

Sierra Madre to Resume Trading on TSX Venture Exchange on Monday June 5, 2023

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VANCOUVER, June 2, 2023 - [Sierra Madre Gold and Silver Ltd.](#) (TSXV:SM) ("Sierra Madre" or the "Company") is pleased to announce that the Company's common shares will resume trading at the market open on Monday, June 5, 2023. Shares were halted from trading following the announcement of the definitive acquisition of La Guitarra Project ("La Guitarra" or the "Project") from First Majestic on May 25, 2022. In addition to re-listing on the TSX Venture, the Company intends to quickly take the necessary steps to requalify for OTCQX, in order to provide increased liquidity to our US shareholders.

Recent Highlights:

- Closing of the acquisition of La Guitarra from First Majestic gives the Company a 100% interest in a fully permitted, past-producing silver-gold mine in Mexico
- First Majestic is now the largest shareholder of Sierra Madre
- Closed \$10.3 million financing

"We are excited to be publicly traded once again and would like to thank existing shareholders, new shareholders and First Majestic for their patience during the lengthy process to re-list Sierra Madre on the TSX Venture," stated Alex Langer, CEO of Sierra Madre. "We have a lot of news to share over the coming months, including drill results from both the Tepic and La Tigra Projects in Nayarit, Mexico and numerous updates from La Guitarra. We have been very active at site since January at La Guitarra, as we continue to fast-track components of the Project vital for recommencing production. We have begun sourcing and rebuilding underground mining equipment, refurbishing the mill, and commissioned a study to improve the efficiency of the flotation circuit. In the eastern portion of the Temascaltepec mining district, we have initiated a district scale mapping program. We intend to ramp up our marketing efforts to ensure existing shareholders and potential shareholders are kept informed of the exciting developments underway at Sierra Madre."

La Guitarra Highlights:

- La Guitarra is a high-grade, past-producing underground mine with an on-site process facility that operated up to August, 2018
- Historical Measured and Indicated Mineral Resources of approximately 7.45 million ounces ("oz") of silver-equivalent ("AgEq") and Historical Inferred Mineral Resources of approximately 10.03 million oz AgEq, based on 128,671 metres of drilling^[1]
- Functional and expandable 550 tonnes per day crushing, grinding and flotation facility
- The eastern district mapping program has thus far delineated over 40 km of mineralized veins and breccias.
- We have continued to build on the strong community relations base with the local stakeholders we inherited from First Majestic.

[1] See below under the heading "Notes for Historical Mineral Resources".

La Guitarra is in the southeast end of the Mexican Silver Belt with an underground mine operating up until August 2018 at the site. Past production was in the order of 1.0 million to 1.5 million AgEq ounces annually between 2015 and 2018 (including approximately 610 thousand ounces ("koz") to 945koz of silver annually). Current infrastructure includes three underground centres, the 550 tonnes per day ("t/d") flotation mill, permitted tailings facility, multiple work buildings, equipment, and related infrastructure.

All permits necessary for the restart of mining operations at the Guitarra, Coloso and Nazareno mines are valid and current and the underground workings have been well maintained. The processing plant as well has all permits in place for the restart of operations. An MIA (environmental impact permit) has been approved for the construction and operation of a new tailings impoundment with a 5.8 million tonne capacity.

The company has in its possession the complete Project database which includes 1,407 drill holes, production records for 27 years of operations, survey data and a 3-D model of the underground workings for all three mines, detailed actual operating cost data and extensive metallurgical recovery data and tests.

This database together with the existing processing plant and equipment on site will allow the Company to proceed with a three-prong approach to advancing toward resuming production and realizing the overall potential of La Guitarra and the Temascaltepec mining district at the Project;

1. Resource and Reserve Estimations
 1. Complete a National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") compliant resource estimate
 2. Using the above resource estimate and the extensive La Guitarra operating cost data base to evaluate potential reserve estimations with a detailed mine plan and schedule for restarting the Guitarra, Coloso and Nazareno mines
2. Advance Upgrades to Plant and mine
 1. Rebuild existing mining equipment
 2. Refurbish and change the flotation plant from two parallel circuits to a rougher-cleaner configuration
 3. Repair 4th ball mill onsite in order to reach 550 t/d capacity
 4. initiate permitting process for ore leaching
 5. upon receipt of leaching permit, define the potential to construct a leaching circuit and begin reprocessing of existing tailings along with ore from the mines

3. Eastern Temascaltepec District

1. Complete a district-scale mapping program
2. Undertake a trenching and surface sampling program
3. Underground mapping and sampling program of historic mines
4. Drilling of the best targets based on the above work programs.

La Guitarra

The La Guitarra Property is in the Temascaltepec mining district, 130 km southwest of Mexico City, with road access. The Property hosts three underground centres that are on care and maintenance - La Guitarra, Coloso and Nazareno.

The La Guitarra site includes current mining and processing permits, an operating license, a water use permit, an Environmental Impact Authorization ("MIA") for La Guitarra and Coloso mines and exploration permits for the Nazareno, Tlacotal, Trancas, La Guitarra NW, Temascaltepec and San Simon projects. As disclosed in the Annual Information Form of First Majestic for the year ended December 31, 2021 dated March 31, 2022, available for review on First Majestic's profile at www.SEDAR.com, the site hosts Historical Measured and Indicated Resources of 701,000 tonnes grading 228 g/t silver and 1.22 g/t gold (330 g/t AgEq), for a total of approximately 7.45 million AgEq oz. Historical Inferred Resources stand at approximately 1.04 million tonnes grading 240 g/t silver and 0.71 g/t gold (299 g/t AgEq), adding approximately 10.03 million oz of AgEq.

From 2012 to 2018, First Majestic completed approximately 128,671 metres of drilling in 689 diamond drill holes. All together there are 236,294 meters in 1,407 drill holes.

Over 100 epithermal veins at La Guitarra are contained in five main vein systems. These systems make up a belt that covers over 15 km of strike and is an estimated 4 km wide.

Notes for Historical Mineral Resource Estimates:

1. The Historical Mineral Resources for La Guitarra have an effective date of December 31, 2020. The historical estimates were prepared by First Majestic internal "Qualified Persons" (as defined in NI 43-101) who have the appropriate relevant qualifications and experience in geology and resource estimation. The information provided was compiled by David Rowe, CPG, Internal Qualified Person for First Majestic, and reviewed by Ramon Mendoza Reyes, P.Eng., Internal QP for First Majestic. Sample data was collected through a cut-off date of December 31, 2020. Metal prices considered were USD\$22.50/oz Ag and USD\$1,850/oz Au.
2. The Historical Mineral Resources were reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM (2014 edition) (the "CIM Standards"). All tonnage information has been rounded to reflect the relative uncertainty in the estimates; therefore, there may be small differences in the totals.
3. In accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") the La Guitarra Historical Mineral Resource Estimates use the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", having the same meanings ascribed to those terms as in the CIM Standards.
4. As these mineral resource estimates pre-date the Company's agreement to acquire La Guitarra, the Company is treating them as "historical estimates" under NI 43-101, but they remain relevant as the most recent mineral resource estimates for La Guitarra. No more recent estimates or data are available to Sierra Madre.
5. Further drilling and resource modelling would be required to upgrade or verify these historical estimates as current mineral resources for the respective assets and accordingly, they should be relied upon only as a historical resource estimate of First Majestic, which pre-dates the Company's agreement to acquire La Guitarra.
6. Silver Equivalent ("AgEq") grade is estimated considering: metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable.
7. Mr. Gregory Smith, P. Geo., a director of Sierra Madre, is a "Qualified Person" as defined by NI 43-101 and has reviewed and approved the technical data and information contained in this news release. However, a "Qualified Person" under NI 43-101 has not done sufficient work to classify the historical estimates as current Mineral Resources. Accordingly, a Qualified Person of the Company has not independently verified the Mineral Resources nor the other information contained herein, and the Company is not treating the historical estimates as current Mineral Resources.
8. Mineral Resources that are not mineral reserves do not have economic viability. Numbers may not add due to rounding.

About Sierra Madre

Sierra Madre Gold & Silver (TSX.V: SM) is a precious metals development and exploration company, focused on the restart of the La Guitarra Mine in the Temascaltepec mining district, Mexico, and the exploration and development of its Tepic and La Tigra properties in Nayarit, Mexico. The La Guitarra Mine is a permitted, past-producing underground mine which includes a 550 t/d processing facility that operated until mid-2018.

The +2,600 ha Tepic project hosts low-sulphidation epithermal gold and silver mineralization with an existing historic resource. La Tigra, located 148 km north of Tepic, has been mined historically; Sierra Madre's maiden 2022 drill program at the site intercepted shallow mineralization.

Sierra Madre's management has played key roles for managing exploration and development of more than 22Moz gold and 600Moz silver in combined reserves and resources. Sierra Madre's team of professionals has collectively raised over \$1B for mining companies.

On behalf of the board of directors of [Sierra Madre Gold and Silver Ltd.](#),

"Alexander Langer"

Alexander Langer
President, Chief Executive Officer and Director

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Cautionary Note

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.

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, statements with respect to the completion of the Transaction on the terms set out in the definitive agreement (or at all) and the ability of the Company to obtain requisite corporate and regulatory approvals for the Transaction, including but not limited to the approval of the Exchange, Mexican antitrust approval and other governmental approvals as currently anticipated.

In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including that the Company will be able to receive all required regulatory approvals by the timelines currently anticipated (or at all); and that the Company will be able to complete the Transaction on the terms of the definitive agreement. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk that the Company is not able to complete Transaction on the terms set out in the definitive agreement (or at all) and the risk that the Company is unable to obtain requisite corporate and regulatory approvals, including but not limited to the approval of the TSX Venture Exchange, the Mexican antitrust approval and governmental approval as currently anticipated.

Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

SOURCE: Sierra Madre Gold and Silver

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