

# Guanajuato Silver Company Increases Size of Gold Loan Credit Facility to US\$13.3M

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VANCOUVER, February 29, 2024 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR)(OTCQX:GSVRF) is pleased to announce that the previously arranged US\$7.5 million Gold Loan Credit Facility financing with Ocean Partners UK Ltd. ("Ocean Partners") has been increased to US\$13,300,000 (the "Expanded Facility"), (See GSilver News Release dated December 5, 2023 - "Guanajuato Silver Closes US\$7.5 Million Credit Facility"). The loan facility is for a term of 36 months from the date of the initial draw; it is repayable in equal fixed monthly installments of gold totalling approximately 338 troy ounces per month for a period of 30 months following a six-month grace period from the date of the initial draw. The number of ounces to be delivered per month is based on a discount to the London Bullion Market Association (LBMA) gold closing price of US\$2,046.95 on November 29, 2023, plus an imputed interest amount.

James Anderson, Chairman & CEO, said, "The expanded credit facility will provide enhanced financial flexibility as we look to expand production throughout 2024 at all four of our producing silver mines in Mexico. Approximately three years ago, from among numerous competing firms, we chose Ocean Partners to be our primary metals trader; daily we see evidence that this was an astute business decision. Ocean Partners has always acted as a genuine partner to our business in Mexico; their support remains invaluable as we grow GSilver into a significant producer of precious metals."

The additional principal amount of the Expanded Facility has been advanced in single draw to the Company. A portion of the Expanded Facility will be used to pay down a portion of the outstanding loan due to Ocean Partners totalling approximately \$3.8 million (See GSilver news release dated August 30, 2022 - Guanajuato Silver Draws US\$5,000,000 Credit Facility). The remainder of the funds will be used for capex initiatives and for general working capital purposes.

In connection with the Expanded Facility, the Company and an affiliate of Ocean Partners have also extended the concentrate sales agreements related to the El Cubo Mine Complex, Valenciana Mines Complex, the San Ignacio mine and Topia Mine to December 31, 2028. The Expanded Facility will be secured by a pledge of the shares and assets of GSilver's Mexican subsidiaries Minera Mexicana el Rosario, S.A. de C.V. and Obras Mineras el Pinguico, S.A. de C.V. The Company has the option to repay all or part of the Expanded Facility at any time with 30 days' notice and the payment of a fee of 3.0% of the Expanded Facility Amount repaid.

## Shares for Debt:

The Company is also pleased to announce that it has completed its previously announced shares-for-debt transaction (the "Transaction") totalling C\$414,727.89 (see GSilver news release dated January 5, 2024 - "Guanajuato Silver Arranges Debt Settlement") through the issuance of 1,658,912 common shares ("Shares"), including 160,000 Shares issued to three non-arms-length parties to settle indebtedness totalling C\$40,000. The Shares issued for this debt settlement are subject to a four-month hold period expiring June 29, 2024.

The issuance of 160,000 Shares directly to James Anderson and Ramon Davila and indirectly to Richard Silas who are insiders of the Company (a "Related Party"), is considered "a related party transaction" within the meaning of Policy 5.9 of the TSX Venture Exchange (the "Policy") and Multilateral Instrument 61-101 - Protection of Minority Security holders in Special Transactions ("MI 61-101") adopted in the Policy. The Company is relying on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such Related Party's participation in the Transaction as neither the fair market value of the Transaction, nor the fair market value of the Shares to be issued thereunder, insofar as it involves Related Parties, exceeds 25% of the Company's market capitalization (all as determined under MI 61-101). GSilver will not file a material change report in connection with this Transaction more than 21 days in advance of the closing of the Transaction

due to current market conditions and the desire of all parties to complete the Transaction as expeditiously as possible. The securities of the Company that have been acquired by the Related Party were acquired pursuant to an exemption from the prospectus requirement in section 2.14 of National Instrument 45-106 - Prospectus Exemptions. In approving this Transaction, each of the insiders declared their interest in the Transaction and abstained from voting as to its approval.

#### 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 Complex, 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.

#### ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"  
Chairman and CEO

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

#### 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 repayment terms of the Facility, use of proceeds from the Facility, GSilver's intention to expand production throughout 2024 at all four of its producing silver mines in Mexico, GSilver's growth into a significant producer of precious metals in Mexico, 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 Cata 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 and rising inflation and 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 annual information form for the year ended December 31, 2022. 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.

SOURCE: [Guanajuato Silver Company Ltd.](#)

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