVER, BRITISH COLUMBIA – AUGUST 29, 2022

Altaley Mining Corporation (TSXV: ATLY) (OTCQX: ATLYF) (FSE: TSGA) (the "Company" or "Altaley") is pleased to announce the release of its Q2 2022 financial results.

Q2 2022 Financials

Campo Morado Mine

During the three months ended June 30, 2022, Campo Morado produced 8,603 tonnes of zinc concentrate grading an average of 45% zinc, 1.73 g/t gold, 404 g/t silver and sold 8,194 tonnes generating Q2-2022 revenue from zinc concentrate of US\$9.02 million. In May 2022, the mine began producing copper concentrate, of which 1,870 tonnes was produced during Q2-2022 grading an average of 14% copper, 6.3 g/t gold, 650 g/t silver and approximately 1,516 tonnes were sold generating Q2-2022 revenue from copper concentrate of US\$ 2.1 million. Additionally, 951 tonnes of lead concentrate was produced grading an average of 16% lead, 3.58% copper, 4.71 g/t gold, 654 g/t silver and 2,626 tonnes were sold, generating Q2-2022 revenue from lead concentrate of US\$0.34 million.

During Q2-2022, approximately 189,194 tonnes of mineralized material were processed through the processing plant at a C1 cash cost per lbs of US\$1.13 with average grades of 3.01% zinc, 0.51% copper, 0.74% lead, 0.88 g/t gold, and 84 g/t silver achieving recoveries of 68.4% in zinc, 27.5% in copper, 10.8% in lead, 8.1% in gold, and 18.1% in silver.

Ralph Shearing states, "Q2 2022 second quarter financial results reflect a challenging quarter for the Company. Campo Morado operations saw a decrease in profitability over H1 2022 compared to H2 2021 as a result of the El Largo zone nearing depletion delivering lower grade ore to the mill which negatively affected both recoveries and concentrate grades. In addition, the mine installed a copper recovery flotation circuit to begin producing copper concentrate, foregoing lead concentrate production to take advantage of the significantly higher price of copper over lead. These factors along with downtime due to equipment failure and regular maintenance plus some inflationary cost increases resulted in decreased Campo Morado profit during the first half of 2022. Management however, is confident that these difficulties are behind us with Campo Morado back on track mining higher grade ore from the G9/Southwest allowing the project to achieve significantly better recoveries and concentrate grades during August, resulting in increased concentrate grades and increased production tonnages.

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 June 30, 2022.

TABLE 1

	Three months ended 30-Jun-22	Three months ended 31-Mar-22	Six months ended 30-Jun-22
Operational			
Ore Processed	189,194	176,610	365,804
Zn concentrate produced (ton)	8,603	9,657	18,260
Average realized zinc price per tonne (,000 US\$)	\$ 3,452	\$ 3,255	\$ 3,320
Zn grade	45%	46%	46%
Zn recovery	68%	70%	69%
Cu concentrate produced (ton)	1,870	-	1,870
Average realized copper price per tonne (,000 US\$)	\$ 9,161	\$ -	\$ 9,161
Cu grade	14%	0%	14%
Cu recovery	27%	0%	17%
Pb concentrate produced (ton)	951	2,379	3,330
Average realized lead price per tonne (,000 US\$)	\$ 2,114	\$ 2,306	\$ 2,248
Pb grade	16%	19%	18%
Pb recovery	11%	28%	20%
Cost Analysis			
C1 Cash Cost (US\$/lb)	\$ 1.13	\$ 1.26	\$ 1.20
All-in Sustaining Cost (US\$/lb)	\$ 1.47	\$ 1.49	\$ 1.48
Financial (,000 US\$)			
Gross revenues	\$ 19,210	\$ 21,534	\$ 40,744
Mine operating profit	\$ 1,933	\$ 1,215	\$ 3,148
Income (Loss) for the period	\$ (2,051)	\$ (155)	\$ (2,206)
Non-restricted cash	\$ 1,535	\$ 1,822	\$ 1,535
Working capital deficiency	\$ (13,619)	\$ (9,496)	\$ (13,619)
Shareholders			
Basic earnings (loss) per share	\$ (0.01)	\$ 0.00	\$ (0.01)
Diluted earnings per share	\$ (0.01)	\$ 0.00	\$ (0.01)

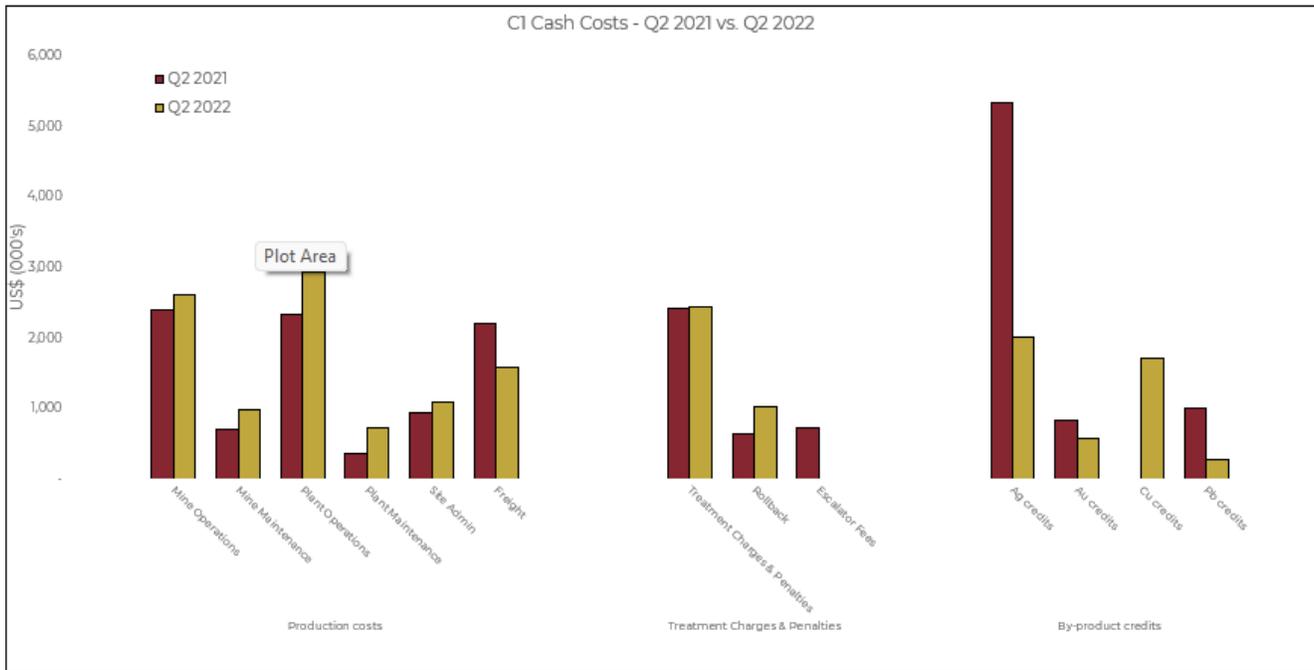
During the three months ended June 30, 2022, the Company reported total mine operating income of \$1,933, total comprehensive loss of \$847, and basic loss per share of \$0.01.

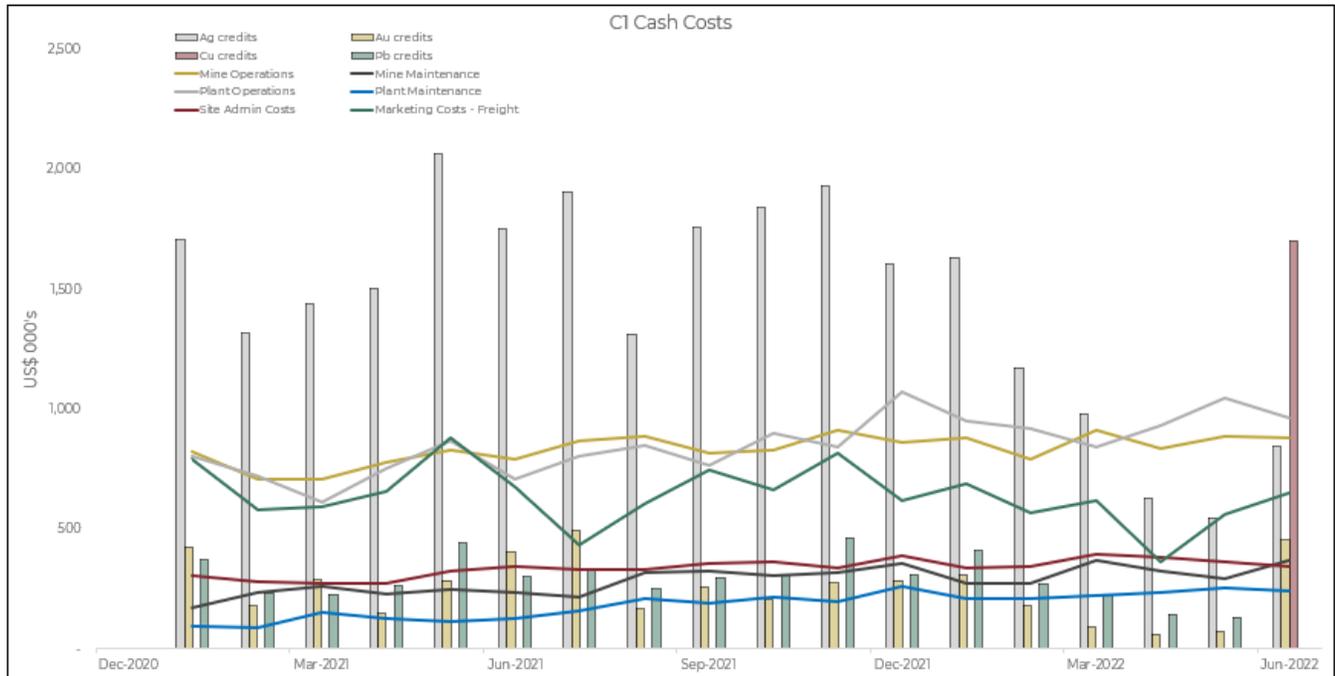
During Q2-2022, Campo Morado installed its copper recovery flotation circuit and began producing copper concentrate. The timing between installation and commissioning of the recovery circuit resulted in increased production costs, thus lowering mine operating income for the quarter in comparison to Q2-2021. Additionally, depletion of mineral resources has begun to be recognized during 2022 given the reversal of previous impairment charges on

the Campo Morado mine in 2021. As a result, mine operating income is being impacted from such depletion during 2022 that was not able to be recognized in 2021.

During the three months ended June 30, 2022, the Company generated revenues in the amount of US\$13.9 million from the sale of 8,194 tonnes of zinc concentrate with an average of 44.8% zinc and 406 g/t silver at an average selling price of US\$3,452 per tonne of zinc and US\$19.90/oz of silver. During June 2022, the Company sold 1,512 tonnes of copper concentrate with an average of 13.7% copper, 590 g/t silver, and 6.2 g/t gold at an average selling price of US\$ 9,161 per tonne of copper, US\$21.70/oz of silver, and US\$1,848/oz of gold. Additionally, 1,012 tonnes of lead concentrate was sold with an average of 15.5% lead, 537 g/t silver and 3.2 g/t gold at an average selling price per tonne of lead of US\$2,114, US\$19.90/oz silver and US\$1,800/oz gold. Net revenues of US\$13.9 million were inclusive of treatment charges and penalties in the amount of US\$3.51 million and freight and selling costs in the amount of US\$1.78 million were reported during the period.

Graphic Cost Information





Tahuehueto Mining Project

During the three months ended June 30, 2022, Tahuehueto produced 256 tonnes of bulk concentrate grading an average of 72% zinc, 71% copper, 74% lead, 1.73 g/t gold, 404 g/t silver and sold 64.3 tonnes generating Q2-2022 revenue from bulk concentrate of US\$77K.

At Tahuehueto, the project has experienced an uncharacteristically strong rainy season complicating project access and construction efforts that have negatively affected pre-production revenues anticipated during the pre-production and commissioning phase of the first 500 tonne per day (“tpd”) ball mill.

Although the first ball mill is currently capable of operating at 500 tpd, construction delays have occurred on finalizing the permanent crushing circuit, permanent water pumping station and tailings storage facility. Crushing, with 500 tpd capability, is currently being handled by a provisional crushing facility and the projects backup water pumping system is providing water to the mill. Completion of the permanent crushing circuit is expected by the end of September and permanent water pumping station, although installed, will be connected to power over the coming months with the installation of a power line from the generator farm next to the mill to Tres de Mayo pump station.

Tailings are being stored in a temporary facility until the permanent dry stack tailings facility is fully constructed. Work here has been temporarily suspended owing to the heavy rainfall, after which work will be reinitiated to complete over the coming months.

Following the commissioning of the definitive surface ore handling system, and as the rainy season winds down, we are expecting the project to achieve consistent production up to 500 tpd.

Installation of the projects 2nd 500 tpd ball mill, a key element in the 1000 tpd project is temporarily postponed, as it requires the permanent tailings facility to be available to receive the increased load of tailings that will be generated. Civil works for the 2nd ball mill will commence as soon as the 500 tpd project is fully commissioned and delivering consistent revenues. A definitive timetable for delivery of the 1000 tpd project will be communicated in subsequent Company announcements.

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 of an initial 500 tpd operation is well advanced. The second stage, the 1000 topd 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 metal mine with mining and milling equipment currently producing at an average of 2,400 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.

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