

Golden Tag Announces Closing of Acquisition of the La Parrilla Silver Mine Complex and Exchange of Subscription Receipts into Common Shares and Warrants

Toronto, Ontario--(Newsfile Corp. - August 14, 2023) - Golden Tag Resources Ltd. (TSXV: GOG) (OTCQB: GTAGF) (FSE: GTD) ("**Golden Tag**" or the "**Company**") is pleased to announce that, pursuant to the asset purchase agreement dated December 7, 2022, as amended on May 29, 2023 and August 14, 2023 (the "**Asset Purchase Agreement**"), among the Company, First Majestic Silver Corp. ("**First Majestic**") and First Majestic Plata, S.A. de C.V. ("**FMP**"), the Company has completed the acquisition of a 100% interest in the La Parrilla Silver Mine Complex ("**La Parrilla**") located in San Jose de la Parrilla, Durango, Mexico (the "**Transaction**"), as described in the Company's news releases dated December 7, 2022, April 14, 2023, May 30, 2023, and July 19, 2023.

Greg McKenzie, President & CEO of Golden Tag, said, "Today is an exciting day for Golden Tag as we acquire the past producing La Parrilla Silver Mine Complex. We now have two very high-quality silver projects located in close proximity to each other within Durango State. The La Parrilla processing plant has the capability to support both projects. We would like to welcome our new team members in Mexico, and First Majestic as our newest and largest shareholder."

Highlights:

- La Parrilla is a fully permitted former producing mine complex consisting of five underground high-grade silver mines, and an open pit
- Demonstrated history of replacing resources - operated continuously from 2004 until September 2019 when it was placed on care and maintenance due to low silver, zinc and lead prices
- Under First Majestic ownership the mill produced 34.3 million ("**M**") ounces¹ ("**oz**") of silver equivalent ("**Ag.Eq**"), with average annual production of approximately 2.96 Moz of Ag.Eq^{1, 2}
- Excellent infrastructure inclusive of a 2,000 tonne per day ("**tpd**") processing facility (1,000 tpd flotation and 1,000 tpd cyanidation circuits), dry stack filter plant with approximately 9 years³ of tailings capacity available, numerous buildings including a doré refinery, and a partial underground mining fleet⁴
- Indicated Mineral Resources are estimated at 5.19 Moz Ag.Eq and Inferred Mineral Resources are estimated at 10.33 Moz Ag.Eq⁵
- Located only 45 minutes from Durango City, paved highway to site
- Large, underexplored land package totaling 69,478 hectares
- First Majestic has become the largest shareholder of Golden Tag, now owning approximately 40.8%

Transaction Overview

As consideration for the Transaction, the Company issued 143,673,684 common shares of Golden Tag (the "**Consideration Shares**") to First Majestic. Additional deferred payments of up to US\$13.5M are comprised of the following:

- I. US\$2.7M on the earlier of 18 months post-closing, or upon receipt of certain approvals from the Mexican government;
- II. US\$5.75M when either (a) 5 million ounces of Ag.Eq reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of measured and indicated resources are declared, from the La Parrilla claims; and

- III. US\$5.05M when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 resource of 12.5 million ounces of Ag.Eq;

Both II and III are payable in cash or common shares, at the election of Golden Tag.

The Company received written consents from shareholders holding a majority of the issued and outstanding shares of Golden Tag approving the creation of First Majestic as a new Control Person (as such term is defined under the policies of the TSX Venture Exchange (the "**TSXV**")). Such written consent satisfied the Golden Tag shareholder approval requirement of the TSXV.

In addition, concurrently with closing, Golden Tag and First Majestic have further amended the Asset Purchase Agreement to reduce Golden Tag's minimum required financing to gross proceeds of \$6.8 million.

Subscription Receipt Financing

The Company raised approximately \$7.0 million pursuant to a subscription receipt offering (the "**Offering**") as described in the Company's news releases dated March 30, 2023, April 14, 2023, and May 30, 2023.

Immediately prior to the completion of the Transaction, in accordance with their terms, each subscription receipt (the "**Subscription Receipts**") of the Company issued pursuant to the Offering was exchanged for one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each full warrant, a "**Warrant**") with each Warrant exercisable into one Common Share at an exercise price of \$0.34 until August 14, 2026. The net proceeds of approximately \$6.8 million were released from escrow and will be used to fund drilling and exploration programs at La Parrilla, holding costs, technical studies to support eventual restart, transaction costs and for working capital and general corporate purposes. Holders of subscription receipts are not required to take any action in order to receive the underlying Common Shares and Warrants.

In connection in the Offering, the Company agreed to pay certain eligible arm's length parties who introduced subscribers to the Offering (each a "**Finder**"): (1) up to 7% cash fees, and (2) up to 7% finders' warrants. The finders' warrants ("**Finders' Warrants**") entitle the holder to acquire one Common Share at a price of \$0.20 until August 14, 2025. The Finders for the Offering and their fees paid include: Canaccord Genuity Corp. (\$48,790 cash and 242,700 Finders' Warrants); PowerOne Capital Markets Limited (\$48,200 cash and 241,000 Finders' Warrants); Hampton Securities Limited (\$20,300 cash and 101,500 Finders' Warrants); Red Cloud Securities Inc. (\$11,100 cash and 64,750 Finders' Warrants); CM-Equity AG (\$4,200 cash and 21,000 Finders' Warrants); and BMO Nesbitt Burns Inc. (\$1,400 cash).

The Common Shares and Warrants are subject to a four-month plus a day hold period from their date of distribution in accordance with applicable securities law. The Warrants will not be listed for trading.

Following completion of the Transaction and Offering, Golden Tag now has 395,815,860 Common Shares outstanding.

In addition to the Consideration Shares, First Majestic acquired 18,009,000 Subscription Receipts pursuant to the Offering. All of these Subscription Receipts will be converted to Common Shares and Warrants effective August 14, 2023 in connection with the closing of the Transaction. Following completion of the Offering and Conversion of the Subscription Receipts, First Majestic will own and exercise control or direction over 161,682,684 Common Shares and 9,004,500 Warrants, representing approximately 40.8% of the issued and outstanding Common Shares on a non-diluted basis and approximately 42.2% of the issued and outstanding Common Shares on a partially diluted basis (assuming the exercise of all Warrants held by First Majestic).

Qualified Person

In accordance with NI 43-101 Standards of Disclosure for Mineral Projects, Bruce Robbins, PGeo, is the Qualified Person for the Company and has validated and approved the technical and scientific content of this news release.

About Golden Tag Resources

Golden Tag Resources Ltd. is focused on advanced stage silver projects located in Durango, Mexico. Golden Tag recently completed the acquisition of the La Parrilla Silver Mine Complex, a prolific complex which is comprised of five underground mines and a past producing open pit that collectively produced 34.3 million silver-equivalent ounces between 2005 and 2019. The Company also holds 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.goldentag.ca.

For additional information, please contact:

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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 estimated Mineral Resources of La Parrilla, the future exploration performance thereof and the anticipated use of proceeds of the Offering.

In making the forward-looking statements included in this news release, the Company and Qualified Persons (in the case of technical and scientific information) has 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 the Transaction or 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 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, 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.

¹ Per historic operating data filed by FMS on an annual basis at www.sedarplus.ca.

² Average annual production calculated from 2010 - 2019.

³ Approximately 6.5 million tonnes of tailings capacity at full run rate of 2,000 tpd.

⁴ Subject to certain maintenance and rehabilitation expenditures that have yet to be determined in size and scope.

⁵ Please refer to the Company's News Release dated August 14, 2023 for further information, as well as the National Instrument 43-101 Technical Report supporting the Mineral Resource Estimates at La Parrilla Mining, prepared by SRK Consulting (Canada) Inc which will be filed on sedar within 30 days of this news release. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves. Ag.Eq silver equivalent based on metal 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.

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