

Sierra Madre Announces US\$5 Million Loan from First Majestic Silver for Finalizing Preparations at La Guitarra

Vancouver, British Columbia--(Newsfile Corp. - May 8, 2024) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) (OTCQX: SMDRF) ("**Sierra Madre**" or the "**Company**") is pleased to announce that First Majestic Silver Corp. ("**First Majestic**") has today advanced the Company a non-revolving, secured term loan ("**Loan**") in the amount of US\$5 million pursuant to the terms of a loan agreement entered into by the Company and First Majestic.

Since acquiring the La Guitarra Silver-Gold Mine Complex in Estado de Mexico, Mexico in March 2023, the Company has made notable advancements to the facilities, equipment, and infrastructure at the mine site. The Company intends to use the proceeds of the Loan to complete this work, which will include: lead orders for critical mining equipment, processing facility upgrades, mill repairs, full staffing arrangements, and final underground development readied for operational restart.

Alex Langer, Sierra Madre's President and CEO, states: "After a thorough and extensive process, we are very pleased to announce this non-equity, non-dilutive financing. The Loan will allow us to complete all necessary steps for the possible restart of the fully permitted La Guitarra Silver and Gold mine. We would very much like to thank First Majestic for providing this funding, and for their continued support of La Guitarra."

Loan Details

The Loan is for a two (2) year term, and bears interest at a rate of 15% per annum, compounded monthly, which will be due and payable to the lender starting six (6) months from the commencement date of the Loan, and due on the last day of each calendar month thereafter. The Company may pay back the Loan plus accrued and unpaid interest to the lender at any time, without penalty.

As security for the Loan and the Company's performance of its obligations under the loan agreement, the Company has agreed to pledge all of the shares of its wholly-owned subsidiary that owns La Guitarra in favour of First Majestic, and the Company and certain of its subsidiaries have entered into general security agreements in favour of First Majestic.

About Sierra Madre

Sierra Madre Gold and Silver Ltd. (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 property 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 team has played key roles in managing the exploration and development of more than 22Moz gold and 600Moz silver in combined mineral reserves and mineral resources. Sierra Madre's team of professionals has collectively raised over \$1 billion for mining companies.

On behalf of the board of directors of Sierra Madre Gold and Silver Ltd.,

"Alexander Langer"
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 news 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 news 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 news release includes, but is not limited to, statements with respect to the anticipated use of the proceeds of the Loan, the payment of interest related to the Loan and the future repayment of the Loan.

In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including that the Company will use the proceeds of the Loan as announced or at all. 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.

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 Ltd.



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