Sierra Madre Receives Permit to Start East District Exploration Drilling

Vancouver, British Columbia--(Newsfile Corp. - July 14, 2026) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) (OTCQX: SMDRF) ("**Sierra Madre**" or the "**Company**") is pleased to announce that it has received SEMARNAT (Secretaría del Medio Ambiente y Recursos Naturales, the federal Mexican regulatory agency in charge of environmental permitting) approval for drilling in the East District of the Guitarra Mine silver-gold complex. The approval is for 22 drill pads from which multiple holes can be drilled.

Based on detailed surface mapping, exposures in the accessible old workings along with historic data and maps, a 3D model of the East District vein systems has been developed. The drilling will test up to 30 different mapped vein systems and will be the first phase of a fully budgeted 30,000 metre drill program.

The Company is currently receiving bids from multiple drill contractors for phase one of the drilling program. Once a contractor has been selected, the Company expects drilling to start within 60 days.

Greg Liller, Chief Operating Officer, commented, "The exploration team has done a very thorough job of surface and underground mapping, locating and compiling old reports, maps and sections and developing a structural model. We were aware of multiple vein systems from the initial round of surface mapping in the East District, and now have a better understanding of the complex structural systems controlling mineralization. This information has allowed us to build a 3D model, which will be used to guide the upcoming drill program.

The 2023 NI 43-101 La Guitarra report[1] contains an exploration potential estimate for the East District of 0.77 to 1.54 million tonnes grading 2.4 to 3.6 g/t gold and 440 to 670 g/t silver. This estimate is only for five of the vein systems in the East District and covers a combined strike length of just 7.7 km. Our systematic work and modelling to date have defined numerous additional vein systems over a much broader area, many of which contain significant historic workings. We acquired La Guitarra in part because of our belief that the East District was one of the best exploration opportunities in Mexico. I am very excited to begin a drilling campaign to test that idea."

Exploration Potential: The 2023 NI 43-101 report contains an estimate of the exploration potential for the East District. See quote from section 9.6 of the report for an estimate of the exploration target range at the East District. "In 2002, Luismin completed an assessment of the exploration potential in the East District (Nuevo Descubrimiento, Las Animas-Socorro, Marmajas-Echada, Magdalena-Zayas and Purisima veins) using the results of surface mapping, historical mine records, and preliminary drilling at Santa Ana (Mina de Agua). The QP has used Luismin's estimates of the strike length, the width of the veins, an assumption of a 200-metre vertical depth, an assumed bulk density of 2.6, and a range of 20% to 40% of the vein being mineralized to estimate a tonnage of between 0.77 million tonnes and 1.54 million tonnes. A grade range of ± 20% Luismin's average grades was used to estimate silver grades between 440 g/t to 670 g/t Ag and to estimate gold grades of between 2.4 g/t and 3.6 g/t Au. Combined total strike length of these vein systems is 7.7 km. The potential quantity and grade are conceptual in nature; there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource." The 2023 Mineral Resource Estimate included an East District component at Mina de Agua, with an indicated resource of 761,000 tonnes grading 159 g/t silver and 0.19 g/t gold and an inferred resource of 545,000 tonnes grading 178 g/t silver and 0.13 g/t gold.

East District Drill Plans

Initial drilling would be done from the Tlacotal area for which the Company has surface ownership and is permitted for mining activities (see press release dated **January 27,2026**). The first seven drill holes would be sub-horizontal and 1,000 to 1,500 meters in length each.

The model views in Figures 1 and 2 below show the strike and dip projections of the veins in various colors with planned drill holes and the Rincon mine workings in white.

Figure 3 below shows a geologic map of the East District concessions.

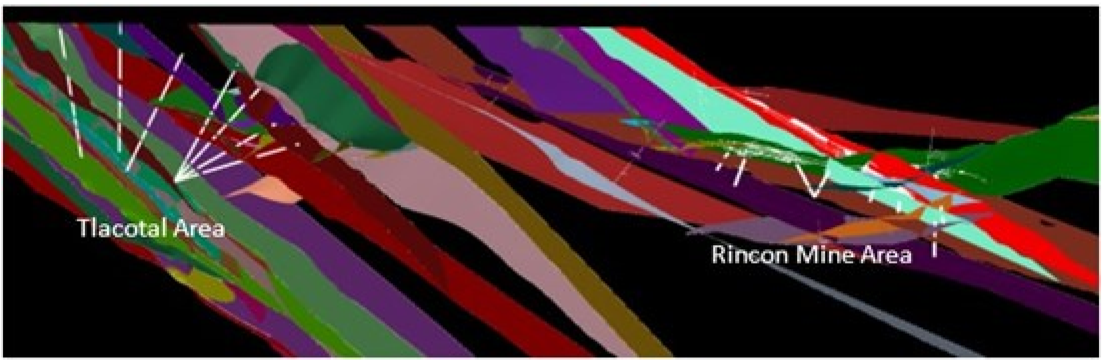

Figure 1 - 3D Model Plan View

To view an enhanced version of this graphic, please visit:
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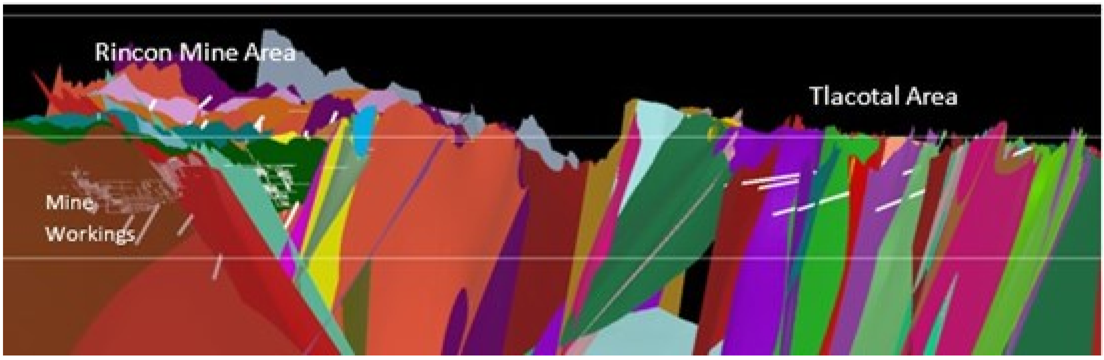

Figure 2 - 3D Vein Model Looking to the Southeast

To view an enhanced version of this graphic, please visit:
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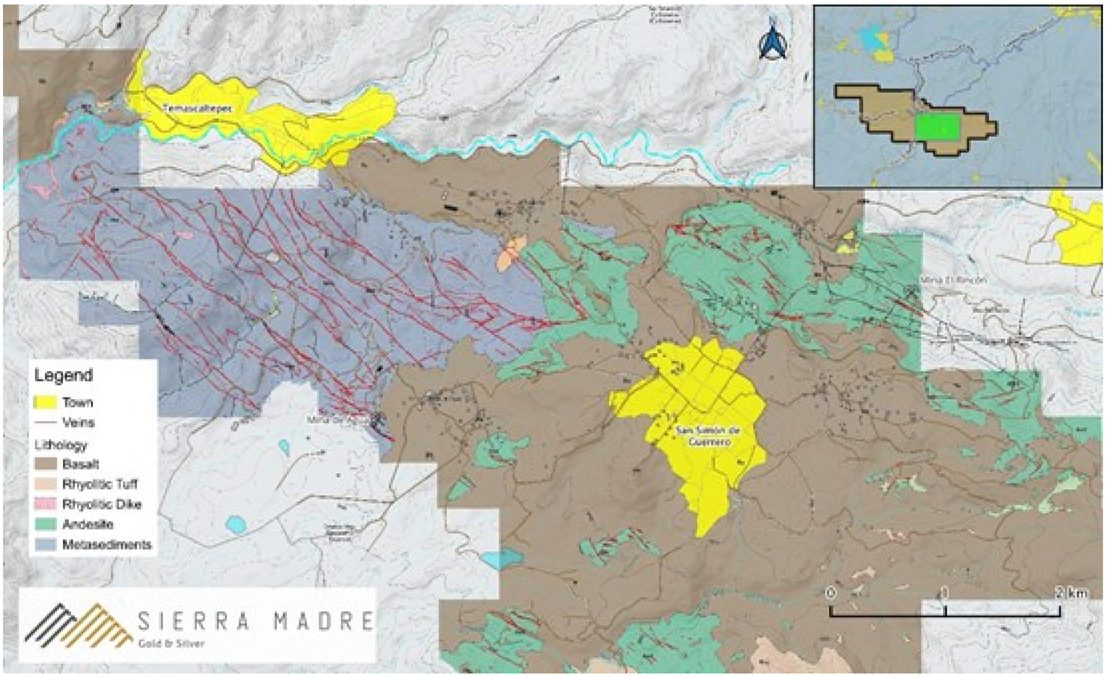

Figure 3 - East District Surface Mapping

To view an enhanced version of this graphic, please visit:
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Phase One Drilling Details

The four holes planned to be drilled from the same pad shown in Figure 4 below are designed to test the Magdalena vein system, a significant past producer below the historic workings and in the same elevational zone that was most productive in the Rincon mine.

The additional three holes planned to be drilled from separate pads would test the veins that were productive in the Los Locos mine. Once assays are received, these holes would be used for wedge drilling to provide infill and offset drill holes along with further drilling from the additionally permitted pads.

See Figure 4 below for a section showing the planned hole traces.

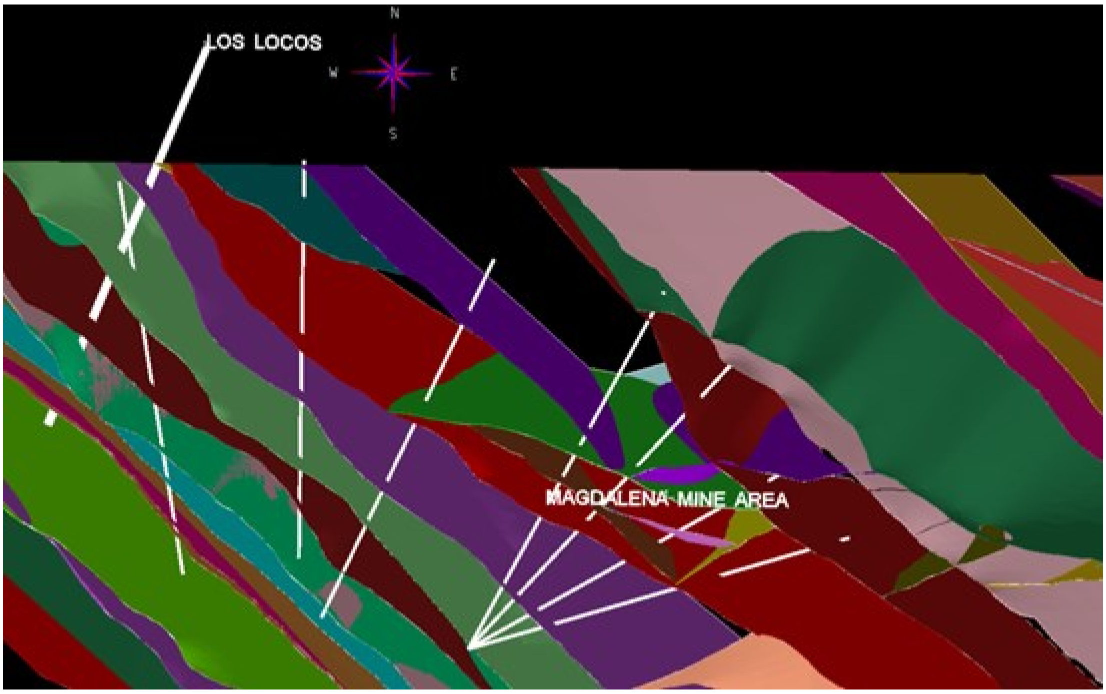

Figure 4 - Los Locos and Magdalena Area Cross Sections

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/10436/305037_d08b98778473cb74_012full.jpg

Discussions are underway to secure surface access in the Rincon mine area which would allow Sierra Madre to secure a separate drill permit. Initial drilling in the Rincon mine would consist of nine holes, 600 to 1,000 meters in length each, designed to intersect multiple veins. The location of historic underground workings was estimated by combining multiple maps and sections from old reports along with surveying and mapping of historic workings.

A second round of drilling will be based on the results of these initial nine holes. Figure 5 below shows the planned drill holes and historic workings in white with the vein models in various colors.

In addition, drilling is planned for the Inca and La Palma vein systems north of the Guitarra Mine. Permits for this area have already been received.

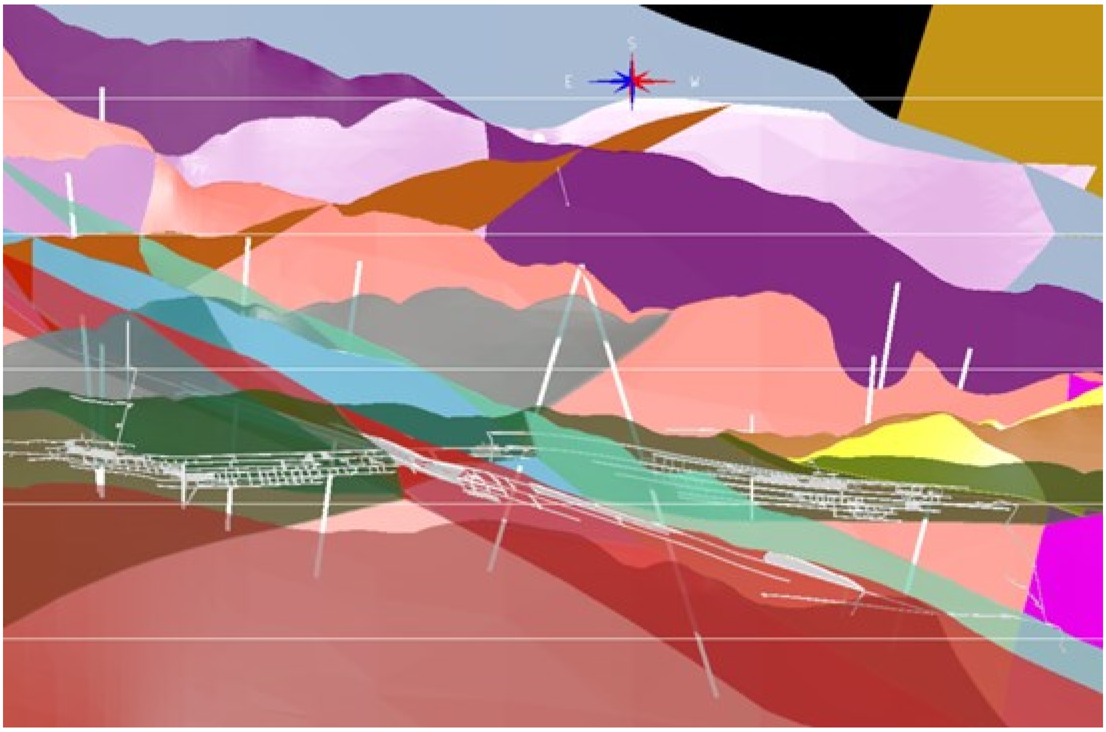

Figure 5 - Rincon Mine Area Drilling

To view an enhanced version of this graphic, please visit:
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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 producer and exploration company focused on the operation, exploration, and development at its Guitarra mine complex in the Temascaltepec mining district, Mexico. The Guitarra mine is a permitted underground mine, which includes a 500 tpd processing facility that operated until mid-2018 and restarted commercial production in January 2025.

In June 2026, Sierra Madre closed the acquisition of the Del Toro silver mine, adding a past-producing, fully permitted asset to its Mexico-focused silver and gold portfolio.

The Company also holds the +2,600 ha Tepic Project, which 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 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.

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[1] A copy of the 2023 NI 43-101 report, prepared by TechSer Mining Consultants Ltd. ("TechSer") of Vancouver B.C., by David Thomas, P.Geo. and QP Geology and Cristian Garcia, P.Eng. and QP Mining, titled "La Guitarra Mineral Resource Estimate Guitarra Silver-Gold Project, Temascaltepec, Estado de México, México" with an effective date of October 24, 2023, is available on SEDAR+ and the company's website at https://sierramadregoldandsilver.com/presentations/NI-43-101-La-Guitarra-Mineral-Resource-Estimate.pdf

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