

# Guanajuato Silver Successfully Completes First Full Year of Precious Metals Production

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GSilver Reports Year End 2022 Financial Results; Provides 2023 Production Guidance

VANCOUVER, April 10, 2023 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR)(AQUIS:GSVR)(OTCQX:GSVRF) is pleased to announce selected financial information and consolidated production results for the year ended December 31, 2022. The Company's consolidated financial statements for the year ended December 31, 2022 and Management's Discussion and Analysis ("MD&A") thereon can be viewed under the Company's profile at [www.sedar.com](http://www.sedar.com). Production results are from the Company's wholly owned El Cubo Mines Complex ("El Cubo"), Valenciana Mines Complex (VMC), and San Ignacio Mine ("San Ignacio") located in Guanajuato, Mexico, and the Topia Mine ("Topia") located in Durango, Mexico.

Selected 2022 Highlights:  
(All figures in US Dollars)

- Record production for 2022 of 2.15 million silver-equivalent ounces ("AgEq"); this included record production for the fourth quarter of 836,375 AgEq ounces derived from 401,244 ounces of silver, 3,907 ounces of gold, 811,492 pounds of lead and 1,261,554 pounds of zinc.<sup>(1)</sup> GSilver has delivered continuous quarter-over-quarter increases in AgEq production since the inception of precious metals processing in 2021.
- Record silver production of over one-million ounces; GSilver is a primary silver producer.
- Successful ramp-up across all four producing silver mines remains in-line with modeled expectations.
- Record revenue for 2022 of \$36.8M generated by a realized average price of \$21.23 per silver ounce, \$1,783 per gold ounce, \$0.92 per pound of lead, and \$1.42 per pound of Zinc.
- Silver recoveries continue to exceed historical rates; the average silver recovery for 2022 was 86%; the average gold recovery over the same period was 84.5%.
- Cash costs of \$15.84 per AgEq ounce, and AISC of \$21.55 per AgEq ounce remain in-line with the Company's projections; AISC was influenced in 2022 by significant capital expenditures during ramp-up across all four producing assets.
- Positive mine operating cash flow<sup>(7)</sup> of over \$2M.
- Over 60% of the net loss for 2022 comprises either non-cash or one-time items<sup>(9)</sup>; net loss for the year totaled \$26.7M.
- As of December 31, 2022, the Company had cash and cash equivalents of \$8,832,936 and negative working capital of \$5,972,704 compared with cash of \$8,234,043 and positive working capital of \$1,670,108 as of December 31, 2021.

"Having achieved producer status in late 2021, we have now successfully completed our first full year of precious metals production from our expanding portfolio of silver mines in central Mexico," said James Anderson, Chairman and CEO. "Throughout 2022 we have exceeded many of our ramp-up targets, such as very strong process plant recoveries, and consistently larger throughput volumes of mineralized material. Our Company's rapid growth is demonstrated by our strong quarter over quarter silver and gold production increases, which we plan to accelerate throughout 2023. Our operations team remains focused on delivering even greater success for 2023 as we aim to further enhance Guanajuato Silver's status as one of the fastest growing silver producers in Mexico."

## 2023 Production and Cost Guidance

In 2023, silver equivalent production is expected to range from 4.6 to 4.8 million ounces. Consolidated cash costs per ounce are expected to be slightly lower compared to 2022; whereas AISC is expected to be similar to 2022 as the Company completes several strategic capex initiatives in 2023; most notably the Topia mill expansion and modernization, the reintegration of the central Cata production shaft at Valenciana, and the installation of a dry stack tailings facility at El Cubo.

1. Silver equivalents are calculated using an 83.22:1 (Ag/Au), 0.05:1 (Ag/Pb) and 0.07:1 (Ag/Zn) ratio for 2022; and 80:1 (Ag/Au) ratio for 2021, respectively.
2. Cash cost per silver equivalent ounce include mining, processing, and direct overhead. See Reconciliation to IFRS in the Company's Management Discussion and Analysis.
3. AISC per oz include mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. The production costs for the year ended December 31, 2021, include mining cost from July to September 2021, prior to the commencement of milling and concentrate production, and therefore differ from the production costs for the three months ended December 31, 2021. See Reconciliation to IFRS in the Company's Management Discussion and Analysis.
4. See Reconciliation of earnings before interest, taxes, depreciation, and amortization in the Company's Management Discussion and Analysis
5. See "Non-IFRS Financial Measures in the Company's Management Discussion and Analysis.
6. Based on provisional sales before final price adjustments, before payable metal deductions, treatment, and refining charges.
7. Mine operating cash flow before taxes is calculated by adding back depreciation, depletion, and inventory write-downs to mine operating loss. See Reconciliation to IFRS in the Company's Management Discussion and Analysis.
8. These are non-IFRS financial measures and ratios. Further details on these non-IFRS financial measures and ratios are provided at the end of this press release and in the MD&A accompanying the Company's financial statements on SEDAR at [www.sedar.com](http://www.sedar.com).
9. Non-cash items include depreciation, stock-based compensation, loss or gain on derivatives, change of fair value on contingent payments and unrealized FX; one-time items include transaction costs associated with the acquisition of MMR, and a one-time charge for care & maintenance of the Valenciana Mines Complex prior to production restart.

#### About Guanajuato Silver

GSilver is a precious metals producer engaged in reactivating past producing silver and gold mines in central Mexico. The Company produces silver and gold concentrates from the El Cubo Mine, Valenciana Mines Complex, and the San Ignacio mine; all three mines are located within the state of Guanajuato, which has an established 480-year mining history. Additionally, the Company produces silver, gold, lead, and zinc concentrates from the Topia mine in northwestern Durango. With four operating mines and three processing facilities, Guanajuato Silver is one of the fastest growing silver producers in Mexico.

#### Technical Information

Reynaldo Rivera, VP of Exploration of GSilver, has approved the scientific and technical information contained in this news release. Mr. Rivera is a member of the Australasian Institute of Mining and Metallurgy (AusIMM - Registration Number 220979) and a "qualified person" as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects.

#### ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"  
Chairman and CEO

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#### Non-IFRS and Other Financial Measures and ratios

Certain non-IFRS and other non-financial measures and ratios are included in this news release including

cost per tonne, cash cost per AgEq ounce, all-in sustaining cost ("AISC") per AgEq ounce, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and working capital. See the December 31, 2022 MD&A for explanations and discussion of these non-IFRS and other non-financial measures and ratios. The Company believes these measures and ratios, in addition to financial measures and ratios prepared in accordance with International Financial Reporting Standards ("IFRS"), provide management and investors with additional information with which to evaluate the Company's performance. However, these measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS. Certain additional disclosures for these non-IFRS measures including, where applicable, a reconciliation thereof to IFRS, and can be found in the section "Non-IFRS Financial Measures" in the December 31, 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Forward-Looking Statements

This news release contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to, the Company's 2023 production and cost guidance, the continuing trend of quarterly increases in production and silver equivalent ounce recoveries in 2023; the Company's strategic capex initiatives for 2023 including the Topia mill expansion and modernization, the reintegration of the central Cata production shaft at VMC, and the installation of a dry stack tailings facility at El Cubo and the expecting timing and cost for the completion thereof; the Company's ability to maintain and improve operating efficiencies at its mining operations in 2023 and to continue to reduce its reliance on third party mining contractors; the ability of the newly restarted Cata mill to process all of the mineralized material mined from San Ignacio and VMC in the volumes and grades anticipated; and the Company's status as one of the fastest growing silver producers in Mexico.

Such forward-looking statements and information reflect management's current beliefs and expectations and are based on information currently available to and assumptions made by the Company; which assumptions, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: our estimates of mineralized material at El Cubo, VMC, San Ignacio and Topia and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; available tonnage of mineralized material to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to production estimates; the ability of the Company to ramp up processing of mineralized material at its processing plants at the projected rates and source sufficient high grade mineralized material to fill such processing capacity; prices for silver, gold and other metals remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects and to satisfy current liabilities and obligations including debt repayments; capital cost estimates; decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation) and inflation rates remaining as estimated; no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Readers are cautioned that such forward-looking statements and information are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results, level of activity, production levels, performance or achievements of GSilver to differ materially from those expected including, but not limited to, market conditions, availability of financing, future prices of gold, silver and other metals, currency rate fluctuations, rising inflation and interest rates, actual results of production, exploration and development activities, actual resource grades and recoveries of silver, gold and other metals, availability of third party mineralized material for processing, unanticipated geological or structural formations and characteristics, geopolitical conflicts including wars, environmental risks, operating risks, accidents, labor issues, equipment or personnel delays, delays in obtaining governmental or regulatory approvals and permits, inadequate insurance, and other risks in the mining industry. There are no assurances that GSilver will be able to successfully discover and mine sufficient quantities of high grade mineralized material at El Cubo, VMC, San Ignacio and Topia for processing at its existing mills to increase production, tonnage milled and recoveries rates of gold, silver, and other metals in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from El Cubo, VMC, San Ignacio, Topia and its other mines is not based on a feasibility study of mineral reserves demonstrating economic and technical viability and therefore is subject to increased uncertainty and risk of failure, both economically and technically. Mineral resources and mineralized material that are not Mineral Reserves do not have demonstrated economic viability, are considered too speculative geologically to have the economic

considerations applied to them, and may be materially affected by environmental, permitting, legal, title, socio-political, marketing, and other relevant issues. There are no assurances that the Company's projected production of silver, gold and other metals will be realized. In addition, there are no assurances that the Company will meet its production forecasts or generate the anticipated cash flows from operations to satisfy its scheduled debt payments or other liabilities when due or meet financial covenants to which the Company is subject or to fund its exploration programs and corporate initiatives as planned. There is also uncertainty about the continued spread and severity of COVID-19, the ongoing war in Ukraine, inflation and rising interest rates and the impact they will have on the Company's operations, supply chains, ability to access mining projects or procure equipment, supplies, contractors and other personnel on a timely basis or at all and economic activity in general. Accordingly, readers should not place undue reliance on forward-looking statements or information. All forward-looking statements and information made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at [www.sedar.com](http://www.sedar.com) including the Company's most recently filed annual information form. These forward-looking statements and information are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required by law.

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