Sierra Madre Reports Q3 2026 Financial Results with Record Mill Throughput and Silver Production; La Guitarra Phase 1 Expansion Throughput Achieved

Silver Production Up 39% Over Q2 2026 to 89,145 Ounces; Q3 2026 Net Revenues of US$8.58 Million and Gross Profit of US$1.54 Million

Vancouver, British Columbia--(Newsfile Corp. - November 17, 2026) - 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 September 30, 2026 ("**Q3 2026**"). Unless otherwise noted, all amounts are expressed in U.S. dollars. The Company will participate in a webinar to discuss the financial results on Thursday, November 26 at 11am ET. Registration details below.

Alex Langer, Chief Executive Officer, commented, "Q3 was a quarter of strong operational progress at La Guitarra. We milled a record 50,795 tonnes and produced 89,145 ounces of silver, up 22% and 39%, respectively, from Q2, and generated net revenues of $8.58 million and gross profit of $1.54 million. Cash costs improved by $7.55 per silver-equivalent ounce produced compared with Q2 as throughputs increased in the month of September and more fresh mineralization from our resource areas reached the mill. Following quarter-end, mill throughput averaged 751 tonnes per day in October, in line with our Phase 1 expansion goal. The new ball mill has been installed, and we expect commissioning and testing to begin in late November. Combined with our existing mills, it is expected to provide the milling capacity for our Phase 2 target of 1,200 tpd to 1,500 tpd."

"Reducing unit costs remains a key focus as the expanded operation ramps up. Fresh mineralized material mined has increased threefold since we accelerated development across our three mines, and production from resource blocks has begun at Coloso following accelerated dewatering of the lower levels. The back-up generators at the plant have been fully functional since September and have improved plant availability. With higher throughput and a growing share of fresh resource mineralization, we expect head grades to improve and unit costs to trend lower through the remainder of 2026 and well into 2027."

"Following quarter-end, we also started our first drill program in the East District of La Guitarra, with the rig on site since October 29 and initial holes targeting the Magdalena and Los Locos vein systems. We expect first assay results in Q1 2027. Remaining Phase 2 work includes the dry stack tailings facility, where clearing started in October and the earthworks contractor is scheduled to mobilize in November, as well as a filter plant, and a second thickener."

Q3 2026 Highlights

- **Revenues**: Net revenues for Q3 2026 increased by 45% to $8.58 million, compared to $5.92 million for the quarter ended September 30, 2025 ("**Q3 2025**"). Silver revenues for the quarter totalled $5.4 million ($63.21 per ounce) and gold revenues totalled $3.7 million ($4,260 per ounce), compared to $2.7 million ($38.59 per ounce) and $3.3 million ($3,422 per ounce), respectively, in Q3 2025.
- **Production**: Record quarterly mill throughput since the restart of commercial production of 50,795 tonnes, up 22% from 41,567 tonnes in the quarter ended June 30, 2026 ("**Q2 2026**"), and record silver production of 89,145 ounces, up 39% from 64,315 ounces in Q2 2026. Silver equivalent

("**AgEq**") production totalled 159,141 ounces, up 16% from Q2 2026.

- **Unit Costs**: Cash costs of $41.73 per AgEq ounce produced improved by $7.55 (15%) from $49.28 in Q2 2026. All-in sustaining cash costs were $52.84 per AgEq ounce produced, compared to $54.73 in Q2 2026.
- **Adjusted EBITDA** of $3.5 million for the nine months ended September 30, 2026 compared to $4.4 million in the same period of 2025.
- **Gross Profit** was $1.54 million for Q3 2026, as compared to $2.10 million for Q3 2025.
- **Net Loss**: The Company recorded a net loss of $3.6 million for Q3 2026, compared to net income of $68 thousand for Q3 2025, driven mainly by $2.57 million in non-cash share-based compensation related to the vesting of stock options, as well as increased investor relations activities and head office staffing costs following the Del Toro acquisition.
- **Cash from Operations**: Cash used in operating activities was $0.04 million for the nine months ended September 30, 2026, compared to cash provided of $1.39 million in the same period of 2025, reflecting higher general and administrative costs associated with the Company's growth, higher income taxes on profits generated at Guitarra, care and maintenance costs at Del Toro, and an increase in value added taxes receivable resulting from expenditures on the expansion.
- **Cash and Cash Equivalents** at September 30, 2026 totalled $18.5 million, with $23.0 million in working capital, compared to $22.2 million and $25.0 million, respectively, at June 30, 2026.
- **Del Toro**: A 1:2,000 scale geologic mapping and sampling program has started at Del Toro. Initial reconnaissance has identified a thick stratigraphic horizon containing multiple old workings on mantos with silver, zinc, lead and copper mineralization. A re-evaluation of existing geophysical surveys is underway, and drilling is expected to start in mid-2027.
- **East District Exploration**: Following quarter-end, as released on **November 5, 2026**, Sierra Madre announced that it has started a 30,000-metre drill program in the East District of the Guitarra mine complex. Initial drilling, staged from the fully permitted Tlacotal area, will target the Magdalena and Los Locos vein systems with 11 sub-horizontal holes, each with a projected target depth in excess of 1,000 metres, using a rig purpose-built for the program that arrived on site on October 29, 2026. Wedge holes will be planned off the initial holes as assay results are received.
- **First Majestic Loan Repayment**: As announced on **July 8, 2026**, the Company has fully repaid the US$5 million non-revolving, secured term loan with First Majestic Silver.

Detailed Q3 2026 production statistics are shown in Table 1 below.

Table 1: Q3 2026 and Q3 2025 Production Metrics

	Q3 2026	Q3 2025
Material processed (tonnes milled)	50,795	38,433
AgEq ounces produced *(i)*	159,141	152,498
Ag ounces produced	89,145	67,785
Au ounces produced	906	967
Cash cost of production per tonne *(iii)*	$ 105.49	$ 81.00
Cash cost per AgEq ounce produced *(ii)*	$ 41.73	$ 30.98
All-in Sustaining cash cost per AgEq ounce produced *(iii)*	$ 52.84	$ 39.27
AgEq ounces sold *(ii)*	144,806	153,583
Ag ounces sold	85,158	68,741
Au ounces sold	877	960
Average realized price per AgEq ounce sold *(ii)*	$ 62.96	$ 38.66
Ag metal recovery (%)	74.08	76.96
Au metal recovery (%)	67.54	75.55
Ag grade gpt *(iv)*	63.41	71.17
Au grade gpt *(iv)*	1.02	1.04

Development metres	977	708

i. AgEq ounces produced have been determined using a ratio of 77.27 Au:Ag for all periods based upon the ratio used in the 2023 technical report titled "NI 43-101 La Guitarra Technical Report, La Guitarra Mineral Resource Estimate, Guitarra Silver-Gold Project".
ii. AgEq ounces sold have been determined using the actual Ag and Au prices obtained during the quarter. The determined ratio used was 68.01 Au:Ag for Q3 2026 and 88.70 Au:Ag for Q3 2025.
iii. The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per AgEq ounce produced, All-in Sustaining Cash Cost per AgEq ounce produced and Average Realized Price per AgEq ounce sold, Adjusted EBITDA, and working capital. 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 below for definitions and reconciliations to GAAP measures.
iv. Grammes per tonne ("gpt")

Operational Details

- **Production**: Modifications to the existing ball mill and larger-capacity cyclone pumps lifted daily throughput during the quarter, with rates reaching as high as 749 tonnes per day ("**tpd**") in September. Following quarter-end, throughput averaged 751 tpd in October 2026 (a 50% increase over the previous nameplate capacity of 500 tpd), with daily rates as high as 792 tpd.
- **Mine Feed**: Tonnes of fresh mineralized material mined have increased threefold since the accelerated development program began, reducing reliance on retaques for mill feed. Development has also exposed segments of the Guitarra Perdida and Doncellas vein systems with economically interesting mineralization that were not included in the 2023 La Guitarra Mineral Resource Estimate[1]; in September, 26% of mined plant feed came from mineralized material not included in the resource estimate.
- **Costs**: Q3 2026 cash costs improved by $7.55 per AgEq ounce produced compared to Q2 2026, driven by a higher proportion of fresh resource mineralization, improved silver recoveries and significantly higher tonnes milled. Compared to Q3 2025, cash costs were affected by lower-grade development mineralization from the ramp-up of Coloso and Nazareno; lower recoveries from blending feed from three mining centres; an approximately 56% increase in staff complement and higher pay rates ahead of the planned expansions; higher royalties and production taxes from higher metal prices; the stronger Mexican peso; and inflation, particularly in transportation costs. On a per-ounce-sold basis, the lower gold-to-silver price ratio in Q3 2026 reduced the AgEq ounces attributed to gold sales; applying the Q3 2025 ratio would have reduced the Q3 2026 cost per AgEq ounce sold by $5.07.
- **Recoveries**: Silver recoveries improved to 74.08% from 73.58% in Q2 2026, while gold recoveries were 67.54% (Q2 2026: 67.97%). At Nazareno, lower gold recoveries were offset to a large degree by grades substantially above the resource average. A metallurgical lab built on site is being used to optimize the blending protocol for feed from the three mines.
- **Power Generation**: As released on **September 10, 2026**, two 1,500-kW back-up diesel generators have been installed at the Guitarra plant and are tested and fully functional, improving plant availability and contributing to higher monthly production rates. A 1,250-kW back-up diesel generator has also been installed for Coloso and Nazareno. The back-up capacity is intended to mitigate weather-related grid outages.
- **Mining Ramp-Up**: As released on **September 28, 2026**, development has been accelerated at all three mines within La Guitarra to provide feed to the expanded plant. A special services contractor has been operating at Coloso and Nazareno since mid-June 2026, allowing the Company to transfer its own miners and equipment to the Guitarra mine to accelerate development there.
- At Coloso, dewatering of the lower mine levels has been accelerated and production from resource blocks has begun. At Nazareno, long-hole production on the 180 level has continued since late April 2026; by the end of Q3 2026, the incline haulage ramp reached the 165 level, where sill drives along the vein have produced economically significant mineralized material and

demonstrated continuity with the blocks mined on the 180 level.
- **Guitarra**: Significant production now comes from the deeper portion of the Central mine area, where construction of haulage ramps and development sills is ongoing. Mapping and sampling in new development drives have led to a reinterpretation of the system: in the San Rafael area, the Doncellas vein system consists of up to three closely spaced veins, and in the Central middle and upper levels, two separate Doncellas veins are both producing mill feed. Development of the Los Angeles bulk tonnage deposit and dewatering of the San Raphael I and II areas continue.

Expansion Progress

- As announced on **September 8, 2025**, the Company initiated a plan to expand production capacity at Guitarra in a two-phase program with the first phase aimed at increasing the nameplate capacity of the mill from 500 tpd to a range of 750-800 tpd. The second phase is anticipated to be completed by Q3 2027, with the aim of increasing the capacity to a range of 1,200-1,500 tpd at Guitarra.
- **Phase 1 Throughputs Achieved**: Following quarter-end, as released on **November 5, 2026,** mill throughput at Guitarra averaged 751 tpd in October 2026, a 50% increase from the previous 500 tpd nameplate capacity and in line with the Phase 1 expansion goal of 750 tpd to 800 tpd.
- **Ball Mill**: As released on **September 28, 2026**, foundation construction and installation of the 11x12.5 ball mill have been completed, with installation of the drive motor, cyclones and instrumentation underway. Commissioning and testing are expected to begin in late November 2026. Combined with the existing mills, the new ball mill is expected to provide the Phase 2 milling capacity of 1,200 tpd to 1,500 tpd, putting the milling portion of Phase 2 ahead of schedule.
- The used mill was purchased in December 2025 and its refurbishment, completed at the end of Q1 2026, increased its rated milling capacity to between 800-900 tpd.
- **Thickener**: Tank construction was completed in mid-August 2026 and testing of the mechanical and electrical circuits began. A manufacturing defect identified in a component of the mixing system has delayed completion of the thickening circuit; full functionality is now expected by the end of November 2026.
- **Tailings**: Sierra Madre is proceeding with construction of the new permitted dry stack tailings storage facility, with the initial construction phases redesigned to reduce costs compared to the original design. Following quarter-end, clearing of trees and vegetation began in October and an earthworks contractor has been selected, with mobilization scheduled for November; construction is expected to take six to seven months. A down payment was made in September for the dry stack filter plant, with delivery estimated in April 2027, and a second thickener will also be built as part of the dry stack system.

Outlook

- At La Guitarra, near-term milestones include the start of commissioning and testing of the new ball mill, expected in late November 2026, and full functionality of the thickener, expected by the end of November 2026.
- With Phase 1 throughput achieved and a growing proportion of fresh mineralization from resource areas, Sierra Madre expects head grades to improve through the remainder of 2026 and into 2027, with an accompanying decrease in mining costs on a per-tonne and per-ounce basis.
- Completion of Phase 2 expansion at La Guitarra is anticipated by Q3 2027.

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:

	Sep. 30, 2026 (Q3) ($)	Jun. 30, 2026 (Q2) ($)	Mar. 31, 2026 (Q1) ($)	Dec. 31, 2025 (Q4) ($)	Sep. 30, 2025 (Q3) ($)	Jun. 30, 2025 (Q2) ($)	Mar. 31, 2025 (Q1) ($)	Dec 31, 2024 (Q4) ($)

Revenues	8,575,978	8,232,135	10,108,067	8,318,599	5,919,211	5,756,997	4,960,887	3,911,542
Gross profit	1,536,379	1,577,979	3,610,034	3,719,115	2,103,308	1,687,796	1,355,999	1,085,167
Share-based compensation	2,573,116	131,576	849,506	345,298	654,394	242,758	153,241	330,820
Income tax recovery (expense)	(379,766)	(565,664)	(1,280,269)	6,046,531	(185,308)	(166,810)	(129,081)	(44,084)
Income (loss) for the quarter	(3,599,361)	37,226	338,839	7,454,684	67,842	276,160	335,875	(37,936)
Income (loss) per share - basic and diluted	(0.01)	0.00	0.00	0.04	0.00	0.00	0.00	(0.00)

Webinar Registration

The Company will participate in a webinar on November 26, 2026, at 11:00 AM ET hosted by Adelaide Capital, reviewing Sierra Madre's Q3 2026 results, including key operating and financial highlights. Questions can be submitted during the session or in advance to deborah@adcap.ca.

Registration link:
https://us02web.zoom.us/webinar/register/WN_3y7EcBA8TiuutmK1rhQRCw#/registration

A replay will be made available on the Adelaide Capital YouTube channel here:
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 September 30, 2026 and associated Management Discussion and Analysis ("MD&A"), both of which are available on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.sierramadregoldandsilver.com).

The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per AgEq ounce produced, All-in Sustaining Cash Cost per AgEq ounce produced and Average Realized Price per AgEq ounce sold, Adjusted EBITDA, and working capital. 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 Q3 2026 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 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 restarted commercial production in January 2025 under Sierra Madre.

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
778-820-1189

Contact:
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 newinformation, 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.

---

[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



To view the source version of this press release, please visit
https://www.newsfilecorp.com/release/324518