

Sierra Madre Onsite Power Generation Fully Functional at La Guitarra

Vancouver, British Columbia--(Newsfile Corp. - September 10, 2026) - Sierra Madre Gold and Silver Ltd. (TSXV: SM) (OTCQX: SMDRF) ("**Sierra Madre**" or the "**Company**") is pleased to announce that the twin diesel electric generators have been installed at the producing La Guitarra silver-gold complex in Mexico. All components, the generators, substation and the machine control center have been tested, and are fully functional and are performing at manufacturer design levels. Each generator is capable of producing 1,500 kW.

As announced on [August 27, 2026](#), Sierra Madre is adding back-up power generation capacity across La Guitarra, including the two 1,500-kW generators for the plant detailed in this release, plus a 1,250-kW diesel generator for Coloso and Nazareno, to mitigate the impact of weather-related power outages.

Gregory K. Liller, Chief Operating Officer, commented, "Between January and August of this year, the production facility was down a total of 278 hours due to grid power interruptions. This equates to over 11 days of lost production. With the successful commissioning of the generating plant, the lost production revenue plus down time personnel and associated costs are now expected to be behind us. The Company has implemented an aggressive program to reduce operating costs and the backup generating capacity is a major milestone in achieving this."

Marketing & Investor Awareness

The Company has entered into a marketing and investor awareness agreement dated September 8, 2026 with New Era Publishing Inc ("New Era"). Under the terms of the agreement, New Era will provide marketing and promotional services to the Company for a period of two months in exchange for a fee of \$250,000 USD. New Era is a digital marketing and media firm established in 2016 based in Vancouver, BC. New Era provides digital marketing, email and market awareness services and assist its clients with reaching potential investors. New Era will further engage www.carboncredits.com to connect North American and European audiences to bolster awareness of the Company through the carboncredits.com website, articles and e-mail newsletters. New Era and www.carboncredits.com and the Company are unrelated and unaffiliated entities at arm's length of each other, and neither New Era, nor its principals have an interest, directly or indirectly, in the securities of the company. The services under the marketing and investor awareness agreement are expected to commence toward the end of September 2026 and will continue for a period of two months.

Grant of Stock Options

Pursuant to its Stock Option Plan, the Company has granted stock options to employees of La Guitarra Compania Minera, S.A. de C.V., and consultants of the Company to purchase an aggregate of 350,000 common shares of the Company at a price of \$1.56 per share for a period of five years from the grant date. The Options shall be granted under and subject to the terms and conditions of the Company's stock option plan and subject to the rules and policies of the Exchange. The remaining options will vest 1/3 immediately on the date of the grant; 1/3 six months after the date of the grant; and 1/3 twelve months after the date of the grant. This stock option grant is subject to acceptance by the TSX Venture Exchange.

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.

SOURCE: Sierra Madre Gold and Silver Ltd.



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