

Sierra Madre Announces Closing of First Tranche of \$19.5 Million Best Efforts Private Placement of Units

Vancouver, British Columbia--(Newsfile Corp. - July 24, 2025) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) ("**Sierra Madre**" or the "**Company**") is pleased to announce it has closed the first tranche (the "**First Tranche**") of its previously announced brokered private placement offering of up to 27,858,000 units of the Company (each a "**Unit**") at a price of \$0.70 per Unit (the "**Issue Price**") for aggregate gross proceeds to the Company of up to \$19,500,600 (the "**Offering**"). The First Tranche consisted of 25,358,000 Units for gross proceeds of \$17,750,600. Beacon Securities Limited ("**Beacon**") is acting as lead agent and sole bookrunner, on behalf of a syndicate of agents including Canaccord Genuity Corp. (together with Beacon, the "**Agents**") in connection with the Offering.

Each Unit issued pursuant to Part 5A of National Instrument 45-106 - *Prospectus Exemptions* ("**NI 45-106**"), as amended and supplemented by Coordinated Blanket Order 45-935 - *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (the "**Listed Issuer Financing Exemption**") consists of one common share in the capital of the Company (a "**Unit Share**"), and one half of one common share purchase warrant (each whole warrant a "**Warrant**") of the Company. Each Warrant entitles the holder thereof to acquire one common share (a "**Warrant Share**") at a price per Warrant Share of \$0.85 for a period of 12 months from the date of issuance.

The Company intends to use the net proceeds of the Offering to expand the capacity of the Guitarra mine, conduct a detailed exploration program, including drilling, at the East District, and for working capital and general corporate purposes.

Certain directors and officers of the Company ("**Interested Parties**") subscribed for a total of 686,000 Units in the First Tranche, for aggregate gross proceeds of \$480,200. The placement to the Interested Parties constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). The Company has relied on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a), respectively, as the fair market value of the Units issued to the Interested Parties in connection with the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering as the details of the participation of Interested Parties had not been confirmed at that time.

In connection with the closing of the First Tranche, the Company paid the Agents a cash fee of \$1,171,933 and issued to the Agents 1,674,190 compensation options (each, a "**Compensation Option**"). Each Compensation Option entitles the Agents to purchase one common share at the Issue Price during a term of 12 months from the closing of the First Tranche. The Company has also paid the Agents a corporate financing fee of \$26,500. In addition, the Agents received 38,010 corporate finance fee compensation options on the same terms as the Compensation Options.

Subject to compliance with applicable regulatory requirements and in accordance with NI 45-106, the Units were offered for sale (i) to purchasers resident in Canada, other than Quebec, pursuant to the Listed Issuer Financing Exemption, (ii) in the United States pursuant to available exemptions from the registration requirements of the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and applicable U.S. state securities laws, and (iii) in such other jurisdictions outside of Canada and the United States, provided that no prospectus, registration statement or similar document is required to be filed in such foreign jurisdiction. The securities issued under the Listed Issuer Financing Exemption to Canadian subscribers are not subject to a hold period in Canada. The Offering remains

subject to final acceptance by the TSX Venture Exchange.

The amended and restated offering document dated July 21, 2025 related to the Offering and the use by the Company of the Listed Issuer Financing Exemption can be accessed under the Company's profile at www.sedarplus.ca and on the Company's website at www.sierramadregoldandsilver.com. Prospective investors should read this offering document before making an investment decision.

The securities have not been registered under the U.S. Securities Act, or any U.S. state securities laws, and were not offered or sold in the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable U.S. state securities laws or an exemption from such registration is available. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Sierra Madre

Sierra Madre Gold and Silver Ltd. is a precious metals development and exploration company focused on the Guitarra mine in the Temascaltepec mining district, Mexico, and the exploration and development of its Tepic property in Nayarit, Mexico. The Guitarra mine is a permitted underground mine, which includes a 500 t/d processing facility that operated until mid-2018 and restarted commercial production in January 2025.

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 silver and gold 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
Contact: investor@sierramadregoldandsilver.com

Cautionary Note Regarding Forward-Looking Information

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" within the meaning of applicable Canadian securities legislation and statements that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. Such statements and information reflect the current view of the Company. Forward-looking statements and forward-looking information in this press release include, but are not limited to, statements with respect to the timing and completion of the Offering, the use of proceeds of the Offering and the receipt of regulatory approvals for the Offering. Risks and uncertainties may cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements

expressed or implied by such forward-looking statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information or forward-looking statements that are contained or referenced herein, except as may be required in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice regarding forward-looking information and statements.

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