Sierra Madre Receives Regulatory Approval for Dry Stack Tailings Deposition on Existing Tailings Impoundment, Paste Backfill of Tailings in Underground Workings and Surface Drilling Pad Sites

Vancouver, British Columbia--(Newsfile Corp. - May 28, 2024) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) (OTCQX: SMDRF) ("**Sierra Madre**" or the "**Company**") is pleased to announce that SEMARNAT, the federal Mexican regulatory agency in charge of environmental permitting, has approved modifications to the existing operating permit for the Guitarra Mine and Mill complex, located in the State of Mexico, Mexico. These modifications will allow for:

- Dry Stack Tailings Deposition at the Active Tailings Facility Site, TSF 1-3
- Construction of a Tailings Filter Plant Adjacent to the Existing Mill
- Paste Backfill Using Tailings in the Guitarra Underground Mine
- 58 surface drilling pad locations

Dry Stack Tailings Approval and Next Steps

Regulatory approval for dry stack tailings deposition is a significant milestone for Sierra Madre as it moves forward with the possible mine restart at Guitarra. This approval allows the Company to transition from conventional tailings deposition to a more modern system and delays the near-term capital expense of building the fully permitted 5.8 million tonne TSF 4. The use of dry stack deposition will result in more process water being recycled and will allow more tonnes of tailings to be deposited within the existing footprint of TSF 1-3. Dry stacked tailings are the more environmentally responsible alternative and provide a higher level of safety and security long term.

TSF 1-3 has two conventional tailings deposition sites with a remaining capacity of 230,000 tonnes which the company plans to use in initial startup operations. Construction on one site began in April and is scheduled for completion before the onset of the rainy season in June. The dam, or bordo, is being built in 30 cm compacted lifts. The inner bordo face and bottom will be covered with a high-strength HDPE liner, as per accepted industry practices. At the processing plant's operating capacity of 500 tonnes per day, the two expansions will be sufficient for a minimum 15 months of operations, providing the Company with time to complete the design and construction of a combined dry stack and paste backfill tailings disposal system.

High-level studies conducted by Stantec Consulting International LLC and Ingenieria y Construcción de Presas S.A. de C.V. suggest that TSF 1-3 may potentially have a dry stack tailings capacity of at least 500,000 tonnes. The Company has decided to conduct additional geotechnical drilling and studies during the upcoming rainy season to obtain additional high-water saturation data before proceeding with the final layout and design work. This will enable the Company to make better-informed operational decisions.

Figure 1 below shows the locations of the Active Tailings Facility Site (TSF 1-3) and the permitted 5.8MT TSF4.

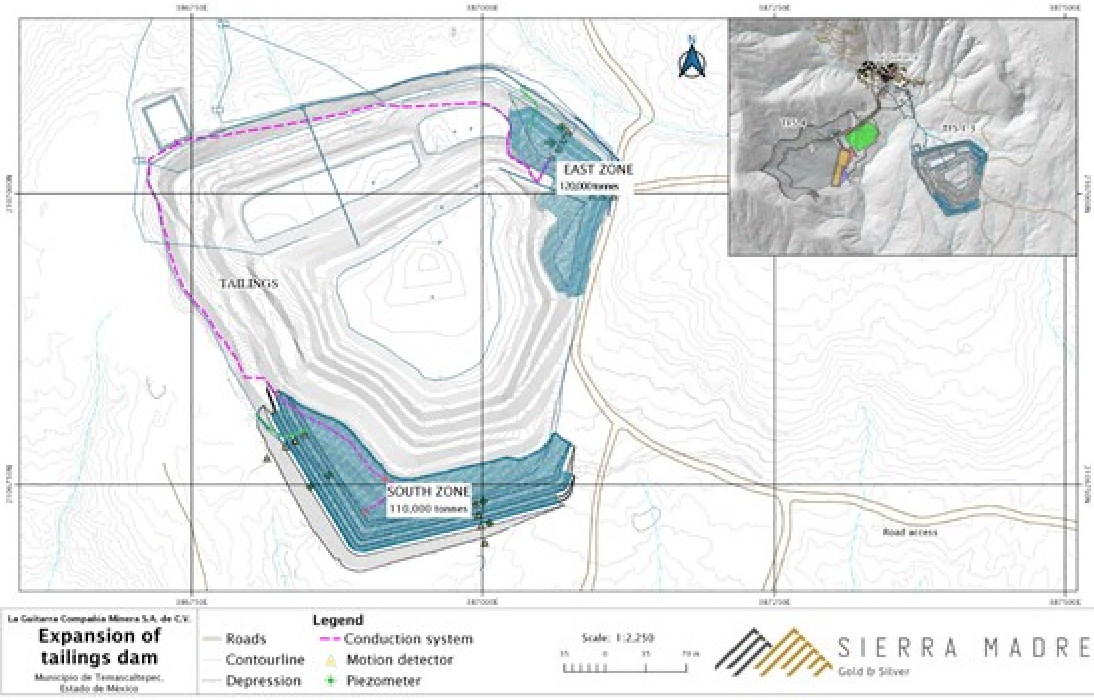

Figure 1: Locations of the active and permitted tailings facilities

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/10436/210695_044f49cd442da865_002full.jpg

Tailings Paste Backfill at Guitarra

The approval for the use of tailings for paste backfill is another significant development both operationally and from an environmental perspective. Instead of depositing tailings in TSF 1-3, a portion of the process water is removed from the tail product of the plant, then pumped as a slurry to mined-out areas, mixed with cement, and used to fill open voids. This enhances overall mine stability, increases process water recycling, reduces the potential of acid generation in the surface environment and saves space in TSF 1-3. The Company initially plans to utilize paste fill in stopes below the main San Rafael haulage level, 10 meters above the processing plant. This relatively small elevational difference minimizes initial pumping requirements, potentially reducing initial capital and operating costs.

Surface Drill Pad Approval

58 surface drill pad sites were approved for testing the Progresso, Perdida Guitarra, and 350 veins near existing Guitarra mine workings and the Las Palms/Inca and Santa Teresa vein systems north of the existing underground workings. The Las Palms/Inca and Santa Teresa vein systems have never been drill-tested and have a combined strike length at surface in excess of 9 km. All vein systems contain historic mine workings, and multiple surface samples have returned economically interesting silver and gold values.

Figure 2 below shows the locations of the permitted drill pads.

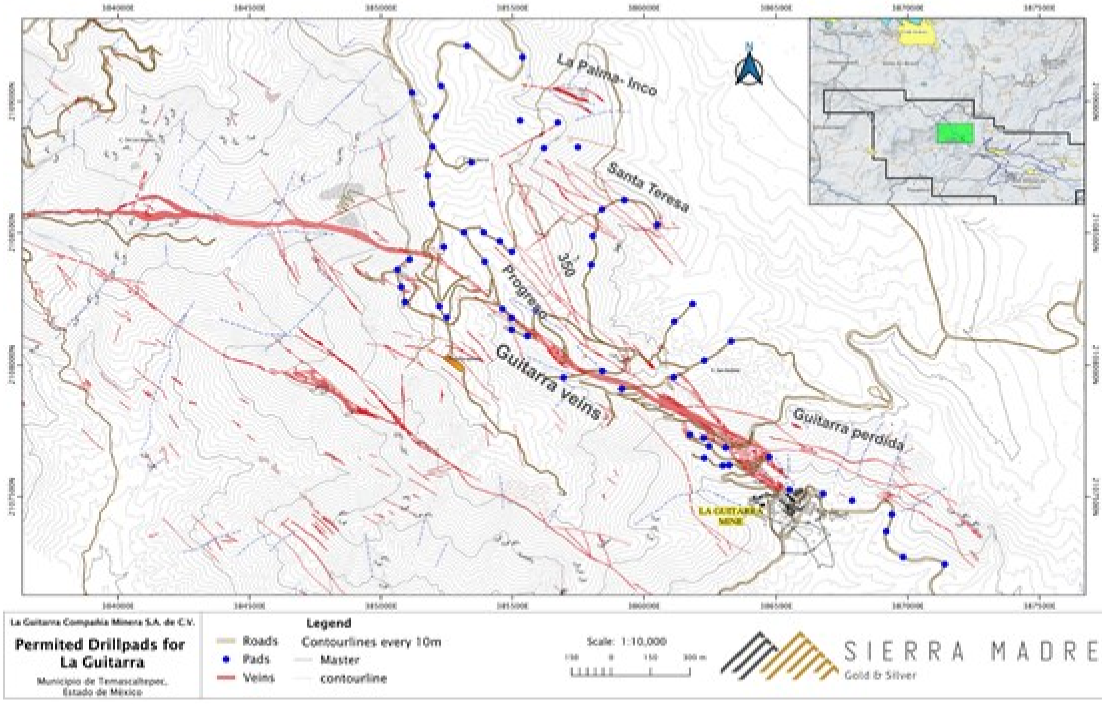

Figure 2: Locations of the permitted drill pads

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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 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
President, Chief Executive Officer and Director
1-604-765-1604

Contact:
investor@sierramadregoldandsilver.com

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SOURCE: Sierra Madre Gold and Silver

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