



NEWS RELEASE

Gatos Silver Commences Drilling at Its 100% Owned Santa Valeria Project

3/11/2021

DENVER--(BUSINESS WIRE)-- Gatos Silver, Inc. (NYSE/TSX: GATO) ("Gatos Silver" or the "Company") is pleased to announce drilling has commenced at its Santa Valeria project.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20210311005129/en/>

Santa Valeria Location Map (Graphic: Business Wire)

The Santa Valeria project,
located in southern Chihuahua,

Mexico, is five kilometers east of the Los Gatos Joint Venture's 103,000-hectare Los Gatos District mineral concession block. Gatos Silver owns 100% of Santa Valeria, which appears to have similar geologic setting to the Cerro Los Gatos deposit on the eastern flank of the same sedimentary basin. Accordingly, the Santa Valeria mineralization is presumed to be related to eastern basin-bounding fault structures, and exploration by previous concession owners identified silver-bearing mineralization in the footwall zone of the target faults. An eighteen-hole, 5,400-meter drill campaign is planned for the initial test of the principal targets.

Stephen Orr, the Company's Chief Executive Officer, stated "The commencement of drilling at our wholly owned Santa Valeria project represents the achievement of another strategic milestone to broaden Gatos Silver's mineral asset base. Santa Valeria is believed to be a basin-bounding, geologic mirror of Cerro Los Gatos and we are excited to initiate this drill campaign to explore the mineral potential on the eastern half of this prolific basin. The Santa Valeria campaign represents the Company's first substantive work outside the Los Gatos District in over seven years. Given the extensive geologic understanding accumulated over the past decade at Cerro Los Gatos, we are eager to deploy this substantial knowledge to advance exploration at Santa Valeria."

About Gatos Silver

Gatos Silver is a silver dominant exploration, development and production company that discovered a new silver and zinc-rich mineral district in southern Chihuahua State, Mexico. To-date, 14 zones of mineralization have been defined within the district and all are characterized by silver-zinc-lead epithermal mineralization. More than 85% of the approximately 103,087-hectare mineral rights package has yet to be drilled, representing a highly prospective and underexplored district. The Company recently built and commissioned its first operating mine and mineral processing plant at the Cerro Los Gatos deposit, which is expected to produce 12.2 million silver equivalent ounces annually.

Forward-Looking Statements

This press release contains statements that constitute “forward looking information” and “forward-looking statements” within the meaning of U.S. and Canadian securities laws. All statements other than statements of historical facts contained in this press release, including statements regarding the expected average annual production are forward-looking statements. Forward-looking statements are based on management’s beliefs and assumptions and on information currently available to management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors described in our filings with the U.S. Securities and Exchange Commission and Canadian securities commissions. Certain forward-looking statements are based on assumptions, qualifications and procedures which are set out only in the technical report entitled “Los Gatos Project, Chihuahua, Mexico,” dated July, 2020 with an effective date of July 1, 2020 (the “Los Gatos Technical Report”) filed with the U.S. Securities and Exchange Commission and Canadian securities commissions. Scientific and technical disclosures in this press release were approved by Philip Pyle, Vice President of Exploration and Chief Geologist of Gatos Silver who is a “Qualified Person,” as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. For a complete description of assumptions, qualifications and procedures associated with such information, reference should be made to the full text of the Los Gatos Technical Report. Gatos Silver expressly disclaims any obligation or undertaking to update the forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law. No assurance can be given that such future results will be achieved. Forward-looking statements speak only as of the date of this press release.

Availability of Other Information About Gatos Silver

Investors and others should note that Gatos Silver communicates with its investors and the public using its company website (<https://gatossilver.com/>) as well as other channels, including but not limited to presentations,

Securities and Exchange Commission filings, press releases, public conference calls and webcasts. The information Gatos Silver communicates through these channels could be deemed to be material information. As a result, Gatos Silver encourages investors and others interested in Gatos Silver to review the information it disseminates through these channels on a regular basis. The contents of Gatos Silver's website or other channels, or any other website that may be accessed from its website or these channels, shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

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