

SIERRA MADRE PROVIDES UPDATE ON LA GUITARRA PROGRESS

Vancouver, British Columbia – February 8, 2024 – Sierra Madre Gold and Silver Ltd. (TSXV: SM, OTCQX: SMDRF) (“Sierra Madre” or the “Company”) is pleased to provide an in-depth update of its activities at the 100% owned past-producing La Guitarra Silver-Gold Mine Complex in Estado de Mexico, Mexico, 130 km southwest of Mexico City.

Mine Restart Study

The Company has retained TechSer Mining Consultants Ltd., of Vancouver, B.C., to complete the Mine Restart Study (“MRS”). This work will include an estimation of underground mine material for the Guitarra, Coloso and Nazareno mines and the Los Angeles bulk tonnage deposit. Additional evaluations will include an operating cost estimate covering the mine and recovery plant, based on reagent and consumable usage, energy, and diesel consumption, from the 2013 to 2018 operating period which will be updated for current pricing. Labour, staff and management costs will be based on the current wage structure and union labour contracts that have recently been signed. As part of the study, a capital cost estimate will be prepared to cover restart needs and will evaluate a potential throughput expansion within 24 months of commercial production. This data is to be supported by contractor bids and vendor prices. The above data will then be used in an economic evaluation to determine project viability. The MRS is expected to be completed in Q2 of this year.

Mine and Infrastructure

Work has been ongoing to determine necessary steps for the potential re-start of production. In accordance with recommendations made by officials with the Secretaria de la Defensa Nacional, SEDENA, improvements to the underground powder magazines have been completed.

On January 29, 2024, SEDENA approved Guitarra’s 2024 explosives permit. This explosives permit must be renewed every year and was a milestone event for any potential resumption of operation. All other operating permits are current and in good standing.

Compressed 6-inch air lines have been installed from the stationary compressors near the main San Rafael portal to the La Cruz portal, a distance of over one kilometre with a 240 metre gain in elevation. Compressors and electrical substations have been serviced and are operational.

Minimizing initial development costs is one of the key factors being used to develop the near-term plan for advancement of the Project. As areas are identified and scheduled in the development plan, the existing haulage ways, access drives and ramps are being inspected for safety and rock stability, cleaned and readied.



Figure 1: Underground Powder Magazine

Processing Plant

All circuits in the processing plant are undergoing maintenance and rehabilitation work which would be required for the resumption of operations. In the grinding circuit, the three ball mills are being relined, all parts of the central drive shaft mechanisms overhauled, and the motors cleaned and tested. A fourth ball mill with limited capacity will not be rebuilt at this time.



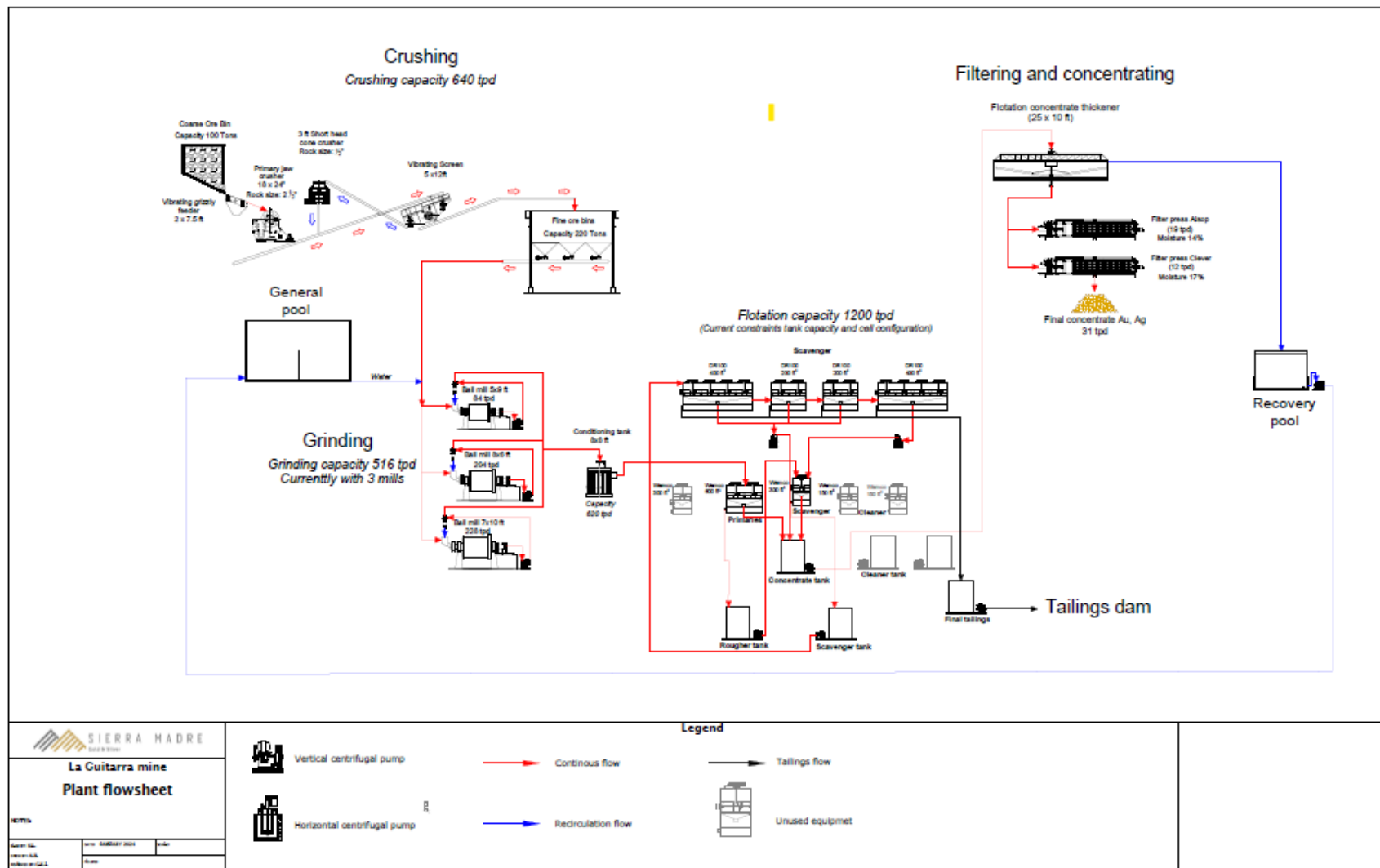
Figure 2: La Guitarra Ball Mills

Overall, the crushing circuit was found to be in good shape with no costly equipment replacement or major repair items identified. Normal maintenance and overhaul work is ongoing. The fine ore storage bin has had the interior dividers and portions of the walls replated with heavy steel. Conveyor belts and associated motors have been serviced and wear and tear items have been replaced where needed.

The flotation circuit is in good shape. Some piping is being replaced and the pumps are being overhauled and serviced. The Wemco flotation cells are in very good shape, needing only some replating work, along with normal maintenance. No repair work requiring a significant outlay of capital has been identified. The Denver cell circuit will not be needed at this time.

The company's plant operations and maintenance team have advanced the preparation work for a potential plant restart within budget expectations.

The MRS will study an initial production level of 350 tonnes per day. Additional evaluation will be completed on potentially increasing the grinding circuit's capacity to greater than 500 tonnes per day. As part of the MRS, an assessment was made of the throughput capacity of each circuit in order to determine where bottlenecks might exist in potentially expanding processing throughput using the current plant equipment. Below is a flow diagram showing the overall arrangement of plant equipment and throughput capacity



Currently, the identified capacities and expansion choke points in the four circuits making up the processing plant are:

- Crushing - 640 tonnes per day, second cone crusher needed for expanded capacity
- Grinding - 516 tonnes per day, a new ball mill will be needed for additional throughput
- Flotation - 620 tonnes per day plus an additional 580 tonnes per day, conditioner tank needs replumbing, flotation tanks have a total joint 1,200 tonnes per day capacity with some physical re-arrangement.
- Concentrate Filtration and Drying - 620 tonnes per day, assuming the historical ore processed to concentrate produced mass reduction of 95%, filters are the limiting factor.

These capacities and the needed equipment to increase plant throughput will be used in the long-term economic analysis portion of the MRS.

Qualified Person

Mr. Gregory Smith, P. Geo, 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. Mr. Smith has verified the technical and scientific data disclosed herein.

About Sierra Madre

Sierra Madre Gold & Silver (TSXV:SM),(OTCQX:SMDRF) is a precious metals development and exploration company, focused on evaluating the potential of restarting 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 500 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.

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"

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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

