Zacatecas Silver Awarded Drill Permits for Panuco and San Gill

VANCOUVER, BC, Aug. 12, 2021 /CNW/ - Zacatecas Silver Corp. ("Zacatecas Silver" or the "Company"), (TSX: ZAC) (OTC: ZCTSF) (Frankfurt: 7TV) is pleased to announce it has received drilling permits for the Panuco and San Gill Projects.

Highlights:

- **Drill permit awarded by SEMARNAT and 3 to 5 year land access agreements in place with the Municipality, Panuco Ejido and private landowners for Panuco.**
- **Drill permit awarded by SEMARNAT and 2 year land access agreements in place with all private land-owners at San Gill encompassing all areas delineated for further exploration and drill targeting.**
- **Drill contract in place with Major Drilling for an initial 10,000 metres of angled diamond drilling.**
- **Environmental studies complete at San Manual and El Cristo. Drill permit applications for both areas submitted.**

Dr Wilson, Chief Operating Officer and a Director of Zacatecas comments, "We are delighted to receive our drill permits for Panuco and San Gill. SEMARNAT processed our applications expeditiously and efficiently, despite the inherent challenges of operating during the COVID pandemic. This professionalism and support of exploration activity in the region is appreciated by all stakeholders."

Zacatecas Silver, in anticipation of the now granted drill permits, has already signed a contract for 10,000 metres of diamond drilling with Major Drilling, who have indicated that they are able to mobilize to site by the end of August. Drilling will commence at Panuco and thereafter San Gill.

The Company also expects, given the speed at which the Panuco and San Gill permits were processed, to have drill permits in place for San Manual and El Cristo in approximately 4 weeks.

All four key areas (Panuco, San Gill, San Manual and El Cristo) of the large Zacatecas Silver land package have been subject to significant fieldwork to identify and prioritize drill targets in preparation of permitting.

Panuco

The Panuco Silver Deposit has an historic inferred mineral resource of 19,472,901 ounces Ag Eq. (cut-off 100 g/t Ag Eq.) from 3,954,729 tonnes at 153.2 g/t Ag Eq (136 g/t Ag, 0.14 g/t Au, 0.012% Pb, 0.11% Zn) (the "Historical Estimate"). See "Historical Resource Estimate Information" set forth below. Zacatecas have verified historical drill data by re-sampling and re-assaying approximately 15% of drill intercepts used in the historical resource, re-surveying drill collar locations, and completing metallurgical test-work on Panuco drill core (see news release dated June 15, 2021). A current resource estimate for Zacatecas is currently being prepared.

Silver, gold, and base metal mineralization at the Panuco deposit is hosted in breccia veins, banded, crustiform and colloform quartz-calcite veins, and quartz vein stockwork within zones of strong argillic alteration — as is typical of the intermediate sulphidation veins throughout the Zacatecas region. Mineralization is open in all directions.

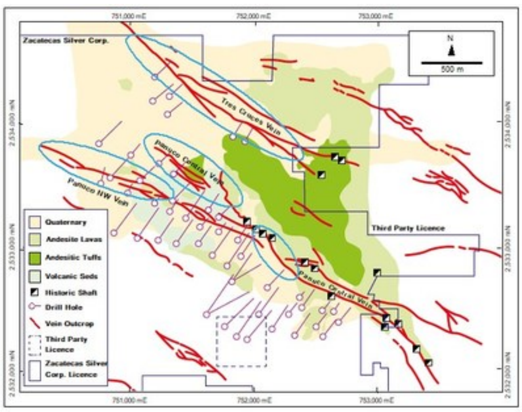

Figure 01: Geological map of Panuco showing historical drill traces. Priority drilling areas are shown blue. The Panuco NW

Vein, Panuco Central vein and Tres Cruces veins have never been effectively drill tested — despite significant surface trench geochemistry. The flexure in the Panuco Central vein is also targeted. The system is open at depth. (CNW Group/Zacatecas Silver Corp.)

San Gill – San Manuel

San Gill Breccia is located in the southern part of the main Zacatecas concessions and is approximately 2 kilometres to the southwest of the Veta Grande vein. It is a zone of intense brecciation and quartz veining with an abundant matrix of iron oxides after sulphides. Veins are multiphase — as evidenced by breccias, quartz vein stockworks, and crustiform and collaform banding. Remnant mineralized zones that have not been fully oxidized to iron oxides include galena, sphalerite, chalcopyrite and argentite — consistent with the styles of mineralization at other similarly oriented mineralized systems in the Zacatecas region.

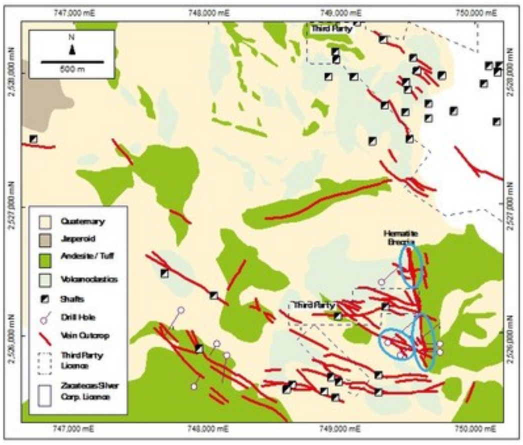

Figure 02: Geological map of San Gill Breccia showing historical drill traces. Priority drilling areas are shown blue. (CNW Group/Zacatecas Silver Corp.)

The technical content of this news release has been reviewed, verified and approved by Dr. Chris Wilson, B.Sc (Hons), PhD, FAusIMM (CP), FSEG. Chief Operating Officer and Director of Zacatecas Silver, a qualified person as defined by NI 43-101.

On behalf of the Company
Bryan Slusarchuk
Chief Executive Officer and Director

Historical Mineral Resource Estimate Information

In 2019 Santacruz Silver Mining Ltd. completed an updated historical resource estimate as set forth in the technical report titled "Technical Report – Veta Grande Project, Zacatecas State, Mexico" dated 20th of August 2019. The report was prepared by Van Phu Bui, P. Geo and Michael O'Brien, P. Geo, and filed on www.sedar.com ("2019 Panuco Historical Resource"). The 2019 Panuco Historical Resource reported 3,954,729 tonnes at 153 g/t Ag Eq. (136 g/t Ag, 0.14 g/t Au, 0.012 % Pb, 0.11% Zn) for a total of 19,472,901 ounces Ag Eq. (cut-off 100 g/t Ag Eq.). The 2019 Panuco Historical Resource used "inferred mineral resources", which is a category set forth under CIM Definition Standards for Mineral Resources & Mineral Reserves adopted on May 10, 2014.

The 2019 Panuco Historical Resource was calculating using 75 drill collars, 866 down hole surveys and 2,607 assayed samples. A surface trench database totalling 183 trenches with 1,813 samples was used. Resource blocks were defined using with dimensions of 20 m along strike and down dip, and 1 m across strike. Grades for gold, silver, lead and zinc were interpolated into blocks using the following estimation algorithms: central — ordinary kriging and NW and Tres Cruces — inverse distance squared. Assumptions used in the 2019 Panuco Historical Resource include the following metal prices: gold price of US $1,350/oz, silver price of US $16/oz, lead price of US $0.90/lb and zinc price of US $1.10/lb. The 2019 Panuco Historical Resource assumed recovering similar to the Veta Grande System being: gold at 52.2%, silver at 62.1%, lead at 87.9% and zinc at 78.6%. The Company considers the 2019 Panuco Historical Resource relevant due to its identification and modelling of the Panuco deposit.

The Company has not done sufficient work to classify the 2019 Panuco Historical Resource as a current mineral resource or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. Although the historical resource estimate is considered reliable, 8% of the drill core intervals used in the resource calculations was re-sampled and submitted these to ALS for independent assay. Further, additional data verification including resurveying of select diamond drill holes collars; review of graphic drill core logs, comparison of these logs with remaining half-cut core, and a cross-check of select geological logs agonist database entries; and a check of original ALS assay certificates against the assays and drill hole database. Remodelling of the current Panuco resource is ongoing pending receipt of check sample assays.

Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Zacatecas Silver cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by many material factors, many of which are beyond their respective control. Such factors include, among other things: risks and uncertainties relating to Zacatecas Silver's limited operating history, its proposed exploration and development activities on is Zacatecas Properties and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Zacatecas Silver does not undertake to publicly update or revise forward-looking information.

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

SOURCE Zacatecas Silver Corp.

%SEDAR: 00050540E

For further information: Adam Ross, Investor Relations, Direct: (604) 229-9445, Toll Free: 1(833) 923-3334, Email: info@zacatecassilver.com

CO: Zacatecas Silver Corp.

CNW 08:30e 12-AUG-21