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GATOS SILVER REPORTS NEW INTERCEPTS OF HIGH-GRADE MINERALIZATION AT CERRO LOS GATOS

Vancouver, BC — January 25, 2024 — Gatos Silver, Inc. (NYSE/TSX: GATO) ("Gatos Silver" or the "Company") today provided an update on the drilling and exploration programs in the Los Gatos district ("LGD") in Mexico. The update includes new intercepts of high-grade mineralization in the South-East Deeps ("SE Deeps") zone of its 70%-owned Cerro Los Gatos ("CLG") mine.

"These latest results from the SE Deeps resource conversion drilling program continue to highlight the opportunity to extend the CLG mine life," said Dale Andres, CEO of Gatos Silver. "We have six of seven surface drill rigs continuing on SE Deeps conversion drilling during the first quarter. We remain very encouraged by the continuity and grade of mineralization extending beyond our current mineral reserve, and we are looking forward to incorporating these results into an updated mineral reserve and mineral resource estimate which we expect to complete in the third quarter of 2024."

Q4 2023 Highlights

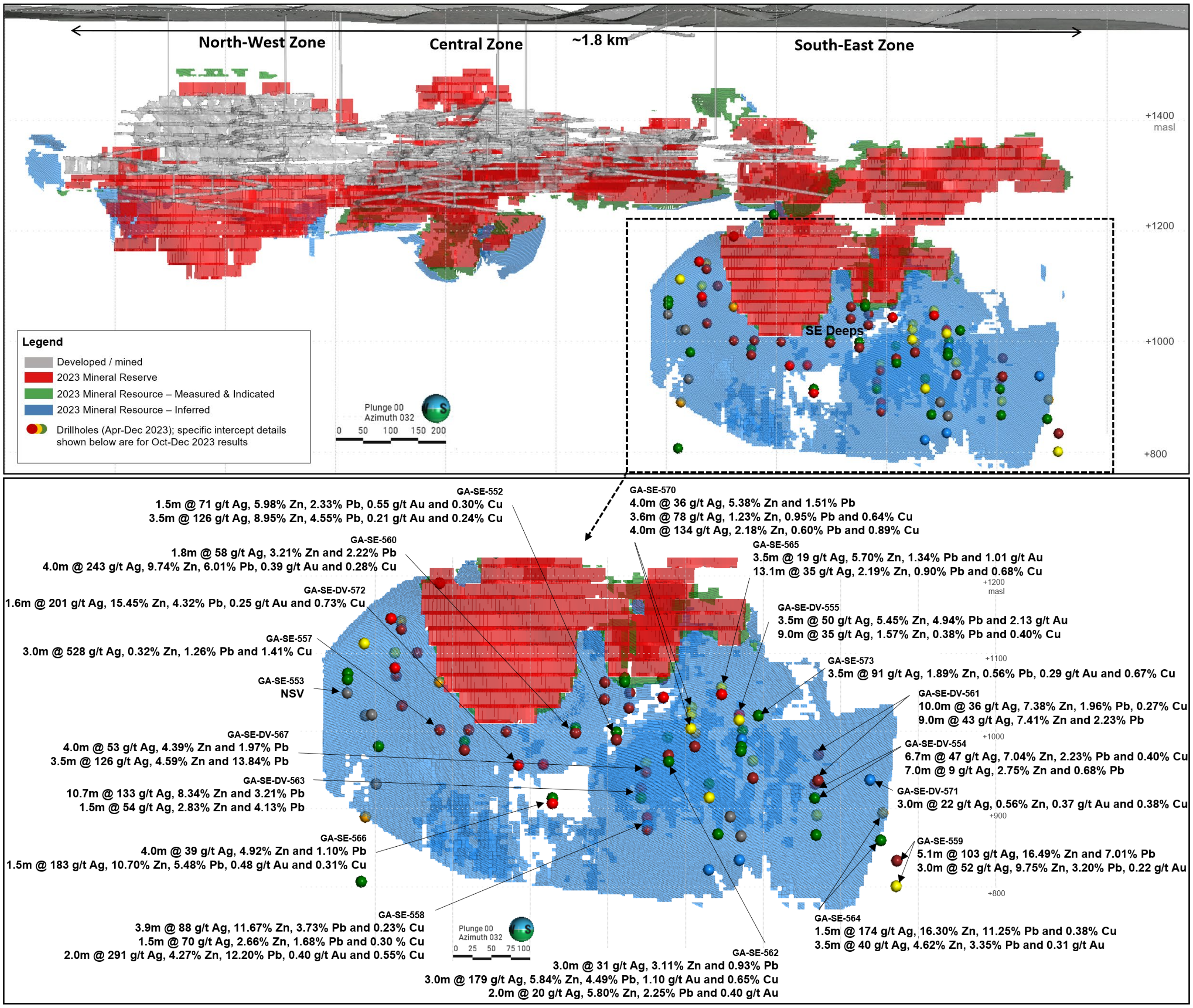
- Resource definition drilling in the SE Deeps zone of CLG intercepted additional high-grade mineralization below the existing mineral reserve (see Table 1 for complete intercept details)
  - 3.0m (2.8m estimated true width, or "ETW") at 528 g/t Ag, 1.26% Pb and 1.41% Cu (SE-557)
  - 2.0m (1.6m ETW) at 291 g/t Ag, 4.27% Zn, 12.20% Pb, 0.40 g/t Au and 0.55% Cu (SE-558)
  - 5.1m (4.0m ETW) at 103 g/t Ag, 16.49% Zn, 7.01% Pb, 0.14 g/t Au and 0.21% Cu (SE-559)
  - 4.0m (3.3m ETW) at 243 g/t Ag, 9.74% Zn, 6.01% Pb, 0.39 g/t Au and 0.28% Cu (SE-560)
  - 3.0m (2.5m ETW) at 179 g/t Ag, 5.84% Zn, 4.49% Pb, 1.10 g/t Au and 0.65% Cu (SE-562)
  - 10.7m (8.9m ETW) at 133 g/t Ag, 8.34% Zn, 3.21% Pb, 0.11 g/t Au and 0.16% Cu (SE-563)
  - 1.6m (1.3m ETW) at 201 g/t Ag, 15.45% Zn, 4.32% Pb, 0.25 g/t Au and 0.73% Cu (SE-572)
- Greenfields exploration work in the LGD continues to advance in preparation for increased drilling expected to start in Q2 2024
  - We completed one hole at Portigueño and one hole at Cascabel with positive indicator minerals and favourable structures present
  - We completed detailed mapping and rock geochemistry at the Esperanza, San Agustin, Portigueño, Cieneguita and San Luis areas to support drill target generation

CLG South-East Deeps Resource Definition Drilling

The SE Deeps mineralization extends approximately 1km laterally and 400m vertically, which adjoins the existing SE mineral reserve and remains open along strike.

During 2022 and Q1 2023 we completed drilling at approximately 100m to 200m spacing for the purpose of establishing the larger scale strike and dip of the SE Deeps zone. Since Q2 2023 we have focused on infilling the higher-grade areas of the zone to 50m spacing. That drilling has progressed well and we remain on track to complete the expected 50m spacing of key areas by the end of Q1 2024. As expected, this tighter drill spacing is showing that variability within the zone exists, with higher grade in some areas and lower grade in other areas. On average, base metals including copper, represent a higher proportion of the in-situ value than in the Central and North-West zones. Drill results continue to demonstrate excellent potential for a multi-year mine life extension.

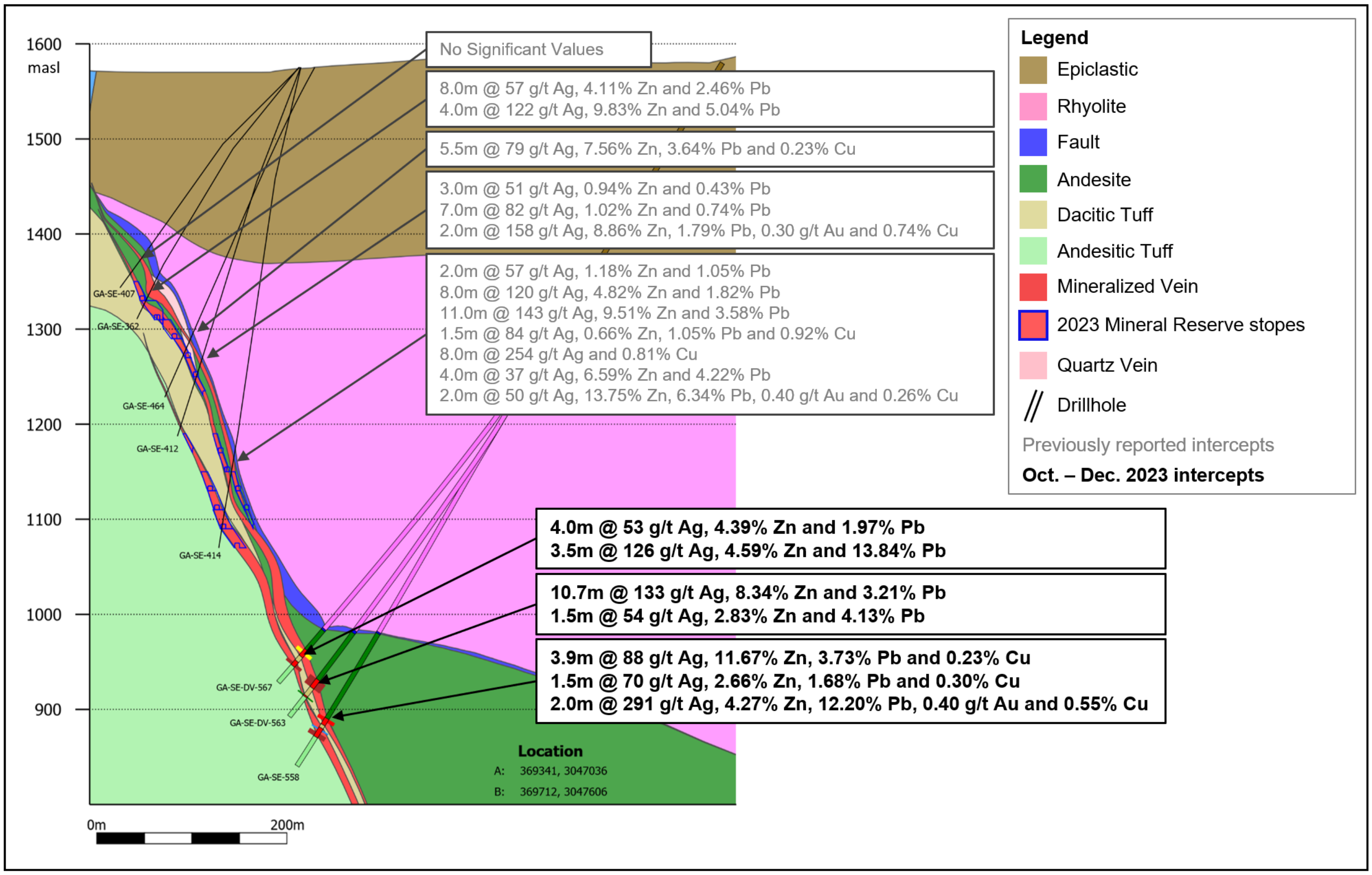
Figure 1: Long section of CLG[1] showing SE resource definition drilling intercepts (drilled width) received since our press release dated October 23, 2023. See Table 1 for complete intercept details including true width estimates.[2]



[1] The 2023 Mineral Reserve and 2023 Mineral Resource is disclosed in the Technical Report Summary dated October 20, 2023 (the "Los Gatos Technical Report") which is filed with the SEC and available on the Company's website (https://gatossilver.com). A corresponding technical report has also been filed on SEDAR+.

[2] See press releases dated July 18, 2023 and October 23, 2023 for further information relating to the other previously reported SE Deeps drill intercepts received since the 2023 resource database cutoff date of March 31, 2023.

Figure 2: Cross-section through centre of SE Deeps at drillhole SE-558 showing intercepts (drilled width)



Los Gatos District Exploration Update: Current Near-mine Focus Plus District Scale Potential

The LGD is comprised of a large land package covering over 103,000 hectares with an established pipeline of prospects and more than 50 targets identified to date. We are advancing with detailed mapping and drill testing of the highest priority known targets. We are also advancing with district mapping and geophysics to identify additional targets.

During the fourth quarter of 2023 we progressed with mapping at five prospective areas: Esperanza, San Agustin, Portigueño, Cieneguita and San Luis.

Two drillholes were completed during the quarter, PO-01 at Portigueño and CA-SE-01 at Cascabel.

The Portigueño area is located approximately 2km southeast of CLG. Detailed mapping during 2023 showed that this area of the basin is more complex than previously thought. Drillhole PO-01, located approximately 1km south-east of the SE Deeps zone, was completed during the quarter. This drillhole identified significant fault structures and veining, however none strongly mineralized. The geological model for the area has been updated with the new structural information and follow up drilling is now underway.

The Cascabel fault forms the north-eastern edge of a geological graben feature approximately 1.5km south-east of the CLG mine. This fault has an exposed strike of more than 4km and previous drilling and mapping has shown this to be a prospective host structure for CLG style mineralization. Drillhole CA-SE-01 was completed during the quarter exploring below a 2022 intercept with anomalous geochemistry. While the drillhole logging did not show strong polymetallic mineralization, it did show strong structure and alteration at both the Presón fault in the middle of the graben and the Cascabel fault at the margin. The area is considered prospective for mineralization and the information from this drillhole is being used to prioritize the future drilling on this large structure.

The San Luis area, approximately 5km northwest of CLG along the Los Gatos fault, continues to be an important target area for our greenfields exploration crew. A large width of quartz-calcite veining exists in the area with indications of multiple pulses of fluid flow, similar to what is observed in the South-East zone at CLG. Mapping and historic core relogging has taken place and the structural modelling is underway in preparation for drilling during 2024.

A second stage of a magneto-telluric geophysical survey was completed over the area surrounding CLG and data review is now underway which will help to inform drilling in 2024.

Figure 3: Plan view of the area surrounding CLG with select near-mine prospects and high priority drill targets

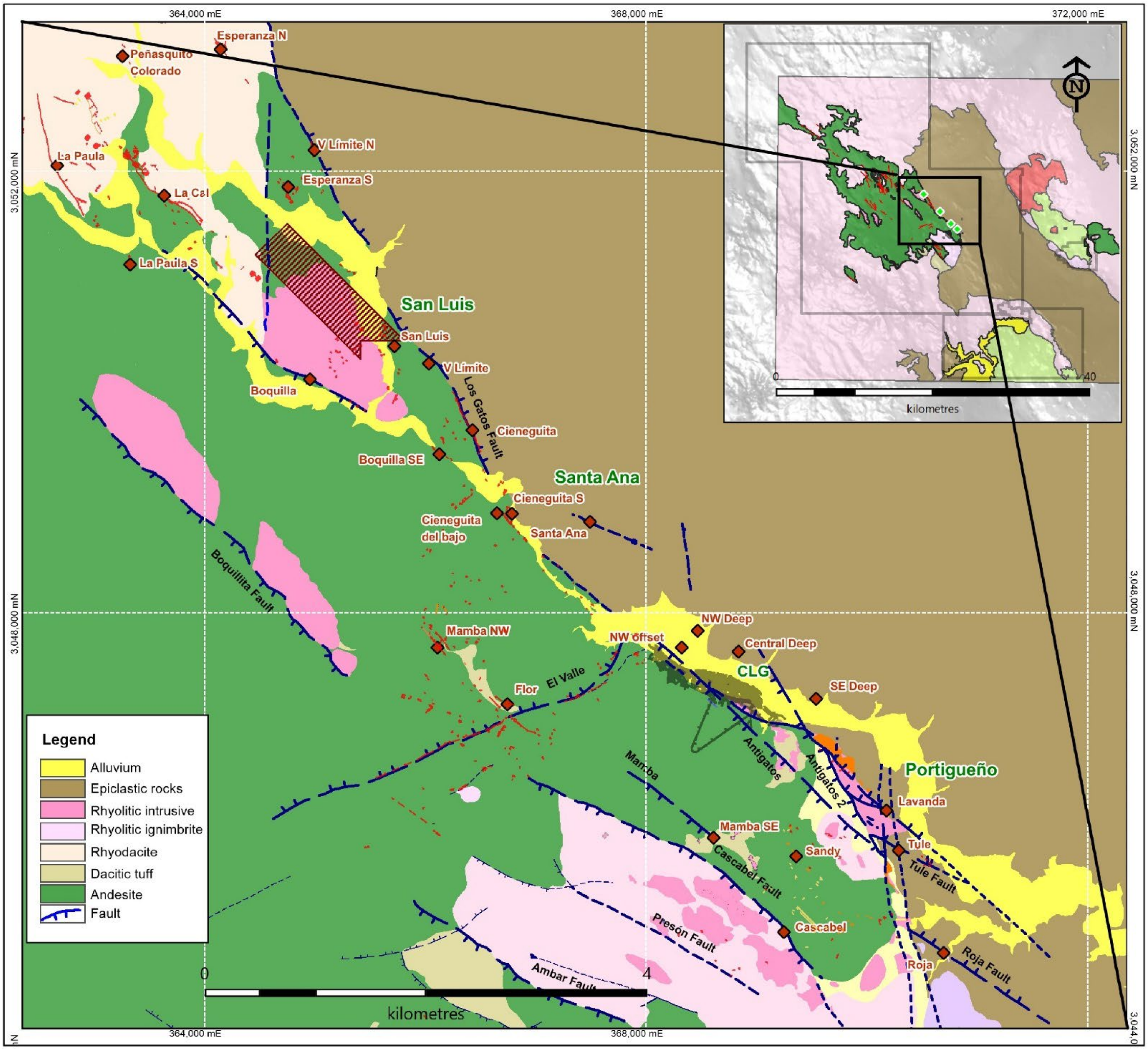


Figure 4: Plan view of the Los Gatos district with select prospects and high priority drill targets

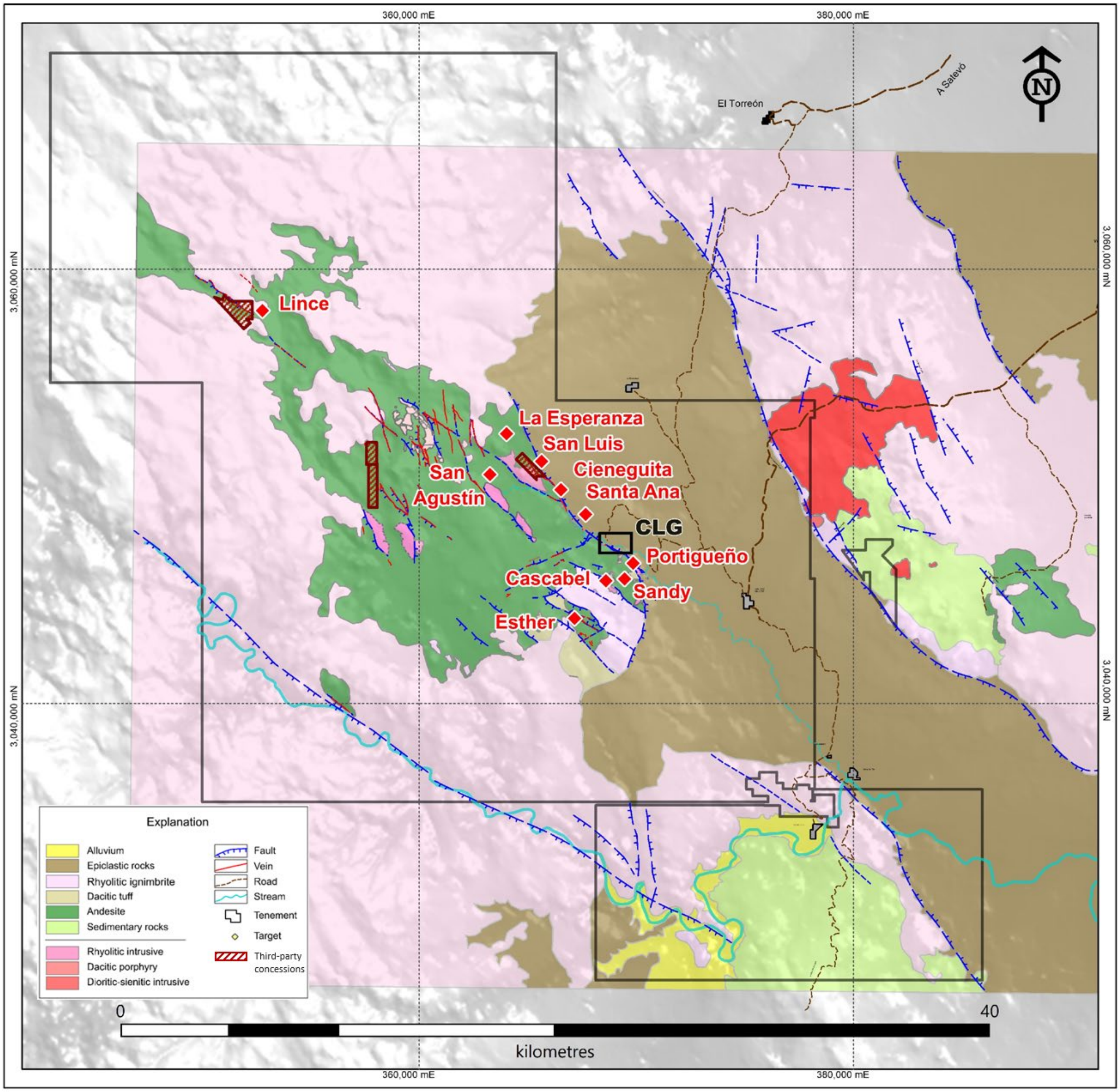


Table 1: Resource Definition Drilling Results[1]

DHID		From	To	Drill Width	Estimated True Width	Ag	Zn	Pb	Au	Cu
		m	m	m	m	g/t	%	%	g/t	%
GA-SE-552		687.7	689.2	1.5	1.2	71	5.98	2.33	0.55	0.30
GA-SE-552	and	693.8	706.3	12.6	10.0	52	5.07	3.11	0.22	0.09
GA-SE-552	including	695.3	698.8	3.5	3.0	126	8.95	4.55	0.21	0.24
GA-SE-553					NSV					
GA-SE-DV-554		820.3	827.0	6.7	5.5	47	7.04	2.23	0.09	0.40
GA-SE-DV-554	and	843.0	850.0	7.0	5.6	9	2.75	0.68	0.05	0.11
GA-SE-DV-555		764.5	768.0	3.5	3.2	50	5.45	4.94	2.13	0.10
GA-SE-DV-555	and	772.0	781.0	9.0	8.2	35	1.57	0.38	0.05	0.40
GA-SE-557		734.0	741.0	7.0	5.5	245	2.01	1.94	0.30	0.67
GA-SE-557	including	738.0	741.0	3.0	2.8	528	0.32	1.26	0.06	1.41
GA-SE-558		805.1	809.0	3.9	3.1	88	11.67	3.73	0.15	0.23
GA-SE-558	and	818.3	819.8	1.5	1.2	70	2.66	1.68	0.03	0.30
GA-SE-558	and	822.8	827.8	5.0	4.0	151	2.81	6.13	0.18	0.43
GA-SE-558	including	824.3	826.3	2.0	1.6	291	4.27	12.20	0.40	0.55
GA-SE-559		867.0	872.1	5.1	4.0	103	16.49	7.01	0.14	0.21
GA-SE-559	and	905.7	908.7	3.0	2.4	52	9.75	3.20	0.22	0.13
GA-SE-560		712.5	714.3	1.8	1.3	58	3.21	2.22	0.05	0.09
GA-SE-560	and	719.2	723.2	4.0	3.3	243	9.74	6.01	0.39	0.28
GA-SE-DV-561		796.0	806.0	10.0	8.5	36	7.38	1.96	0.11	0.27
GA-SE-DV-561	and	839.5	848.5	9.0	7.7	43	7.41	2.23	0.17	0.26
GA-SE-562		677.8	680.8	3.0	2.5	31	3.11	0.93	0.16	0.08
GA-SE-562	and	705.0	708.0	3.0	2.5	179	5.84	4.49	1.10	0.65
GA-SE-562	and	715.0	717.0	2.0	1.7	20	5.80	2.25	0.40	0.02
GA-SE-DV-563		776.0	786.7	10.7	8.9	133	8.34	3.21	0.11	0.16
GA-SE-DV-563	and	797.0	798.5	1.5	1.2	54	2.83	4.13	0.07	0.11
GA-SE-564		824.1	829.1	5.0	4.0	65	6.07	3.69	0.06	0.18
GA-SE-564	including	825.6	827.1	1.5	1.3	174	16.30	11.25	0.09	0.38
GA-SE-564	and	866.9	870.4	3.5	2.9	40	4.62	3.35	0.31	0.13
GA-SE-565		671.5	675.0	3.5	3.0	19	5.70	1.34	1.01	0.07
GA-SE-565	and	678.0	691.1	13.1	11.1	35	2.19	0.90	0.11	0.68
GA-SE-566		807.0	811.0	4.0	3.2	39	4.92	1.10	0.09	0.10
GA-SE-566	and	814.5	819.5	5.0	4.0	85	6.92	2.36	0.22	0.26
GA-SE-566	including	814.5	816.0	1.5	1.2	183	10.70	5.48	0.48	0.31
GA-SE-DV-567		760.0	764.0	4.0	3.4	53	4.39	1.97	0.10	0.18
GA-SE-DV-567	and	776.5	780.0	3.5	3.0	126	4.59	13.84	0.08	0.17

GA-SE-570		677.0	681.0	4.0	3.3	36	5.38	1.51	0.11	0.07
GA-SE-570	and	687.0	694.0	7.0	6.0	52	0.97	0.87	0.14	0.43
GA-SE-570	including	688.6	692.2	3.6	3.1	78	1.23	0.95	0.02	0.64
GA-SE-570	and	710.5	714.5	4.0	3.4	134	2.18	0.60	0.13	0.89
GA-SE-DV-571		825.0	828.0	3.0	2.4	22	0.56	0.39	0.37	0.38
GA-SE-DV-572		780.9	786.2	5.3	4.8	96	7.82	2.36	0.24	0.35
GA-SE-DV-572	including	784.6	786.2	1.6	1.3	201	15.45	4.32	0.25	0.73
GA-SE-573		728.5	732.0	3.5	3.0	91	1.89	0.56	0.29	0.67

[1] Received since our press release dated October 23, 2023. Results from drillhole GA-SE-556 was reported previously (see the Company's press release dated October 23, 2023), drillhole GA-SE-DV-568 is pending assay results and drillhole GA-SE-569 was abandoned due to drilling difficulties.

Table 2: Greenfield Exploration Drilling Results

DHID	From	To	Drill Width	Estimated True Width	Ag	Zn	Pb	Au	Cu
	m	m	m	m	ppm	%	%	ppm	%
DDH-PO-01					NSV				
CA-SE-01					NSV				

Table 3: Drillhole Locations

Drillhole	Target	Easting	Northing	Elevation	Azimuth	Dip	Hole Depth
GA-SE-552	Conversion	369,600	3,047,513	1,592	215.0	-60	754
GA-SE-553	Conversion	369,337	3,047,828	1,619	209.0	-54	760
GA-SE-DV-554	Conversion	369,887	3,047,454	1,620	213.5	-57	897
GA-SE-DV-555	Conversion	369,822	3,047,534	1,596	214.4	-52	849
GA-SE-557	Conversion	369,434	3,047,712	1,629	210.0	-60	765
GA-SE-558	Conversion	369,698	3,047,598	1,580	213.0	-58	864
GA-SE-559	Conversion	369,993	3,047,364	1,594	220.1	-62	935
GA-SE-560	Conversion	369,583	3,047,578	1,604	214.0	-58	750
GA-SE-DV-561	Conversion	369,887	3,047,454	1,620	213.5	-57	881
GA-SE-562	Conversion	369,660	3,047,493	1,577	212.0	-62	735
GA-SE-DV-563	Conversion	369,698	3,047,598	1,580	213.0	-58	825
GA-SE-564	Conversion	369,992	3,047,364	1,594	219.9	-58	918
GA-SE-565	Conversion	369,741	3,047,485	1,579	216.0	-50	717
GA-SE-566	Conversion	369,592	3,047,671	1,602	212.3	-57	834
GA-SE-DV-567	Conversion	369,698	3,047,598	1,580	213.0	-58	803
GA-SE-570	Conversion	369,741	3,047,485	1,579	217.0	-53	738
GA-SE-DV-571	Conversion	369,992	3,047,364	1,594	219.9	-58	848
GA-SE-DV-572	Conversion	369,592	3,047,671	1,602	212.3	-57	813
GA-SE-573	Conversion	369,822	3,047,435	1,603	219.0	-45	736
DDH-PO-01	Greenfields	370,534	3,046,824	1,573	236.0	-45	1,145
CA-SE-01	Greenfields	368,669	3,044,506	1,750	35.0	-48	849

About Gatos Silver

Gatos Silver is a silver dominant exploration, development and production company that discovered a new silver and zinc-rich mineral district in southern Chihuahua State, Mexico. As a 70% owner of the Los Gatos Joint Venture, the Company is primarily focused on operating the Cerro Los Gatos mine and on growth and development of the Los Gatos district. The LGJV consists of approximately 103,000 hectares of mineral rights, representing a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones identified as priority targets.

Quality Assurance/Quality Control

The half core samples from the LGJV's surface exploration drillholes are shipped directly in sealed bags to the ALS Limited ("ALS") preparation facilities in Chihuahua City, Mexico. After sample preparation in Chihuahua, sample pulps are shipped to ALS in North Vancouver, Canada for analysis. The remaining half core is retained on site. Samples sent for analysis are sawn half-core NQ or HQ in diameter and normally 2m in length but varied based on geological contacts. Samples are prepared using a method whereby the entire sample is crushed, and a subset is pulverized. Samples are analyzed for base metals and silver using inductively coupled plasma methods. Gold and overlimit silver are assayed using fire assay techniques. Sample batches include intermittent blanks, duplicates, and certified standards. The results of the assaying of the QA/QC material included in each batch are tracked to ensure the integrity of the assay data. ALS is a third-party independent laboratory.

Qualified Person

Scientific and technical disclosure in this press release was approved by Anthony (Tony) Scott, P.Geo., Senior Vice President of Corporate Development and Technical Services of Gatos Silver who is a "Qualified Person" as defined in S-K 1300 and NI 43-101.

Qualification Regarding Exploration and Drilling Results

Any statements herein regarding ranges of potential tonnage and grade or quality of any exploration target are conceptual in nature, there has been insufficient exploration of the relevant properties to estimate a mineral resource; it is uncertain whether further exploration will result in the estimation of a mineral resource; and any exploration target therefore does not represent, and should not be construed to be, an estimate of a mineral resource or mineral reserve (mineral resource and mineral reserve estimates are stated exclusively in the Los Gatos Technical Report).

Forward-Looking Statements

This press release contains statements that constitute "forward looking information" and "forward-looking statements" within the meaning of U.S. and Canadian securities laws. All statements other than statements of historical facts contained in this press release, including statements regarding exploration or development programs at the CLG mine or in the Los Gatos district, including mine life extension potential, resource conversion and expansion and timing thereof, prospects for potential development, future drilling, new high priority targets or zones, economic potential of drilling results, and interpretations of mapping, or of geological, geophysical or geochemical indicators are forward-looking statements. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements, and such other risks and uncertainties described in our filings with the U.S. Securities and Exchange Commission and Canadian securities commissions. Gatos Silver expressly disclaims any obligation or undertaking to update the forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law. No assurance can be given that such future results will be achieved. Forward-looking statements speak only as of the date of this press release.

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