



Minto Metals Announces Second Quarter Results and Provides Update on Reclamation Costs Security

Whitehorse, Yukon, August 23, 2022 (CNW) – Minto Metals Corp. (“Minto” or the “Company”) today announced the financial and production results for the second quarter (“Quarter 2 2022”) and the Half Year results of 2022 (“H1/2022”). The Half Year Results include record EBITDA highlighting a strong 45% growth in production, and a 131% Adjusted EBITDA increase compared to the same period in 2021.

Second Quarter Highlights:

- Copper sales increased 16% to 5.37 million pounds compared to 4.62 million pounds in Quarter 2 2021, however as a result of spring freshet we are down from 9.1 million pounds in Quarter 1 2022.
- Quarter 2 2022 revenue declined 9.6% from the same period in 2021: Revenue totaled \$32.0 million, a \$3.4 million decrease from \$35.4 million compared to Quarter 2 2021, as a result of lower copper prices and lower volumes due to the mill suspensions.
- The Yukon experienced an unusually high spring freshet which resulted in 3 times the amount of water being received on the Minto Mine property and as a result, the milling operation was temporarily suspended on two separate occasions for a total duration of 4 ½ weeks resulting in the above mentioned production decrease quarter over quarter. Operations underground continued as scheduled during the mill’s downtime.
- Operating results:
 - Mill Feed for Quarter 2 was 176,169 dry metric tonnes (“dmt”), a 23.9% decrease from 231,334 dmt in Quarter 2 2021.
 - Production costs increased 22.5% to \$31.5 million compared to \$25.7 million in Quarter 2 2021, consistent with operational ramp-up.
 - Operating cash costs per pound sold¹ averaged USD \$3.30/lb, a 17.9% decrease from USD \$4.02/lb in Quarter 2 2021.
 - All-In Sustaining Costs (“AISC”) per pound sold¹ averaged USD \$4.75/lb, a 5.2% decrease from USD \$5.01/lb in Quarter 2 2021.
 - At the end of Quarter 2, there was a stockpile of 77,300 tonnes of ore on surface, representing 23 days of production, therefore allowing Minto to remain on track to meet its previously announced production guidance.



Half Year Highlights:

- Copper sales for H1/2022 increased by 45.4% to 14.47 million pounds compared to 9.95 million pounds for the same period in 2021.
- H1/2022 Revenue of \$85.3 million, a growth of \$24.4 million or 40.1%, compared to \$60.9 million for the same period in 2021.
- Operating cash flow increased 70.0% from the same period in 2021: Net cash provided by operating activities of \$15.1 million, a \$6.2 million increase from \$8.9 million in 2021
- Improved operating results
 - Production costs increased 27.0% to \$64.7 million compared to \$50.9 million for the same period in 2021, consistent with operational ramp-up.
 - Operating cash costs per pound sold¹ averaged USD \$2.76/lb, a 26.8% decrease from USD \$3.77/lb in 2021, the result of improved operational performance.
 - AISC per pound sold¹ averaged USD \$3.89/lb, a 13.6% decrease from USD \$4.50/lb in 2021.
- Adjusted EBITDA totaled \$18.7 million, a \$10.6 million dollar increase from \$8.1M for the same period in 2021.
- Total year-to-date Net Income of \$5.1 million, a \$4.8 million improvement from the \$0.3 million net income for the same period in 2021.

1. Refers to Cash Costs & All-In Sustaining Costs "Non-IFRS Measures" on page 20 of the Company's Quarter 2 2022 MD&A.

2. Refers to Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization on page 20 of the Company's Quarter 2 2022 MD&A.

"Global inflationary pressures and difficult environmental conditions during the Yukon's record spring freshet this year presented Minto's operations team with particular challenges during Quarter 2. In spite of that, Quarter 2 represents the third consecutive quarter (versus the prior year) of positive momentum and we are poised for the positive trend to continue for the second half of 2022. Our team will remain extremely focused for the balance of 2022 on our strategy of FIX, FILL and OPTIMIZE along with continuing our targeted exploration to provide viable mine life expansion," commented Chris Stewart, President & Chief Executive Officer of Minto Metals.

"We have a lot of great people on Minto's team and their dedication and hard work continues to improve the business. I want to thank everyone for their efforts during a challenging second quarter. I am excited about the future at Minto and look forward to continuing to build stronger relationships within the Selkirk First Nation and the various Yukon regulatory agencies," Mr. Stewart added.



Minto Mine Milling Operations and Spring Freshet

The Yukon received between 150% and 400% of the normal annual snowfall during this past winter which generated a significant volume of water during the spring freshet. During Quarter 2, 2022, the Minto mine site saw the daily water volume inflow exceed the mine's discharge capacities which caused the storage pond water levels to rise. As a precautionary measure the Company temporarily suspended its milling operations for a total of 4 ½ weeks during the quarter. In doing so, the Company was able to ensure all water arriving on the mine site was properly managed within our water management system and that the environment was protected.

Underground mining operations continued uninterrupted during Quarter 2, 2022 with ore being stockpiled ahead of the milling facility. The Mill is permitted to process an average of 4,200 tonnes/day of ore and underground production is currently averaging approximately 3,000 tonnes/day. The stockpiled ore will be processed at a higher rate during H2/2022 and as a result, Minto anticipates the original production guidance provided for 2022 will not be impacted.

“Since the launch of Minto Metals Corp. in November 2021, we have been operating the mine following our five Core Values: Be Safe, Be Honest, Be Responsible, Be Respectful and Be Great. Our environmental stewardship remains the utmost priority and our commitment is to be safe and responsible to the Selkirk First Nation Settlement Lands on which we operate despite the financial impact of a temporary suspension of our mill. We are confident the spring freshet has concluded and our water management has stabilized. Our mill is back to regular operations with ore being processed at a higher throughput in order to get through the stockpiled ore,” continued Mr. Stewart.

Yukon Government Security Update

On January 4th, 2022 the Yukon Government determined that the security for the Minto Mine site should be increased from \$72 million to \$104 million. Until Minto Metals is able to furnish the increased security the Yukon Government placed the Minto Mine under restricted operating conditions related to water management activities on site and provided Minto additional time, most recently until September 1st, 2022, to furnish the increased security.

On August 19, 2022 the Company received a letter from the Yukon Government revising the required security due by September 1, 2022 to \$93 million. This reduction is based on reclamation work already completed on-site as well as the removal of security for two new mining areas which have not been started yet.



Minto has been in ongoing discussions with the Selkirk First Nation and the Yukon Government to finalize a solution that is acceptable to all parties. Various solutions are being discussed while the Company continues carrying out progressive reclamation activities thereby potentially decreasing the required security increase. Further updates will be provided in the coming weeks as the Company works with the Selkirk First Nation and the Yukon Government. But if Minto does not furnish the required \$93 million security by September 1, 2022, and/or the Yukon Government does not provide an extension, Minto will be out of compliance with its Quartz Mining License. As a result of that non-compliance, the Yukon Government may direct Minto to take certain actions including cessation of mining and milling activities until such time as the Company furnishes the required security in full. Although the Company currently believes it will be able to secure the required \$93 million security by the September 1, 2022 deadline, there can be no assurance it will be able to do so by such time, or at all.

“At the beginning of 2022 Minto committed to investing \$8 million dollars in improvements to the mine water management system at the Minto Mine. Year to date we have spent over \$5 million including upgrades to our water treatment plant, the installation of a new microfiltration plant, and the purchase of evaporation units, all to support improved environmental stewardship. Minto Metals takes the protection of the environment extremely seriously as is demonstrated by the investments we are making,” concluded Mr. Stewart.



Q2 2022 Financial Highlights

Adjusted EBITDA¹ Reconciliation to Net Income

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net (loss) income and comprehensive (loss) income	\$ (9,458)	\$ 3,052	\$ 5,078	\$ 288
Finance costs	1,229	1,151	3,293	2,257
Depletion and amortization	3,647	2,433	6,813	4,819
Income tax expense (recovery)	780	(26)	1,038	(276)
EBITDA	\$ (3,802)	\$ 6,610	\$ 16,222	\$ 7,088
Share-based compensation expense	-	-	90	-
Unrealized foreign exchange (gain) loss	(115)	705	423	78
Mark-to-market revenue adjustments	3,904	1,053	2,944	145
Amortization of flow-through shares benefit	(478)	-	(963)	-
Loss on lease termination	-	-	-	192
RTO Financing expenses	-	350	-	613
Adjusted EBITDA	\$ (491)	\$ 8,718	\$ 18,716	\$ 8,116

1. Refers to Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization "Alternative Performance Measures" on page 19 of the Company's Q2 2022 MD&A.



2022 Q2 Interim Consolidated Statements of Loss and Comprehensive Loss – Unaudited

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue	\$ 32,023	\$ 35,414	\$ 85,305	\$ 60,883
Production costs	(31,510)	(25,718)	(64,681)	(50,917)
Royalty expense	(991)	(853)	(2,181)	(1,615)
Depletion and amortization	(3,647)	(2,433)	(6,813)	(4,819)
(Loss) income from mine operations	(4,125)	6,410	11,630	3,532
Expenses				
Related party management fees	-	(125)	-	(250)
Stock-based compensation expense	-	-	(90)	-
Other expenses	-	(350)	-	(613)
(Loss) income from operations	(4,125)	5,935	11,540	2,669
Other income (loss), net	(3,324)	(1,758)	(2,131)	(400)
Finance items				
Finance costs	(1,229)	(1,151)	(3,293)	(2,257)
(Loss) income before income taxes	(8,678)	3,026	6,116	12
Income tax (expense) recovery	(780)	26	(1,038)	276
Net (loss) income and comprehensive (loss) income	\$ (9,458)	\$ 3,052	\$ 5,078	\$ 288
Per share amounts				
Basic and diluted	\$ (0.13)	\$ 0.00	\$ 0.07	\$ 0.00
Weighted Average Number of Common Shares Outstanding	72,917,202	722,746,364	72,917,202	722,746,364



2022 Q2 Interim Consolidated Statements of Financial Position – Unaudited

<i>As at</i>	June 30, 2022	December 31, 2021
Assets		
<i>Current assets</i>		
Cash	\$ 1,183	\$ 9,979
Accounts Receivable	14,525	20,762
Foreign Exchange Forward Contracts Due from Broker	18,942	-
Inventories	10,297	6,212
Prepaid expenses	2,977	2,855
	47,924	39,808
<i>Non-current assets</i>		
Mineral properties, plant and equipment	59,893	53,702
Right-of-use assets	11,332	9,245
Long-term deposits	13,585	13,399
Total assets	\$ 132,734	\$ 116,154
Liabilities		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	\$ 34,795	\$ 36,370
Foreign Exchange Forward Contracts Due to Broker	18,942	-
Current portion of Sumitomo loan	1,020	10,221
Current portion of Note payable to Pembridge	6,443	-
Current portion of Due to Pembridge	3,299	4,000
Current portion of lease liability	7,013	5,436
	71,512	56,027
<i>Non-current liabilities</i>		
Lease liabilities	3,586	3,895
Due to Pembridge	-	1,174
Note payable to Pembridge	-	6,368
Due to Sumitomo	4,829	-
Long-term debt	12,096	11,702
Deferred revenue	13,634	14,463
Deferred income tax liabilities	4,144	3,109
Asset retirement obligation	32,329	35,288
Total liabilities	142,130	132,026
Shareholders' equity (deficiency)		
Share capital	223,238	221,840
Deficit	(232,634)	(237,712)
Total shareholders' deficiency	(9,396)	(15,872)
Total liabilities and shareholders' deficiency	\$ 132,734	\$ 116,154



2022 Q2 Interim Consolidated Statements of Cash Flows – Unaudited

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating activities				
Net (loss) income for the period	\$ (9,458)	\$ 3,052	\$ 5,078	\$ 288
Adjustments for the following items:				
Depletion, depreciation and accretion	3,647	2,433	6,813	4,819
Finance costs	1,229	1,054	3,293	1,455
Other income (loss), net	3,324	(293)	2,131	(291)
Stock-based compensation expense	-	-	90	-
Amortization of deferred revenue	(603)	(888)	(1,389)	(577)
Income tax expense (recovery)	780	(26)	1,038	(276)
Change in non-cash working capital	1,467	(3,400)	(1,284)	3,467
	386	1,932	15,770	8,885
Interest paid	(283)	-	(667)	-
Net cash provided by operating activities	103	1,932	15,103	8,885
Investing activities				
Additions to mineral properties, plant and equipment	(6,769)	(1,058)	(12,666)	(2,205)
Right-of-use asset additions	-	-	(768)	-
Net cash used in investing activities	(6,769)	(1,058)	(13,434)	(2,205)
Financing activities				
Advances from Sumitomo	-	2,515	-	6,299
Repayments on Sumitomo loan	(887)	(937)	(4,412)	(1,522)
Payment of lease liabilities	(2,136)	(1,796)	(4,053)	(3,278)
Repayment of Due to Pembridge	(1,000)	-	(2,000)	-
Return of capital	-	-	-	(6,306)
Long-term deposits	-	(905)	-	(1,851)
Net cash used in financing activities	(4,023)	(1,123)	(10,465)	(6,658)
Change in cash	(10,689)	(249)	(8,796)	22
Cash, beginning of period	11,872	778	9,979	507
Cash, end of period	\$ 1,183	\$ 529	\$ 1,183	\$ 529



Operational Outlook

Minto is pleased to reconfirm the financial guidance for 2022 as we continue to ramp up our ore production throughout the year. We are committed to a cost control strategy while improving our mine and milling operations.

Production Volumes	Dec 31, 2022	Six Months Ended June 30, 2022
Payable Copper (million pounds)	27.0 - 31.0	14.5
Gold (ounces) ⁽¹⁾	11,000 - 12,100	5,898
Silver (ounces) ⁽¹⁾	140,000 - 150,000	69,577

Production Costs	Dec 31, 2022	Six Months Ended June 30, 2022
Cash Costs (\$USD/lb) ⁽²⁾	\$2.70 - \$2.90	\$2.76
AISC (\$USD/lb) ⁽²⁾	\$3.85 - \$4.00	\$3.89
Exploration (\$ millions)	\$9.2	\$4.3
Sustaining Capital ⁽²⁾	\$27.0 - \$31.0	\$10.4

1. 100% amounts. Under the agreement with Wheaton Precious Metals, the Company receives 65% of the value of the gold shipments up to 11,000 ounces. Silver receipts are the lesser of the prevailing market price and US \$4.35/oz.
2. Refers to Cash Costs, All-In Sustaining Costs and Sustaining Capital "Alternative Performance Measures" on page 19 of the Company's Q2 2022 MD&A.



About Minto Metals Corp.

Minto operates the producing Minto mine located in the Minto Copper Belt, Yukon. The Minto mine has been in operation since 2007 with underground mining commencing in 2014. Since 2007, approximately 500Mlbs of copper have been produced from the Minto mine. The current mine operations are based on underground mining, a process plant to produce high-grade copper, gold, and silver concentrate, and all supporting infrastructure associated with a remote location in Yukon. The Minto property is located west of the Yukon River, about 20 km WNW of Minto Landing, the latter on the east side of the river, and approximately 250 road-km north of the City of Whitehorse, the capital city of Yukon.

Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as of the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "anticipated" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: (a) ore will be processed at a higher rate during H2/2022, and no anticipated metal production impact on the original guidance provided for 2022 as a result of the temporary Mill shutdown; (b) the Company's ability to obtain the Yukon Government required security by the September 1, 2022 deadline; (c) continuing targeted exploration to provide viable mine life expansion; and (d) details with respect to the business of the Company, including that the positive (results) trend will continue for the second half of 2022.

Forward-looking statements are necessarily based upon a number of material factors and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors, which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such material factors and assumptions include, but are not limited to: that required financing and the increased reclamation costs security will be obtained as and when required or on acceptable terms, general business, economic, competitive, political and social uncertainties; the delay or failure to receive board, shareholder, court, regulatory or other third party approvals; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to



inaccurate geological and engineering assumptions; risks relating to unanticipated operational difficulties (including failure of equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; changes in laws; risks related to the direct and indirect impact of COVID-19 including, but not limited to, its impact on general economic conditions; the hazards and risks normally encountered in the exploration, development and production of copper, gold and silver, the Company's operations are subject to environmental hazards and compliance with applicable environmental laws and regulations, the Company's properties may be subject to claims by various community stakeholders; and other risk factors as detailed from time to time including those those risk factors set out in the Company's annual information form dated March 31, 2022 for the year ended December 31, 2021 as filed on SEDAR and the Company's periodic reports subsequently filed on SEDAR. 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 the forward-looking statements and information contained in this news release. Except as required by law, the Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law. The statements in this news release are made as of the date of this release.

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Contact Information:

For further information:

Tania Barreto
Director, Investor Relations
info@mintometals.com
604.759.4666