

Guanajuato Silver Announces Closing of C\$11.35 Million Brokered Financing

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VANCOUVER, May 9, 2024 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR) is pleased to announce the closing of its previously announced brokered, best-efforts offering ("Offering") for aggregate gross proceeds to the Company of C\$11,350,460 under a combined Listed Issuer Financing Exemption private placement under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the "LIFE Exemption") and concurrent private placement to accredited investors (the "Private Placement"). The Offering consisted of units of the Company (the "Units") at a price of C\$0.20 per Unit (the "Offering Price"). The Offering was led by Research Capital Corporation and Red Cloud Securities Inc. as the co-lead agents and joint bookrunners, on behalf of a syndicate of agents, including Canaccord Genuity Corp. (collectively, the "Agents").

Each Unit consists of one common share of the Company ("Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase an additional Common Share at an exercise price of C\$0.30, subject to customary anti-dilution adjustments, until May 9, 2026.

Net proceeds from the Offering will be used to, inter alia:

- add to the Company's underground fleet and ramp up production at GSilver's producing mines in Guanajuato and Durango.
- fund certain improvements to expand and modernize the processing facilities at the Topia mine and mill complex including capital expenditures and related costs.
- fund corporate head office general and administrative expenses including legal, audit, overhead and salaries for the ensuing 12 months.
- carry out detailed exploration at GSilver's mineral properties, particularly San Ignacio and Valenciana.

As part of the Offering, 43,125,000 Units ("LIFE Units") were sold to purchasers pursuant to the LIFE Exemption in all provinces of Canada, except Quebec, and other qualifying jurisdictions, including the United States. In addition, 13,627,300 Units (the "Accredited Investor Units") were sold to accredited investors under the accredited investor exemption contained in National Instrument 45-106 - Prospectus Exemptions in all provinces of Canada, and other qualifying jurisdictions, including the United States pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended, (the "1933 Act"), and applicable U.S. state securities laws. The securities underlying the LIFE Units are not subject to a statutory hold period under applicable Canadian securities laws. Unless permitted under securities legislation, the securities underlying the Accredited Investor Units cannot be traded before September 10, 2024.

In connection with the Offering, the Agents received a cash commission of \$525,982, a cash advisory fee of \$48,000 and 2,889,388 non-transferable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the holder to purchase one Common Share at an exercise price equal to the Offering Price, subject to customary anti-dilution adjustments, until May 9, 2026.

To demonstrate continued support of the Company, certain directors, officers and other insiders of the Company and their affiliates (each, a "Related Party") participated in the Offering and acquired an aggregate of 2,515,000 Units for total gross proceeds of \$503,000. Each subscription by a Related Party is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The related party transactions are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 in reliance upon the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the fair market value of the transaction, insofar as it involves the Related Parties, does not exceed 25% of the Company's market capitalization. The Company did not file a material change report related to Offering more than 21 days before the expected closing of the Offering as required by MI 61-101 since the details of the participation by the Related Parties were not settled until shortly prior to the closing of the Offering and the Company wished

to close on an expedited basis for sound business reasons.

This new release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the 1933 Act, or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.

About GSilver

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, GSilver is one of the fastest growing silver producers in Mexico.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"
Chairman and CEO

For further information regarding [Guanajuato Silver Company Ltd.](#), please contact:

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Continue to watch our progress at: www.GSilver.com

Guanajuato Silver Bullion Store

Please visit our Bullion Store, where Guanajuato Silver coins and bars can be purchased.

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 news release.

Forward-Looking Statements and Information

This news release contains forward-looking statements and information, which relate to future events or future performance including, but not limited to the intended use of proceeds from the Offering, final TSX Venture Exchange approval for the Offering, the Company's future development and production activities and opportunities for future exploration, development and production and the estimated timing and costs thereof; and the status of the Company 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, market, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates at El Cubo, El Pinguico and San Ignacio 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 successfully integrate production from San Ignacio and Valenciana into the Company's existing mining and milling operations at El Cubo and the availability of excess processing and tailings capacity at El Cubo to accommodate same; the Company's ability to secure additional sources of mineralized material for processing, 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 expenditures, 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 significant risks and uncertainties that may cause actual 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, actual results of exploration, development and production activities, actual resource grades and recoveries of silver, gold and other metals, availability of third party mineralized material for processing, rising inflation and interest rates, geopolitical conflicts including wars, unanticipated geological or structural formations and characteristics, 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 the Company will successfully complete the Offering in whole or in part on the terms and in accordance with the timing set out herein. Further, there are no assurances that GSilver will be able to continue to increase production, tonnage milled and recoveries rates, improve grades and reduce costs at its existing mines to process mineralized materials to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. GSilver's decision to process mineralized material from its mining projects 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 impact of any resurgence of COVID-19, the ongoing war in Ukraine and conflict in Gaza, and higher 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.sedarplus.ca 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.

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

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