Silver Storm Extends San Marcos Mine 100 M at Depth With High-grade Drill Results

24.06.2024 | Business Wire

Silver Storm Mining Ltd. ("Silver Storm" or the "Company") (TSX.V: SVRS | OTCQB: SVRSF | FSE: SVR), is pleased to announce further drill results from its Phase 1 diamond drilling program at the Company's 100% owned La Parrilla Silver Mine Complex, located in Durango Mexico. Results from the 16 holes (1,935 metres ("m")) contained within this release are from the San Marcos Mine.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20240624285611/en/

Figure 1: San Marcos Zone Cross Section View to WSW of Key Results Current & Historical Holes (Photo: Business Wire)

An overview video on the La Parrilla Project is available at www.youtube.com/watch?v=dybgKXcGrYo

Key highlights include:

- In San Marcos South, hole SM-24-010 returned 504 g/t Ag.Eq[1] over 5.14 m and 367 g/t Ag.Eq over 2.63 m within a broader interval of 249 g/t Ag.Eq over 19.03 m and 427 g/t Ag.Eq over 2.13 m
- SM-24-011 returned 569 g/t Ag.Eq over 2.00 m and 431 g/t Ag.Eq over 1.87 m within a broader interval of 319 g/t Ag.Eq over 11.75 m

- Both holes 010 & 011 are located approximately 35 m and 100 m, respectively, downdip below the 1790 EL stope where the composited weighted average grade of historical channel samples returned 597 g/t Ag.Eq over a strike length of 33 m and average width of 2.37 m. Results from these two holes indicate mineralization has become wider, below previous mined horizons.

- SM-24-014 returned 204 g/t Ag.Eq over 1.00 m, SM-24-012 returned 503 g/t Ag.Eq over 0.49 m and 141 g/t Ag.Eq over 1.21 m, and SM-24-008 returned 182 g/t Ag.Eq over 0.76 m

- Further extends the oxide mineralization approximately 77 m to the south-southeast from the last mine development in the area

- In San Marcos North, hole SM-24-017 returned 405 g/t Ag.Eq over 1.00 m, SM-24-016 returned 191 g/t Ag.Eq over 3.25 m, SM-24-005 returned 178 g/t Ag.Eq over 2.50 m and 371 g/t Ag.Eq over 1.00 m, SM-24-004 returned 148 g/t Ag.Eq over 0.72 m, and SM-24-003 returned 163 g/t Ag.Eq over 0.40 m

- Intercepts from holes SM-24-004 and SM-24-017 extend the oxide zone mineralization respectively 37 m and 100 m below the last mine development in this area

- A new mineralized zone was discovered approximately 10 m to the southwest of the San Marcos Zone with hole SM-24-004 returning 283 g/t Ag.Eq over 0.55 m, SM-24-005 returning 147 g/t Ag.Eq over 3.50 m.

Greg McKenzie, President and CEO, commented: "We are pleased with the strong drill results from the San Marcos Mine, where we have intersected high-grade mineralization in both the South & North Zones approximately 100 m below the last mined stopes. In particular, the South Zone appears to be getting wider at depth where hole SM-24-011 intersected 319 g/t Ag.Eq over 11.8 m (true width ~ 11 m) compared to 2.4 m within the last mined stope 100 m higher. We anticipate these results should have a positive impact on future Mineral Resources, both in terms of tonnage and grade. Follow up drilling will be performed in proximity to holes 010 and 011 allowing for the potential addition of indicated resources within this area of

San Marcos."

San Marcos Zone

The San Marcos Zone is comprised of quartz-carbonate vein mineralization, striking 340 degrees and dipping 60 degrees to the NE, hosted within a fault zone marking the eastern contact of the granodiorite stock. It has a known strike length of 650 m with mineralization extending vertically for 450, and a thickness of up to 17 m. The zone is mainly characterized by oxide mineralization consisting of hematite, goethite, native silver, and cerargyrite. However, the southern section of the zone beneath 1875 m EL is characterized by sulphide replacement mineralization contained within the bedding.

San Marcos South

Eight holes targeted the southern section of the San Marcos Zone (Figures 1 & 2; Tables 1 & 2). Hole SM-24-014 returned 204 g/t Ag.Eq over 1.00 m (94.00 to 95.00 m), SM-24-012 returned 503 g/t Ag.Eq over 0.49 m (95.04 to 95.53 m) and 141 g/t Ag.Eq over 1.21 m (107.34 to 108.55 m), and SM-24-008 returned 182 g/t Ag.Eq over 0.76 m (81.00 to 81.76 m), further extending the oxide mineralization approximately 77 m to the south-southeast from the last mine development in the area.

Hole SM-24-010 returned 367 g/t Ag.Eq over 2.63 m and 504 g/t Ag.Eq over 5.14 m within a broader interval of 249 g/t Ag.Eq over 19.03 m (75.72 to 94.75 m) and 427 g/t Ag.Eq over 2.13 m (101.52 to 103.65 m). Hole SM-24-011 returned 569 g/t Ag.Eq over 2.00 m and 431 g/t Ag.Eq over 1.87 m within a broader interval of 319 g/t Ag.Eq over 11.75 m (147.92 to 159.67 m). Holes SM-24-010 and 011 are respectively located approximately 35 m and 100 m downdip below the last mine development in this area, with similar high-grade sulphide replacement mineralization:

- The composited weighted average grade of historical channel samples from the 1790 EL stope returned 597 g/t Ag.Eq over a strike length of 33 m and average width of 2.37 m.

San Marcos North

Eight holes targeted the northern section of the San Marcos Zone. Hole SM-24-016 returned 191 g/t Ag.Eq over 3.25 m (120.50 to 123.75 m) including 514 g/t Ag.Eq over 0.50 m, SM-24-005 returned 178 g/t Ag.Eq over 2.50 m (92.50 to 95.00) and 371 g/t Ag.Eq over 1.00 m (101.00 to 102.00 m), SM-24-004 returned 148 g/t Ag.Eq over 0.72 m (80.53 to 81.25 m), and SM-24-003 returned 163 g/t Ag.Eq over 0.40 m (81.80 to 82.20 m) (Figure 1; Table 1). The intercepts from hole SM-24-004 and 017 extend the oxide zone mineralization 37 m and 100 m, respectively, below the last mine development in this area.

A new parallel mineralized zone was discovered approximately 10 m to the southwest of the San Marcos Zone: hole SM-24-004 returned 283 g/t Ag.Eq over 0.55 m (44.45 to 45.00 m), SM-24-005 returned 147 g/t Ag.Eq over 3.50 m (53.50 to 57.00 m).

Table 1 - Select Assay Intervals from Holes SM-24-001 to 017 and Historical Results

Zone	Hole	From	To	Length (m)	Type[2]	Ag.Eq[1] g/t	Ag g/t	Au g/t	Pb %	Zn %	Cu %
SM	SM-24-003	81.80	82.20	0.40	OX	163	117	0.52	0.16	0.19	0.01
NEW	SM-24-004	44.45	45.00	0.55	OX	283	266	0.19	0.56	0.08	0.01
SM	SM-24-004	80.53	81.25	0.72	OX	148	17	1.46	0.04	0.01	0.00
NEW	SM-24-005	53.50	57.00	3.50	OX	147	141	0.07	0.38	0.34	0.01
SM	SM-24-005	92.50	95.00	2.50	OX	178	166	0.13	0.16	0.08	0.01

SM	SM-24-005	97.50	98.00	0.50	OX	187	181	0.07	0.18	0.11	0.02	
SM	SM-24-005	101.00	102.00	1.00	OX	371	369	0.02	0.13	0.43	0.04	
SM	SM-24-008	81.00	81.76	0.76	OX	182	165	0.19	0.09	0.09	0.00	
SM	SM-24-010	75.72	94.75	19.03	SUL	249	183	0.60	0.44	0.18	0.02	
	including	77.85	80.48	2.63	SUL	367	142	2.45	0.53	0.52	0.01	
	and	89.61	94.75	5.14	SUL	504	449	0.37	0.75	0.20	0.04	
	SM-24-010	101.52	103.65	2.13	SUL	427	370	0.24	1.15	0.23	0.03	
SM	SM-24-011	147.92	159.67	11.75	SUL	319	210	0.65	1.67	0.43	0.05	
	including	152.30	154.30	2.00	SUL	569	374	0.83	4.28	0.48	0.08	
	and	156.80	158.67	1.87	SUL	431	340	0.53	1.47	0.31	0.07	
SM	SM-24-012	95.04	95.53	0.49	OX	503	489	0.16	1.39	3.76	0.04	
SM	SM-24-012	107.34	108.55	1.21	OX	141	126	0.16	0.37	0.17	0.02	
SM	SM-24-014	94.00	95.00	1.00	OX	204	204	0.00	0.03	0.10	0.00	
SM	SM-24-016	120.50	123.75	3.25	SUL	191	125	0.38	0.93	0.42	0.03	
SM	including	122.50	123.00	0.50	SUL	514	485	0.07	0.74	0.13	0.05	
NEW	SM-24-017	134.40	134.80	0.40	OX	178	152	0.29	3.66	0.93	0.08	
SM	SM-24-017	173.00	174.00	1.00	OX	405	392	0.14	1.13	0.17	0.05	
HISTORICAL RESULTS												
SM	SLP-SM-19-03	404.05	405.00	0.95	OX	154	141	0.14	0.29	0.38	0.00	
SM	SLP-SM-19-06	386.85	387.30	0.45	OX	242	32	2.33	0.01	0.02	0.00	
SM	SLP-SM-17-02	262.35	262.85	0.50	OX	234	2	2.58	0.00	0.05	0.03	
SM	SLP-SM-17-05	308.35	309.20	0.85	OX	456	444	0.13	0.38	0.12	0.09	
SM	SLP-SM-17-07	239.15	241.15	2.00	OX	440	439	0.01	0.44	0.15	0.01	
SM	SLP-SM-17-10	258.55	259.25	0.70	OX	363	358	0.06	0.80	1.39	0.01	
SM	SLP-SM-17-12	280.25	280.75	0.50	OX	152	124	0.31	0.21	0.04	0.03	
SM	SLP-SM-17-13	314.75	315.80	1.05	SUL	274	122	1.19	0.83	1.25	0.01	
SM	SLP-SM-17-15	268.80	271.10	2.30	OX	283	283	0.01	0.03	0.06	0.00	
SM	SLP-SM-17-16	312.30	313.85	1.55	OX	378	344	0.38	2.99	3.42	0.05	
SM	ILP-SM-14-06	17.00	17.95	0.95	OX	285	285	0.01	0.04	0.09	0.00	
SM	ILP-SM-14-25	27.35	28.40	1.05	OX	218	218	0.01	0.10	0.13	0.00	
SM	ILP-SM-14-26	26.30	26.60	0.30	OX	212	199	0.14	0.10	0.17	0.01	

SM	SM-07	189.70	190.70	1.00	OX	643	633	0.11	0.11	0.04	0.33
SM	SM-19	127.80	128.70	0.90	OX	195	185	0.11	0.09	0.20	0.01
SM	SM-21	184.10	185.70	1.60	OX	266	136	1.44	0.08	0.07	0.01
SM	SM-25	258.45	261.10	2.65	OX	163	161	0.02	1.43	2.41	0.01
SM	SM-26	266.55	267.50	0.95	OX	176	158	0.20	0.12	0.24	0.01
SM	SM-27	222.85	223.75	0.90	OX	332	328	0.05	0.11	0.07	0.06
SM	SM-28	243.45	246.60	3.15	SUL	599	539	0.55	0.57	0.01	0.05
SM	SM-32	197.90	199.05	1.15	OX	315	313	0.02	0.11	0.08	0.01
SM	SM-36	232.35	238.05	5.70	OX	436	416	0.22	2.05	1.47	0.03

Table 2 - Historical Channel Sample Results [3] - San Marcos Zone

Elevation	Zone	Channel	Width	Type[2]	Ag.Eq[1] g/t	Ag g/t	Pb %	Zn %
1790	SM	VSM-1790-2188	0.60	SUL	755	702	1.51	0.46
1790	SM	VSM-1790-2190	0.80	SUL	102	45	1.17	0.92
1790	SM	VSM-1790-2193	2.60	SUL	1,344	1,255	2.88	0.44
1790	SM	VSM-1790-2195	3.40	SUL	1,045	942	3.65	0.21
1790	SM	VSM-1790-2198	4.50	SUL	628	598	0.93	0.18
1790	SM	VSM-1790-2201	2.30	SUL	759	685	2.58	0.17
1790	SM	VSM-1790-2203	2.40	SUL	442	404	1.32	0.09
1790	SM	VSM-1790-2205	4.10	SUL	836	777	2.11	0.10
1790	SM	VSM-1790-2208	3.50	SUL	514	484	1.10	0.00
1790	SM	VSM-1790-2211	3.40	SUL	198	183	0.52	0.04
1790	SM	VSM-1790-2214	0.30	SUL	277	265	0.43	0.01
1790	SM	VSM-1790-2217	0.50	SUL	267	251	0.54	0.05
1804	SM	VSM-1804-2191	2.35	SUL	243	220	0.52	0.30
1804	SM	VSM-1804-2194	0.40	SUL	486	434	1.80	0.16
1804	SM	VSM-1804-2195	2.70	SUL	766	616	4.01	1.54
1804	SM	VSM-1804-2197	3.55	SUL	972	835	4.99	0.10
1804	SM	VSM-1804-2199-2200	6.90	SUL	1,739	1,552	6.00	0.92
1804	SM	VSM-1804-2202-2204	8.90	SUL	1,072	976	3.45	0.11
1804	SM	VSM-1804-2206-2207	7.50	SUL	828	754	2.67	0.08
1804								

SM

VSM-1804-2208-2209

5.25

SUL

824

747

2.80

0.07

1804	SM	VSM-1804-2211-2213	4.95	SUL	757	97	0.13	0.01
1804	SM	VSM-1804-2214	3.50	SUL	506	464	1.57	0.00
1804	SM	VSM-1804-2217	3.70	SUL	304	293	0.36	0.05
1804	SM	VSM-1804-2220	0.55	SUL	1,078	1,066	0.42	0.00
1804	SM	VSM-1804-2223	0.50	SUL	643	638	0.15	0.03

(1) All results in this release are rounded. Assays are uncut and undiluted. Widths are core-lengths, not true widths. Silver equivalent: Ag.Eq g/t was calculated using commodity prices of US$22.50 /oz Ag, US$1,800 /oz Au, US$0.94 /lb Pb, and US$1.35 /lb Zn applying metallurgical recoveries of 70.1% for silver and 82.8% for gold in oxides and 79.6% for silver, 80.1% for gold, 74.7% for lead and 58.8% for zinc in sulphides. Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides, and 95% for silver, gold, and lead and 85% for zinc in concentrates produced from sulphides. Cut-off grades considered for oxide and sulphide were, respectively 140 g/t Ag.Eq and 125 g/t Ag.Eq and are based on 2017 costs adjusted by the inflation rate and include sustaining costs.

(2) Each mineralization type, Oxide (OX) or sulphide (SUL), has different assumptions, outlined in Note (1) above, which are used to arrive at a calculated Ag.Eq g/t.

(3) Weighted average grades were calculated over the mineralized widths of each channel (Figures 1 & 2).

Sample Analysis and QA/QC Program

Silver Storm uses a quality assurance/quality control (QA/QC) program that monitors the chain of custody of samples and includes the insertion of blanks, duplicates, and reference standards in each batch of samples sent for analysis. The drill core is photographed, logged, and cut in half, with one half retained in a secured location for verification purposes and one half shipped for analysis. Sample preparation (crushing and pulverizing) is performed at ALS Geochemistry, an independent ISO 9001:2001 certified laboratory, in Zacatecas, Mexico and pulps are sent to ALS Geochemistry in Vancouver, Canada for analysis. The entire sample is crushed to 70% passing -2 mm, and a riffle split of 250 grams is taken and pulverized to better than 85% passing 75 microns. Samples are analyzed for gold using a standard fire assay with Atomic Absorption Spectrometry (AAS) (Au-AA23) from a 30-gram pulp. Gold assays greater than 10 g/t are re-analyzed on a 30-gram pulp by fire assay with a gravimetric finish (Au-GRA21). Samples are also analyzed using a 34 element inductively coupled plasma (ICP) method with atomic emission spectroscopy (AES) on a pulp digested by four acids (ME-ICP61). Overlimit sample values for silver (>100 g/t), lead (>1%), zinc (>1%), and copper (>1%) are re-assayed using a four-acid digestion overlimit method with ICP-AES (ME-OG62). For silver values greater than 1,500 g/t, samples are re-assayed using a fire assay with gravimetric finish on a 30-gram pulp (Ag-GRA21). Samples with lead values over 20% are re-assayed using volumetric titration with EDTA on a 1-gram pulp (Pb-VOL70). No QA/QC issues were noted with the results reported herein.

Review by Qualified Person and QA/QC

The scientific and technical information in this document has been reviewed and approved by Bruce Robbins, P.Geo., a Qualified Person as defined by National Instrument 43-101.

About Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Silver Storm Mining Ltd. holds advanced-stage silver projects located in Durango, Mexico. Silver Storm recently completed the acquisition of 100% of the La Parrilla Silver Mine Complex, a prolific operation which is comprised of a 2,000 tpd mill as well as five underground mines and an open pit that collectively produced 34.3 million silver-equivalent ounces between 2005 and 2019. The Company also holds a 100% interest in the San Diego Project, which is among the largest undeveloped silver assets in Mexico. For more information regarding the Company and its projects, please visit our website at www.silverstorm.ca.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward Looking Statements:

Certain statements in this news release are forward-looking and involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of the phrase 'forward-looking information' in the Canadian Securities Administrators' National Instrument 51-102 - Continuous Disclosure Obligations. Forward-looking statements are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management and Qualified Persons (in the case of technical and scientific information) expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes, but is not limited to, the future exploration performance at La Parrilla, the timing and extent of current and future drill programs, the ability to increase Mineral Resources therein, and the ability to eventually place the La Parrilla Complex back into production.

In making the forward-looking statements included in this news release, the Company and Qualified Persons (in the case of technical and scientific information) have applied several material assumptions, including that the Company´s financial condition and development plans do not change because of unforeseen events, that future metal prices and the demand and market outlook for metals will remain stable or improve, management's ability to execute its business strategy and no unexpected or adverse regulatory changes with respect to La Parrilla. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, there being no assurance that the Company's current and future exploration programs will grow the Mineral Resource base or upgrade Mineral Resource confidence, the risk that the assumptions referred to above prove not to be valid or reliable, the risk that the Company is unable to achieve its goal of placing La Parrilla back into production; market conditions and volatility and global economic conditions including increased volatility and potentially negative capital raising conditions resulting from the continued or escalation of the COVID-19 pandemic, risk of delay and/or cessation in planned work or changes in the Company's financial condition and development plans; risks associated with the interpretation of data (including in respect of third party mineralized material) regarding the geology, grade and continuity of mineral deposits, the uncertainty of the geology, grade and continuity of mineral deposits and the risk of unexpected variations in Mineral Resources, grade and/or recovery rates; risks related to gold, silver and other commodity price fluctuations; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour, the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits and the presence of laws and regulations that may impose restrictions on mining, including the Mexican mining reforms; risks relating to environmental regulation and liability; the possibility that results will not be consistent with the Company's expectations.

Such forward-looking information represents managements and Qualified Persons (in the case of technical and scientific information) best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

View source version on businesswire.com: https://www.businesswire.com/news/home/20240624285611/en/

Contact

For additional information, please contact:
Greg McKenzie, President & CEO
Ph: +1 (416) 504-2024
greg.mckenzie@silverstorm.ca