



SILVER MOUNTAIN IDENTIFIES PORPHYRY COPPER TARGET AT YAHUARCOCHA – GUANAJATO ZONE ON RELIQUIAS CLAIM BLOCK

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Highlights:

- Evidence for a porphyry copper system at depth found in an erosional window over an area of at least 2 x 1 km
- Large lithocap covering 7 x 3 km offers additional potential to explore for covered porphyry targets

Toronto, Ontario, February 23, 2023 – Silver Mountain Resources Inc. TSXV:AGMR | OTCQB:AGMRF | BVL:AGMR (“Silver Mountain”, “AGMR” or the “Company”) is pleased to report that a porphyry copper target has been recognized at the Yahuarcocha and Guanajato zones, within the Company’s 20,000-ha Reliquias property block in Huancavelica, central Peru. The Yahuarcocha – Guanajato sector is located at an altitude of 4550 to 4800 m, approximately 5 km northwest of the company’s Caudalosa mine camp. An improved dirt road allows access to the area throughout the whole year.

An extensive alteration zone stretching over an area of approximately 7 km long and 3 km wide was recognized in the central-northern portion of the Reliquias claim block (see inset map in Fig.1). Numerous structurally-controlled silica ledges occur at higher altitudes, surrounded by quartz-kaolinite alteration. In an erosional window below this lithocap approximately 200 – 250 m lower in elevation, several hydrothermal breccia pipes were identified in the Yahuarcocha and Guanajato areas.

During November 2022, approximately 2 km² were mapped at 1:2500-scale, to provide detailed geological information on the central prospect area. Additionally, a total of 101 Terraspec analyses were carried out on rock samples collected across the whole prospect area, resulting in the identification of alteration minerals.

Furthermore, a total of 908 rock samples were taken to evaluate the geochemical characteristics of the Yahuarcocha – Guanajato zones (Fig.1). This total includes surface channel and underground grab samples collected in 2019.

Based on the geological mapping, the higher parts of the prospect area are underlain by andesitic lavas and flow breccias of the Miocene-age Caudalosa Formation. Approximately 200 m below in altitude, dacitic – andesitic stocks and dykes showing weakly porphyritic textures are outcropping both in the Yahuarcocha and Guanajato areas. The deeper erosion along the floor of a glacial valley has exposed a 100 x 60 m-sized hydrothermal breccia cutting the volcanic rocks in the Guanajato sector (Fig.1). This breccia body displays quartz-kaolinite-pyrophyllite alteration, cemented by quartz, enargite, and barite.

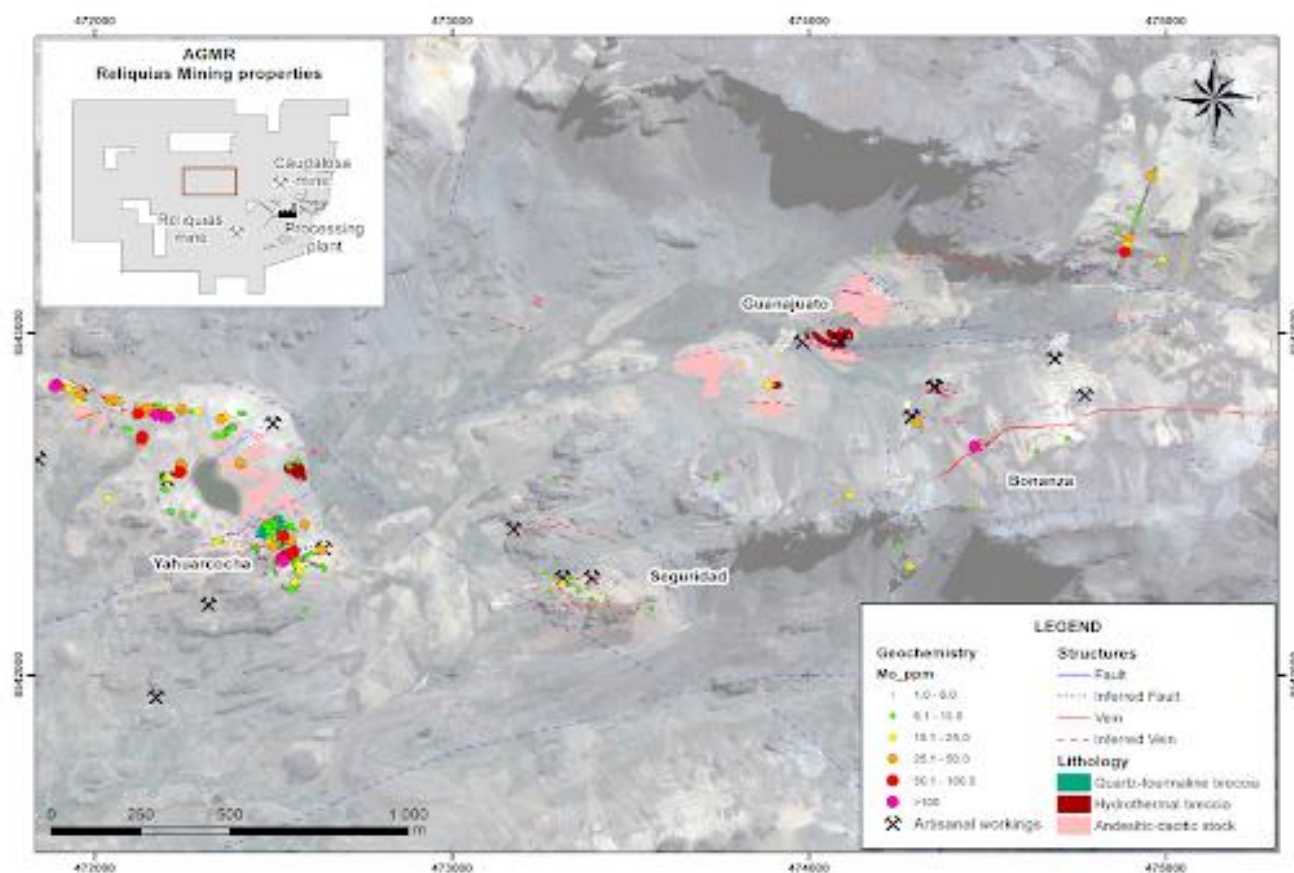


Figure1: Map of the Yahuarcocha – Guanajato prospect area; displaying the most significant lithological units, as well as geochemical values for molybdenum from rock samples. Inset map shows the location of the target area within the Reliquias property block.

Approximately 1.5 km to the west and another 100 m lower in elevation, the area around the Yahuarcocha lake is characterized by more widespread outcrops of andesite-dacite stocks and related hydrothermal breccia pipes. The dominant feature are three quartz-tourmaline breccia pipes, the largest one measuring 90 x 90 m. The andesitic breccia clasts display moderately to strong silicification and pervasive phyllic alteration, cemented by quartz, tourmaline, and limonite after pyrite (Fig. 2). This type of quartz-tourmaline-sericite-pyrite breccia is typical for a porphyry-copper environment.

Late pulses of structurally-controlled mineralization cut the older lithologies and structures, resulting in the deposition of intermediate sulphidation epithermal veins and locally an overprint of the intersected breccia pipes. These NW-SE and W-E striking veins show widths of 1-2 m, with strong silicification and moderate argillic alteration. The veins contain high-grade sulphide mineralization, predominantly galena, sphalerite, and chalcopyrite. Assay results returned maximum values of 3,558 g/t Ag, 20% Pb, 4.1 % Zn, 5.7% Cu, and 5.2 g/t Au for individual rock samples. Due to their rich metal endowment, some veins are actively exploited at a small scale by artisanal miners.

The analysis of hand samples with Terraspec served to better define the alteration zonation within the prospect area. Pyrophyllite, sericite, tourmaline, high-Mg chlorite, high-crystallinity illite, and other minerals indicative of higher temperatures were identified in the Yahuarcocha and Guanajato sectors. These alteration minerals are typical for the transition between the root of a high sulphidation system and a porphyry intrusion, or – in the case of sericite – for the phyllic halo of a porphyry copper system. Highly anomalous values for molybdenum (Mo) were recognized in the geochemical samples, with numerous samples returning between 20 and 202 ppm Mo. The elevated molybdenum values are concentrated around the Yahuarcocha lake, also providing a vector towards a porphyry copper system at depth (Fig.1).

The geological characteristics recognized to date at the wider Yahuarcocha – Guanajato area indicate the potential presence of a porphyry copper system at depth. This assessment has been confirmed earlier by the well-known consultant Richard Sillitoe, during a reconnaissance visit to the area in 2010. Sillitoe stated in his report: “One or more porphyry centres are believed to be present in the district, most likely at depths of 300 m, or appreciably more, beneath the lithocap. However, size and metal contents cannot be predicted.” [1]

Torsten Danne, Director of Exploration, commented: *“The evidence found so far clearly warrants a more detailed exploration campaign, aimed at encountering a porphyry system at depth, with potentially economic grades of Cu-Mo(-Au). Apart from detailed mapping and geochemical vectoring, a geophysical survey using Titan 24 and the execution of a few exploratory drill holes would be the next logical steps for a follow-up exploration campaign.”*

Alfredo Bazo, President and CEO, stated: *“The main value driver for Silver Mountain is the Reliquias silver mine and the planned production start-up in H2 2024. While we want to stay focused on our main asset Reliquias, we are evaluating the best way forward to advance the Yahuarcocha – Guanajato area. As part of our plan, we are looking for partnerships with major players in the industry with interest in potentially large porphyry copper systems in Peru”.*

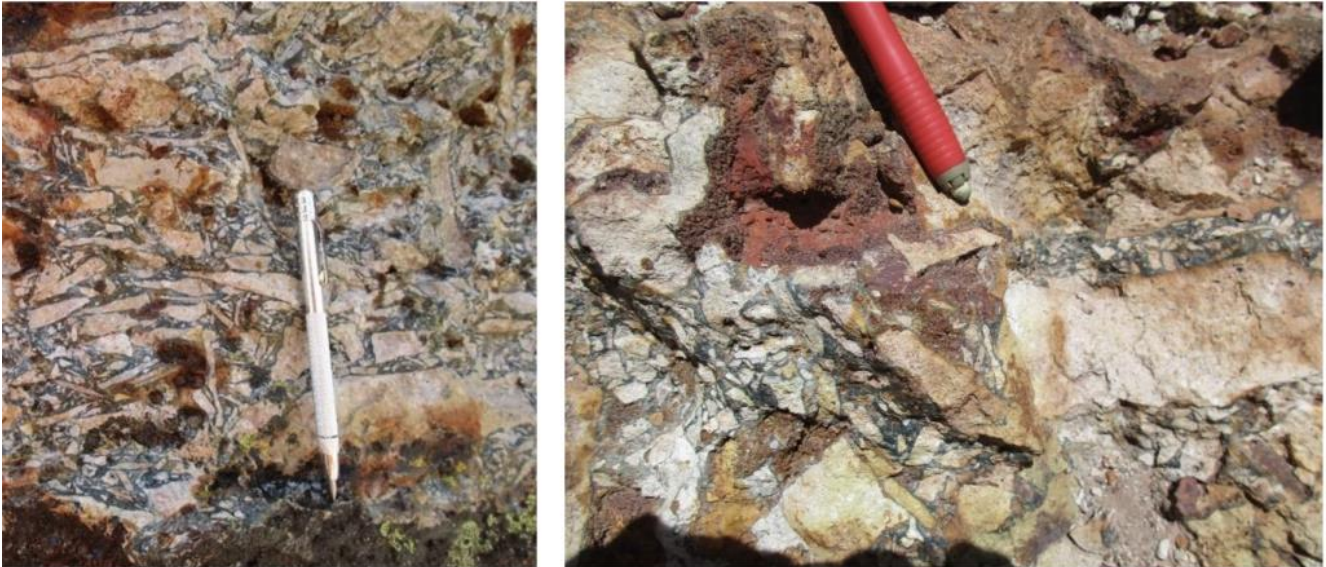


Figure 2: Photos taken from outcrops of the quartz-tourmaline breccia, Yahuarcocha sector. Sericite-altered andesite fragments are cemented by quartz, tourmaline, and limonite after pyrite. Note shingle-like appearance of many clasts, a typical texture in tourmaline breccias related to porphyry copper systems.

[1] Richard H. Sillitoe: Comments on the porphyry copper potential of the Castrovirreyna district, Peru; Internal Report 2010

On Behalf of the Board of Directors of Silver Mountain Resources Inc.
Alfredo Bazo, Chief Executive Officer and Director

Qualified Person

The scientific and technical information contained in this news release has been reviewed and approved by Antonio Cruz, an independent consultant of the Company and a Qualified Person within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

About Silver Mountain

Silver Mountain Resources Inc. is a silver explorer and mine developer planning to restart production at the Reliquias underground mine and undertake exploration activities at its prospective silver camps at the Castrovirreyna Project in Huancavelica, Peru.

For additional information in respect of the Castrovirreyna Project, please refer to the Company's technical report, titled National Instrument 43-101 Technical Report—Castrovirreyna Project, Peru, dated October 6, 2021, amended November 18, 2021, effective date August 17, 2021, available at <https://sedar.com>.

Silver Mountain's subsidiary Sociedad Minera Reliquias S.A.C. owns 100% of its concessions and holds more than 27,000 hectares in the district of Castrovirreyna, Huancavelica, Peru.

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Sampling, QA/QC and Analytical Procedures

Silver Mountain follows systematic and rigorous sampling and analytical protocols which meet industry standards. These protocols are summarized below.

Reconnaissance rock samples were collected either as rock chip samples or along channels with hammer and chisel, typically over a 1–2-meter sample interval. Channel samples are broken at obvious geologic boundaries to correctly separate rock types and mineralization styles. The sample bags were sealed with a plastic zip tie and identified with a unique sample number, pending shipment to a certified laboratory sample preparation facility. Samples are sent by batch to the ALS laboratory in Lima for assaying. Silver Mountain independently inserts certified control standards (purchased from OREAS and Target Rocks), fine and coarse blanks, and duplicates into the sample stream to monitor data quality. These standards are inserted “blindly” to the laboratory in the sample sequence prior to departure from the storage facilities. At the laboratory samples are dried, crushed, and pulverized and then analyzed using a fire assay-AA finish analysis for gold and a full multi-acid digestion with ICP-AES analysis for other elements. Samples with results that exceed maximum detection values for the main elements of interest (Ag, Zn, Pb, Cu, Au) are re-analyzed using precise ore-grade ICP analytical techniques, while high gold values are re-analyzed by fire assay with a gravimetric finish.

Forward Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of Canadian securities legislation (collectively, “**forward-looking statements**”) that relate to Silver Mountain’s current expectations and views of future events. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “expects”, “will continue”, “is anticipated”, “anticipates”, “believes”, “estimated”, “intends”, “plans”, “forecast”, “projection”, “strategy”, “objective” and “outlook”) are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release.

Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond Silver Mountain's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the factors set forth under "*Forward-Looking Statements*" and "*Risk Factors*" in the Company's final prospectus dated January 26, 2022, and other disclosure documents available on the Company's profile at www.sedar.com. Silver Mountain undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. New factors emerge from time to time, and it is not possible for Silver Mountain to predict all of them or assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement.