

# Sierra Madre Announces Strong Q2 2025 Financial Results, Ramps up Coloso Mine at La Guitarra

**173,562 Silver Equivalent Ounces Sold During Second Quarter of Commercial Production**

**Revenues of US\$5.4 Million in Q2 2025, Gross Profit of US\$1.3 Million**

**C\$19.5 Million Private Placement Closed Following Quarter-End**

Vancouver, British Columbia--(Newsfile Corp. - August 21, 2025) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) (OTCQX: SMDRF) ("**Sierra Madre**" or the "**Company**") is pleased to provide financial results for the quarter ended June 30, 2025 ("**Q2 2025**"). Unless otherwise noted, all amounts are expressed in U.S. dollars. The Company will participate in a webinar to discuss the financial results on Monday, August 25 at 2pm ET. Registration details below.

Alex Langer, Chief Executive Officer, commented, "We are very happy with the results of only our second quarter of commercial operations at La Guitarra silver-gold mine complex in Mexico. The second quarter generated revenues of \$5.4 million and a gross profit of \$1.3 million, with both numbers showing growth over Q1 2025, despite Q2 2025 production being impacted by an earlier-than-usual onset of seasonal heavy rains in May, which resulted in power outages with correlating plant downtime. Our operating team remains focused on fine-tuning the mining and milling processes at the site, while ramping up the higher-grade Coloso mining centre where dewatering and underground development are underway. We expect grades to increase into the second half of 2025 from development work underway at both the Guitarra and Coloso mines."

Mr. Langer continued, "Following quarter-end, we also closed a C\$19.5 million financing supported by high-quality institutional shareholders. We are planning to deploy these funds in part to purchase additional equipment and implement improvements at the mine to reduce costs and increase production grades and volumes in the near-term. We are also finalizing plans for a plant expansion to increase capacity up from the current 500 t/d run rate, and preparing for a significant exploration program at the East District concessions, which will include a drill program of over 20,000 metres. On behalf of the entire team, I would like to thank our existing shareholders for their continued confidence and support and welcome our new shareholders who participated in this financing. Your commitment strengthens our ability to advance our strategic goals, and we look forward to continuing to build value for all stakeholders."

## Q2 2025 Highlights

- **Net Revenues:** Silver revenues for the quarter totalled \$2.18 million (\$33.20 per ounce) and gold revenues totalled \$3.59 million (\$3,271 per ounce).
- Net revenues for Q2 2025 increased by 10.7% to \$5.36 million or \$30.87 per AgEq ounce sold as compared to \$4.84 million or \$29.32 per AgEq ounce in the quarter ended March 31, 2025 ("**Q1 2025**").
- **Sales:** In Q2, the Company sold 65,683 ounces of silver ("**Ag**") and 1,096 ounces of gold ("**Au**") or 173,562 silver equivalent ("**AgEq**") ounces, Q1 2025 sales totalled 75,137 ounces of Ag and 1,022 ounces of Au or 165,093 AgEq ounces, based on the ratio of Au and Ag prices realized for each shipment in the period.
- **Cost of sales** was \$4.07 million for Q2 2025, or approximately \$23.45 per AgEq ounce sold as compared to \$3.60 million, or \$21.84 per AgEq ounce sold for Q1 2025.
- **Site-Level Cost Impacts:** In Q2 2025, production unit costs were impacted by the effects of an early onset of the Mexico rainy season and related power outages on production volumes, wage

increases, increased depreciation and depletion compared to Q1 2025 due to a higher proportion of in-resource mineralized material mined and the resulting units-of-production depletion as well as depreciation of mining interests and equipment. The Company is currently evaluating power generation options and hopes to have power redundancies available for the start of the next rainy season in Q2 2026.

- In Q2 2025, costs also increased when compared to Q1 2025 due to increased rental costs and the impact of the strengthening of the Mexican Peso vs the U.S. dollar on Peso-denominated mining costs.
- **Adjusted EBITDA** increased by 37.5% to \$1.46 million for Q2 2025, compared to \$1.07 million for Q1 2025.
- **All-in-sustaining costs** per AgEq ounce sold of \$30.10 per ounce, compared to \$28.98 in Q1 2025.
- **Gross Profit** was \$1.29 million for Q2 2025 (\$1.23 million in Q1 2025).
- **Cash provided by operating activities** was \$1.00 million for the six months ended June 30, 2025 ("H1 2025") and includes \$535,000 generated in Q1 2025.
- **Current assets**, including cash, totaled \$5.93 million at June 30, 2025 (\$4.33 million at March 31, 2025).
- **Closed C\$19.5M Private Placement:** On [July 24](#), and [July 31, 2025](#), the Company closed the first and second tranches, respectively, of a C\$19.5 million brokered private placement.
- **First Majestic Loan Extension:** On May 30, 2025, the Company and First Majestic Silver Corp. agreed to [extend](#) the \$5 million senior secured project financing loan for an additional twelve months to mature on May 8, 2027. All other terms of the agreement remain unchanged.

## Additional Operational Details

- **Mine Operations:** Milled 41,235 tonnes of material, with silver recoveries averaging 76.62% and gold recoveries averaging 77.95%.
- In Q1 2025, the Company milled 39,167 tonnes of material, silver recoveries averaged 79.21% while gold recoveries averaged 78.77%.
- **Production:** Produced 66,011 ounces of silver and 1,048 ounces of gold (vs. production of 70,176 ounces of silver and 1,001 ounces of gold in Q1 2025).
- **Concentrate Deliveries:** Completed deliveries totalling 780 dry metric tonnes of silver/gold concentrates (871 dry metric tonnes delivered in Q1 2025).
- **Coloso Mining:** At the end of Q1 2025, Sierra Madre made the decision to re-start production at the Coloso underground mine and subsequently, on [April 29 2025](#), announced the start of mining at Coloso within the Guitarra Complex with the first stope being brought into production. The estimated resource grades at Coloso are significantly higher in both silver and gold compared to the Guitarra mine veins.
- In Q2 2025, Coloso produced 649 tonnes of mineralized material, which was below the mine plan expectations due to production sequencing and a focus on development, based on the decision to allocate resources to bring additional stopes into production. Additional production areas would allow the Company to smooth out the production profile and improve efficiencies. In July 2025, the additional production areas allowed Coloso to generate 576 tonnes in a marked improvement over the previous months.
- **Equipment Purchases:** In H1 2025, spent \$764,000 to acquire mining and mobile equipment and refurbish underground equipment (including \$378,000 spent in Q1 2025).
- **Development:** \$113,000 spent on mine development in H1 2025.
- **Exploration:** spent \$362,000 on exploration and evaluation activities in H1 2025, which includes capitalized concession fees.

## Outlook

- The Company anticipates improved head grades of the mineralized material in the second half of 2025, resulting in increased production and a decrease in mining costs on a per-ounce basis

going forward, with Coloso production and reductions in equipment rentals expected to be the key drivers of these improvements. The improved head grades are anticipated as we continue to complete development work and de-watering to access the higher-grade stopes in the Guitarra and Coloso mines.

## Quarterly Financial Overview

Selected financial information set out below is based on and derives from the unaudited condensed consolidated interim financial statements of the Company for each of the quarters listed, which have been prepared in accordance with IFRS, as applicable to quarterly reporting:

	Jun. 30, 2025 (Q2)	Mar. 31, 2025 (Q1)	Dec. 31, 2024 (Q4)	Sep. 30, 2024 (Q3)	Jun. 30, 2024 (Q2)	Mar. 31, 2024 (Q1)	Dec 31, 2023 (Q4)	Sep. 30, 2023 (Q3)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenues	5,357,415	4,841,242	3,938,323	2,535,617	-	-	-	-
Gross profit	1,288,214	1,230,723	1,111,948	248,031	-	-	-	-
Care and maintenance expenses	-	-	-	-	349,401	553,693	657,197	794,937
Foreign exchange loss (gain)	56,879	(64,065)	(175,608)	52,302	(207,388)	48,921	168,091	242,452
Interest expense	220,813	199,845	191,469	55,250	28,350	-	-	-
Impairment	-	-	-	-	-	-	2,906,681	-
Income (loss) for the quarter	276,160	335,875	(37,936)	(947,092)	(1,885,874)	(1,204,826)	(4,695,897)	(1,840,393)
Total assets	37,714,506	36,182,560	34,891,015	34,479,382	33,931,187	30,226,383	30,478,627	39,672,959
Total non-current liabilities	8,817,414	8,710,461	8,431,885	8,249,918	7,929,490	2,935,772	2,949,152	8,093,548
Income (loss) per share – basic and diluted	0.00	0.00	(0.00)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)
Weighted average number of shares								
- basic	154,225,345	153,942,993	153,942,993	152,869,623	152,692,993	149,827,944	146,504,261	143,998,401
- diluted	155,576,337	154,295,653	153,942,993	152,869,623	152,692,993	149,827,944	146,504,261	143,998,401

## WEBINAR REGISTRATION

The Company will participate in a webinar on August 25, 2025, at 2:00 PM ET hosted by Adelaide Capital, reviewing Sierra Madre's Q2 2025 results, including key operating and financial highlights and mine development updates. Questions can be submitted during the session or in advance to [deborah@adcap.ca](mailto:deborah@adcap.ca).

Registration link:

[https://us02web.zoom.us/webinar/register/WN\\_wMse8zEUTuaoHxmQQvYdLw#/registration](https://us02web.zoom.us/webinar/register/WN_wMse8zEUTuaoHxmQQvYdLw#/registration)

A replay will be made available on the Adelaide Capital YouTube channel here:

[https://www.youtube.com/channel/UC7Jpt\\_DWjF1qSCzfKlpLMWw](https://www.youtube.com/channel/UC7Jpt_DWjF1qSCzfKlpLMWw).

This news release should be read in conjunction with the Company's condensed consolidated interim financial statements for the quarter ended June 30, 2025 and associated Management Discussion and Analysis ("MD&A"), both are available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and on the Company's website ([www.sierramadregoldandsilver.com](http://www.sierramadregoldandsilver.com)).

AgEq ounces produced have been determined using a ratio of 97.86 Au:Ag for Q2 2025 and 88.96 for Q1 2025. AgEq ounces sold have been determined using the actual silver and gold prices obtained

during the quarter. The determined ratio used was 98.43 Au:Ag for Q2 2025 and 88.20 for Q1 2025.

The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per AgEq ounce sold, All-in Sustaining Cash Cost per AgEq ounce sold and Average Realized Price per AgEq ounce sold and Adjusted EBITDA. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. See "Non-GAAP and Other Financial Measures" section of the Company's Q2 2025 MD&A for definitions and reconciliations to GAAP measures.

### **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 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  
778-820-1189

### **Contact:**

[investor@sierramadregoldandsilver.com](mailto:investor@sierramadregoldandsilver.com)

### **Cautionary Note Regarding Production Decisions**

The Company's decision to place the mine into commercial production, expand a mine, make other production related decisions, or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports from previous operations and the results of test mining and processing. The Company is not basing any production decisions on NI 43-101 compliant reserve estimates, preliminary economic assessments or feasibility studies and, as a result, there is greater risk and uncertainty as to future economic results from the Guitarra Mine Complex, including increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit, and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision.

### **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" 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 statements include, without limitation, statements regarding discussions of future plans, including the expected timing of concentrate shipments; the Company increasing production; the Company receiving revenues on a weekly basis and such revenues allowing the Company to comfortably expand to without further capital needs; production and the expected timing and production levels thereof.*

*The forward-looking statements involve numerous risks and uncertainties, and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things, that predicted production levels will be achieved and that existing production levels will be maintained.*

*In making the forward-looking statements in this news release, the Company has applied certain material assumptions, including without limitation, that the Company will be able to execute its future plans as intended, that predicted production levels will be achieved and that existing production levels will be maintained.*

*Although management of the Company has attempted identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes.*

**SOURCE:** Sierra Madre Gold and Silver Ltd.



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