

# Sierra Madre Announces Closing of Second Tranche of its \$57.5 Million Offering

Vancouver, British Columbia--(Newsfile Corp. - January 30, 2026) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) ("**Sierra Madre**" or the "**Company**") is pleased to announce it has closed the second and final tranche (the "**Second Tranche**") of its previously announced brokered private placement of subscription receipts (the "**Subscription Receipts**") at a price of \$1.30 per Subscription Receipt (the "**Issue Price**"). In connection with the Second Tranche, the Company issued 13,709,576 Subscription Receipts for aggregate gross proceeds of \$17,822,449. Together with the closing of the first tranche, the Company issued an aggregate of 44,231,300 Subscription Receipts for aggregate gross proceeds of \$57,500,690 (the "**Offering**"), including full exercise of the Agents' option. Beacon Securities Limited ("**Beacon**") acted as lead agent and sole bookrunner, on behalf of a syndicate of agents including Canaccord Genuity Corp., BMO Capital Markets, and VSA Capital Limited (together with Beacon, the "**Agents**") in connection with the Offering.

The Offering was conducted in conjunction with the Company's proposed acquisition (the "**Transaction**") of the Del Toro Silver Mine in the Chalchihuites District in Mexico ("**Del Toro**") from First Majestic Silver Corp. (see the Company's news release dated December 17, 2025).

Each Subscription Receipt shall be deemed to be exercised, without payment of any additional consideration and without further action on the part of the holder thereof, for one common share of the Company (an "**Underlying Share**") upon satisfaction of certain escrow release conditions, including the receipt of all required corporate, shareholder and regulatory approvals in connection with the Transaction (collectively, the "**Escrow Release Conditions**").

Pursuant to the closing of the Second Tranche, \$17,569,531 (the "**Escrowed Proceeds**"), being the gross proceeds of the Subscription Receipts issued under the Second Tranche less 50% of the Agents' Fees (as defined below) and certain expenses of the Agents, was placed into escrow and will be released to the Company subject to and the completion or satisfaction of Escrow Release Conditions as set out in the Agency Agreement. Provided that the Escrow Release Conditions are satisfied prior to 5:00 p.m. (Toronto time) on May 14, 2026 (the "**Release Deadline**"), the remaining 50% of the Agents' Fees, or \$226,036 (and any interest earned thereon) will be released to the Agents from the Escrowed Proceeds, and the balance of the Escrowed Proceeds (together with interest earned thereon) will be released to the Company. However, in the event that the Escrow Release Conditions are not satisfied by the Release Deadline, or if prior to such time, the Company advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Proceeds together with the *pro rata* portion of any interest earned thereon (net of any applicable withholding tax) will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

The Company intends to use the net proceeds of the Offering to fund the completion of the Transaction, for exploration and development of Del Toro following completion of the Transaction and for general working capital purposes.

In connection with the closing of the Second Tranche, the Company paid the Agents a cash commission and corporate finance fee of \$452,072 (the "**Agents' Fee**"), of which 50% was placed into escrow, and issued to the Agents 346,479 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 24 months from the closing of the Second Tranche.

The securities issued in connection with the Second Tranche are subject to a four-month hold period from the date of closing of the Second Tranche, in addition to any other restrictions under applicable law. The Offering remains subject to certain conditions, including the receipt of final approval of the TSX Venture Exchange.

The securities issued in connection with the Second Tranche, and any securities issuable upon conversion of the securities, under the Offering have not been and will not be registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be 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

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### **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 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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