



NEWS RELEASE

Gatos Silver Extends Mineralization at Cerro Los Gatos and Commences Drilling at the Esther Zone

5/13/2021

DENVER--(BUSINESS WIRE)-- Gatos Silver, Inc. (NYSE/TSX: GATO) ("Gatos Silver" or the "Company") is pleased to report drilling results on its definitional drilling at Cerro Los Gatos ("CLG") and the commencement of drilling at the CLG's Esther zone.

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

<https://www.businesswire.com/news/home/20210513005755/en/>

Figure 1: Plan View of the SE zone Drill Hole Map, Block 4 of the Cerro Los Gatos System
(Graphic: Business Wire)

The 2021 CLG definition drilling campaign continues to identify additional mineralization both

on the Southeast ("SE") and Northwest ("NW") extensions of the deposit beyond the present reserve blocks. Since the definition drilling program began in late 2020, 23 holes have been completed in the SE zone and eight holes have been completed in the NW zone.

Stephen Orr, Chief Executive Officer, stated, "The initial drilling in CLG's SE and NW zones is successfully upgrading the 3.7 million tonnes of Inferred resource to the Measured and Indicated category. Furthermore, the identification of additional offsets to a recently discovered new SE zone vein has extended the CLG mineralization beyond the current resource model and demonstrated that the southeast extension of the deposit is still open along strike. Reactivation of drilling at Esther represents another significant milestone for the Los Gatos District. Esther, which has an existing NI 43-101 resource, was discovered in 2011 and its initial exploration program was comprised of broadly spaced holes that indicated a mineralized zone with strong similarities to the CLG deposit. The current program will be focused on detailed definition of silver, zinc, lead and gold occurrence throughout this epithermal

system. We expect to issue an updated NI 43-101 resource report in the first quarter of 2022.”

Highlights from the latest 13 drill holes, assays and principal findings are summarized below:

SE Zone

- Hole GA385 intercepted 13.5m @236.0g Ag/T, 6.9% Zn, 6.3% Pb, and 0.29g Au/T, indicating a continuity of mineralization and increasing zinc and lead grades in the southeastern most offset to the main deposit. The hole also shows an increase in thickness from hole GA364 which was previously reported.
- Two offsets of the new footwall vein, which was first identified in hole GA370, have been intersected with higher copper in holes GA378 and GA386.

NW Zone

- Additional high-grade mineralization has been identified in holes GA382 where 3.1m @608.7g Ag/t, 2.1% Pb and 5.4% Zn was intercepted and GA384 where 4.3m @618.5 g Ag/t, 0.9% Pb and 2.9% Zn was intercepted.

Hole	Zone	From	To	Apparent Thk m	True Thk m	AgEq g/t (1)	Au g/t	Ag g/t	Pb %	Zn %	Cu %
GA376	SE	321.3	324.3	3.0	2.1	30.6	0.04	3.8	0.2	0.6	0.0
GA377	SE	202.3	203.3	1.0	0.8	84.8	0.06	20.9	0.5	1.5	0.0
GA378	SE	325.5	327.0	1.5	1	109.4	0.09	16.9	0.3	2.5	0.0
GA378	SE	350.5	352.0	1.5	1	206.6	0.03	64.1	0.6	1.4	0.7
GA379	NW	214.5	216.5	2.0	1.3	190.4	0.19	42.4	3.0	1.5	0.1
GA380	SE	360.0	369.0	9.0	5.5	175.8	0.15	27.6	1.6	3.1	0.0
GA380	SE	435.0	440.0	5.0	3.5	324.0	0.50	141.9	1.1	2.2	0.4
GA381	SE	294.5	304.5	10.0	7.6	543.0	0.10	131.3	3.4	9.5	0.2
GA382	NW	285.3	290.3	5.0	3.1	844.7	0.05	608.7	2.1	5.4	0.1
GA383	SE	347.0	350.0	3.0	2.2	271.1	0.07	53.1	1.5	4.5	0.3
GA383	SE	369.0	374.0	5.0	3.5	700.9	0.79	142.1	3.8	11.4	0.4
GA384	NW	284.4	290.4	6.0	4.3	745.8	0.11	618.5	0.9	2.9	0.05
GA385	SE	271.0	288.4	17.0	13.5	642.2	0.29	236.0	6.3	6.9	0.1
GA386	SE	415.5	425.0	9.5	5.2	286.1	0.44	71.3	1.7	1.8	0.7
GA387	NW	257.4	261.9	4.5	3.5	69.1	0.04	32.9	0.2	0.9	0.0
GA388	SE	296.0	310.0	14.0	12.1	348.1	0.19	93.6	3.9	4.2	0.1

(1) Silver equivalent calculations are based on metal prices of \$24.00/oz silver, \$1.09/lb zinc, \$0.87/lb lead and \$1,900/oz gold. Copper and metallurgical recoveries are not included in silver equivalent calculations.

SE Zone

The latest drill holes display mineralized intersections with the exception of hole GA 376, which was drilled along the fault separating Blocks 3 and 4 within the SE zone. Continuity of the vein complex geometry is maintained with all of the latest results.

In addition, a zone of higher-grade mineralization has been established with the previously reported hole GA364 and hole GA385 which are the largest offsets, expanding the SE zone over 425 meters from the reserve blocks to date (see Figure 1). Within Figure 1, the cluster of small blocks on the left side depicts the SE extent of CLG's current Measured and Indicated resource. Hole GA385 is located up-dip from hole GA364 and indicates additional potential for higher grades and increased thicknesses at higher elevations in this area (see Figure 2).

NW Zone

An additional four holes have been completed near the NW end of the NW zone reserve blocks (see Figure 3). The holes demonstrate continuity of mineralization and show strong grades in holes GA382 and GA384 (see Figure 4).

Esther Zone

Drilling commenced at the Esther zone on May 7, 2021 with one drilling rig. The Esther zone is located 4.5km south of CLG on a parallel set of geologic structures. Mineralization occurs in a similar manner to CLG as banded quartz veins with galena, sphalerite and silver sulfides in three separate known veins. The present NI 43-101 Resource at the Esther zone, as calculated by Tetra Tech, is as follows:

Esther	Tonnes	Eq Ag g/t	Ag g/t	Ag Ounces	Au g/t	Pb %	Zn %	Cu %
Indicated	460,000	217	133	2,000,000	0.04	0.7	2.1	0.02
Inferred	2,290,000	243	98	7,200,000	0.12	1.6	3	0.05

Note: Based on a cut-off grade of 100 g/t silver equivalent using metal prices of \$22.30/oz silver, \$0.97/lb lead, and \$0.91/lb zinc. Metallurgical recoveries were not considered.

Historical drilling at the Esther zone was comprised of 40 widely spaced holes drilled between 2009-2010 and represents only an initial phase of exploration. The 2021 program includes a plan for 59 holes at 50-meter spacing comprising 19,000 meters. The objective of the 2021 drilling is to convert Esther's inaugural inferred resources into the Measured and Indicated category and use our enhanced knowledge of mineral deposition within these epithermal systems to explore for new resources in undrilled areas within the Esther zone.

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.

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 NI 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.

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Source: Gatos Silver