

Guanajuato Silver Achieves Production Milestone at El Cubo

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~ Ocean Partners UK Limited Increases Share Position ~

VANCOUVER, September 26, 2024 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR)(OTCQX:GSVRF), a growing Mexican-based precious metals producer, announces that over 3,000,000 ounces of silver-Equivalent ("AgEq") ⁽¹⁾ have now been produced at the El Cubo mill; this significant milestone has triggered the last remaining contingent payment owed to [Endeavour Silver Corp.](#) ("Endeavour") as part of the purchase of the El Cubo mine and mill complex ("El Cubo") located in Guanajuato, Mexico.

In 2021, Guanajuato Silver purchased El Cubo from Endeavour for US\$15,000,000; the transaction included a contingent payment that would see Endeavour paid an additional US\$1,000,000 once 3,000,000 AgEq ounces had been produced at El Cubo (the "Contingent Payment")(See GSilver news release dated December 21, 2020 - "GSilver to Acquire El Cubo Mine & Mill from Endeavour Silver Corp). As part of the agreement, Guanajuato Silver has the right to settle one half of the Contingent Payment through the issuance to Endeavour of 2,753,265 common shares in the capital of the Company at a deemed price of C\$0.245 per share, this being the 10-day VWAP price of the shares 30 days after the milestone was reached. As part of a shares for debt agreement, Endeavour has agreed to settle the balance of the contingent payment through the issuance of approximately 2,720,000 common shares in the capital of the Company at a deemed price of C\$0.25 per share (the "Endeavour Debt Settlement").

Additionally, Ocean Partners UK Limited ("Ocean Partners"), a metals off-take and trading firm, has agreed to accept shares for debt for two months' of outstanding payments on the existing Gold Loan Credit Facility (the "Expanded Facility"), which the Company began paying down in June 2024 (See GSilver news releases dated December 5, 2023 and February 29, 2024). Ocean Partners will receive approximately 9,771,635 shares for total consideration of approximately US\$1.8M under the same terms as the Endeavour Debt Settlement (the "OP Debt Settlement"). The Expanded Facility is Guanajuato Silver's only remaining outstanding loan and is repayable in equal fixed monthly installments of gold totalling approximately 338 troy ounces per month for a period of 30 months which commenced in June 2024.

James Anderson, Chairman & CEO, said, "Guanajuato Silver has been able to rapidly advance production at our four producing silver mines in large part because of the willingness of our financial partners to provide flexibility and solutions that do not inhibit growth. Ocean Partners has been our preferred metals trader from inception; and we are pleased that they are now one of our larger shareholders with approximately 4.9% of all shares outstanding. We look forward to continuing our relationship with Ocean Partners; we see this as a genuine partnership that is central to our continued success."

Guanajuato Silver has also arranged to settle approximately US\$250,000 in outstanding liabilities of the Company by the issuance of approximately 1,360,000 common shares in the capital of the Company to an arm's length third party under the same terms as the Endeavour Debt Settlement (the "Third Party Debt Settlement").

The Endeavour Debt Settlement, OP Debt Settlement and Third Party Debt Settlement are subject to acceptance of the TSX Venture Exchange and all shares issued thereunder will be subject to a statutory hold period of four months and a day from the date of issuance in accordance with applicable securities legislation.

(1) AgEq has been calculated using an 82.77:1 (Ag/Au) ratio from October 1, 2021, until September 20, 2024.

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.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"
Chairman and CEO

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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 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 terms and completion of the debt settlements described in this news release, the repayment of the Expanded Facility and GSilver's status as one of the fastest growing silver mining company in Mexico.

Such forward-looking statements and information reflect management's current beliefs 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: the receipt of TSX Venture Exchange approval for the debt settlements, the potential quantity, grade and metal content of the mineralized material at El Cubo and San Ignacio, the geotechnical and metallurgical characteristics of such material 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; 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, 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, failure to receive TSX Venture Exchange approval for the debt settlements, market conditions, availability of financing, currency rate fluctuations, high inflation and interest rates, geopolitical

conflicts including wars, actual results of exploration, development and production activities, actual grades and recoveries of silver, gold and other metals from the Company's existing mines including El Cubo, San Ignacio, VMC and Topia, availability of third party mineralized material for processing, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, 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 continue to increase production, tonnage milled and recoveries rates, improve grades and reduce costs at El Cubo, San Ignacio, VMC and/or Topia to process mineralized materials to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from El Cubo, San Ignacio, VMC and Topia 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 grades of gold and silver at El Cubo and San Ignacio and the anticipated level of production therefrom 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 impact of any resurgence of COVID-19, the ongoing war in Ukraine and conflict in Gaza, elevated 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, 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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