MATERIAL CHANGE REPORT
FORM 51-102F3

Item 1. Reporting Issuer

Guanajuato Silver Company Ltd. (the "**Issuer**" or "**GSilver**")
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Item 2. Dates of Material Change

November 16, 2021 and November 18, 2021

Item 3. Press Releases

Press releases were distributed through the facilities of Accesswire on November 16, 2021 and November 18, 2021.

Item 4. Summary of Material Changes

November 16, 2021

The Issuer has arranged for early payment of the US$2.5 million promissory note (the "**Note**") issued to Endeavour Silver Corp. ("**Endeavour**") in connection with the Company's acquisition of the El Cubo mine and mill complex due April 9, 2022. In consideration for the early payment, Endeavour has agreed to reduce the principal amount of the Note by US$25,000 and, subject to acceptance of the TSX Venture Exchange (the "**TSXV**"), settle the Mexican value added tax payable on the purchase price for El Cubo represented by the Note totaling US$396,000 (the "**VAT Settlement**") for a total of 901,224 common shares of the Company (the "**VAT Shares**") at a deemed price of C$0.55 per VAT Share.

The Issuer has also signed, through its Mexican subsidiary, Obras Mineras El Pinguico, S.A. de C.V., a new collective bargaining agreement ("**CBA**") with El Sindicato Nacional De Trabajores Mineros, Metalúrgicos, Siderúrgicos y Similares De La Republica Mexicana ("the **Union**"), the union representing workers at the Issuer's El Cubo mining operations. The CBA calls for the Issuer to adhere to all Mexican federal labour laws pertaining to health and safety within the mine and plant, and to basic federal standards of compensation. As compensation to the Union for terminating its last CBA (in place for over 70 years with multiple previous employers) and establishing a more modern and straightforward CBA with GSilver, the Issuer has agreed to make a one-time payment (the "**One-Time Payment**") of 10 million Mexican pesos (approximately US$490,000) to the Union, payable in instalments over an 18-month period. Subject to acceptance of the TSXV and final approval of the Union, a portion of the One-Time Payment may be satisfied in GSilver shares.

November 18, 2021

The Issuer has arranged a non-brokered private placement offering (the **"Offering"**) of 15,000,000 units (the "**Units**") at a price of C$0.55 per Unit for estimated gross proceeds of C$8,250,000. Each Unit consists of one common share and one-half of a share purchase warrant, each whole warrant exercisable to purchase one common share at C$0.75 for a period, subject to acceleration, of two years after closing.

Endeavour, GSilver's largest shareholder, has subscribed for 5,750,000 Units (C$3,162,500) of the Offering. Endeavour, which currently owns 21,331,058 shares or approximately 10.37% of the Issuer prior to the Offering, will own 27,982,282 shares or approximately 12.63% of GSilver after giving effect to the Offering (assuming the entire Offering is sold) and the issuance of 901,224 VAT Shares to Endeavour in connection with the VAT Settlement announced November 16, 2021.

Additionally, Ocean Partners Holdings Ltd. (**"Ocean Partners")** has subscribed for 1,000,000 Units (C$550,000) of the Offering to become an equity shareholder of the Issuer. Ocean Partners has contracted with the Issuer to purchase all of GSilver's silver and gold concentrate for an 18-month term, commencing in October 2021 as announced on September 23, 2021.

The net proceeds from the Offering will be used to fund the ongoing exploration, development, and expansion of the Issuer's El Cubo mine and mill complex and El Pinguico silver and gold project, both located near the city of Guanajuato, Mexico; and for general corporate and working capital purposes.

The Offering is subject to acceptance of the TSXV with an initial closing scheduled for on or about November 30, 2021. All securities issued pursuant to the Offering will be subject to a four month hold period from the date of closing. The Issuer may pay finder's fees in cash, shares or warrants or any combination thereof to certain finders in connection with the sale of Units in accordance with the policies of the TSXV.

Related Party Disclosures

By virtue of its current shareholdings in GSilver, Endeavour's acquisition of (a) the VAT Shares in connection with the VAT Settlement, and (b) Units in the Offering constitute "related party transactions" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In addition, it is expected that certain directors and/or officers of GSilver will be participating in the Offering. However, as neither (x) the fair market value of the VAT Settlement or the fair market value of the VAT Shares to be issued to Endeavour, nor (y) the fair market value of the total number of Units expected to be subscribed for by Endeavour and directors and/or officers of the Issuer (collectively the "**Insiders**") in the Offering or the consideration to be paid by the Insiders for such Units, will, in either case, exceed 25% of the Issuer's market capitalization such related party transactions will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101.

This material change is being filed less than 21 days before the expected closing dates for the issuance of the VAT Shares and the Units, which the Issuer deems reasonable in the circumstances to be able to avail itself of potential financing opportunities and complete the VAT Settlement and Offering in a timely manner.

Item 5. <u>Full Description of Material Changes</u>

See attached news releases of the Issuer dated November 16, 2021 and November 18, 2021.

Item 6. <u>Reliance on subsection 7.1(2) of National Instrument 51-102</u>

This report is not being filed on a confidential basis.

Item 7. <u>Omitted Information</u>

There are no significant facts required to be disclosed herein which have been omitted.

Item 8. <u>Executive Officer</u>

To obtain further information contact James Anderson, Chief Executive Officer, at 778-989-5346.

Item 9. <u>Date of Report</u>

November 18, 2021.

~ GSilver Arranges Early Payment of US$2.5M Note to Endeavour Silver ~
~ Signs Collective Bargaining Agreement with El Cubo Union ~

November 16, 2021 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the "**Company**" or "**GSilver**") (**TSXV:GSVR**)(**OTCQX:GSVRF)** announces that it has arranged for early payment of the US$2.5 million promissory note issued to Endeavour Silver Corp. ("**Endeavour**") in connection with the Company's acquisition of the El Cubo mine and mill complex due April 9, 2022. In consideration for the early payment, Endeavour has agreed to reduce the principal amount of the note by US$25,000 and settle the Mexican value added tax payable on the purchase price for El Cubo represented by the note (the "**VAT**") for common shares of the Company (the "**VAT Settlement**"). Subject to acceptance of the TSX Venture Exchange (the "**TSXV**"), the Company will issue a total of 901,224 common shares (the "**VAT Shares**") to Endeavour at a deemed price of C$0.55 per share to settle VAT totalling US$396,000 (C$495,573 based on the Bank of Canada indicative exchange of C$1.2517 = US$1.00 on November 15, 2021). The VAT Shares will be subject to a hold period of four months and one day from the date of issuance.

Endeavour currently owns 21,331,058 common shares or 10.37% of the issued and outstanding shares of GSilver and will hold a total of 22,232,282 common shares or approximately 10.76% of GSilver following completion of the VAT Settlement. As such, the VAT Settlement constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, as neither the fair market value of the VAT Settlement nor the fair market value of the VAT Shares to be issued to Endeavour will exceed 25% of GSilver's market capitalization, the VAT Settlement will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company will file a material change report in connection with the VAT Settlement less than 21 days before the expected closing date of such transaction, which the Company deems reasonable in the circumstances to be able to complete the VAT Settlement in an expeditious manner.

Collective Bargaining Agreement:

The Company is also pleased to announce that it has signed, through its Mexican subsidiary Obras Mineras El Pinguico, S.A. de C.V., a new Collective Bargaining Agreement ("CBA") with El Sindicato Nacional De Trabajores Mineros, Metalúrgicos, Siderúrgicos y Similares De La Republica Mexicana ("the **Union**"), the union representing workers at the Company's El Cubo mining operations.

The long-term agreement calls for the Company to adhere to all Mexican federal labour laws pertaining to health and safety within the mine and plant, and to basic federal standards of compensation. As is customary with these agreements, salaries will be reviewed yearly with employee benefits being reviewed on a bi-annual basis.

James Anderson, Chairman and CEO said: "We are very pleased to have proactively entered into this agreement with the Union, establishing long-term labor tranquility and goodwill at our El Cubo operation. We see this agreement existing within a framework of enduring co-operation with the Union, and with Union workers. We welcome a continuation of the collaboration that we have had with the Union throughout this process."

Major Points to the Agreement:

1. GSilver has met its objective of negotiating and entering into a new CBA with favorable base level economics for its mining operations at El Cubo. The agreement has been ratified and filed with the Federal Board of Conciliation and Arbitration in Mexico City.
2. Annual costs associated with having this new CBA represent a significant cost savings compared with the former CBA at El Cubo.
3. A relationship of mutual respect has been achieved between GSilver and the Union.

As compensation to the Union for terminating its last CBA (in place for over 70 years with multiple previous employers) and establishing a more modern and straightforward CBA with GSilver, the Company has agreed to make a one-time payment (the "**One-Time Payment**") of 10 million Mexican pesos (approximately US$490k) to the Union, payable in instalments over an 18-month period. Subject to acceptance of the TSXV and final approval of the Union, a portion of the One-Time Payment may be satisfied in GSilver shares.

About Guanajuato Silver Co. Ltd.:

GSilver mines and processes silver and gold concentrate from its El Cubo mine and mill. The Company continues to delineate additional silver and gold resources through underground drilling at El Cubo and its nearby El Pinguico project. Both projects are located within 11km of the city of Guanajuato, which has an established 480-year mining history.

ON BEHALF OF THE BOARD OF DIRECTORS
"James Anderson"
Chairman and CEO

For further information regarding Guanajuato Silver Co. Ltd, please contact:
JJ Jennex, Communications Manager, +1 (604) 723-1433
Email: jjj@gsilver.com
Continue to watch our progress at: www.GSilver.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 number of VAT Shares to be issued to Endeavour in connection with the VAT Settlement, the ability of GSilver to continue to ramp up production at El Cubo both in tonnes and head-grade and carry out future sales of silver and gold concentrate, the annual cost savings to the Company of the new Union CBA over the previous CBA and projected long-term labor tranquility and goodwill at El Cubo; the Company's ability to restart production from the El Pinguico mine and supply sufficient quantities of silver and gold bearing material from El Pinguico and El Cubo to the El Cubo mill to produce concentrate at the projected amounts, grades, costs and revenues; the Company's future development and production activities; estimates of mineral resources and the accessibility, attractiveness, mineral content and metallurgical characteristics thereof; the opportunities for future exploration, development and production at El Cubo and El Pinguico and the proposed exploration, development and production programs therefor and the timing and costs thereof; and the success related to any future exploration, development and/or production programs.

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 VAT Settlement will be acceptable to the TSXV on the terms set out above, our mineral resource estimates at El Cubo and El Pinguico and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; tonnage of mineralized material to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to production estimates; success of the Company’s combined El Cubo / El Pinguico operation; prices for silver and gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labor, materials, supplies and services (including transportation); no union or other labor-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 to differ materially from those expected including, but not limited to, market conditions, availability of financing, currency rate fluctuations, actual results of exploration, development and production activities, actual resource grades and recoveries of silver and gold, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, union or other 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 TSXV will accept the VAT Settlement on the terms set out in herein or at all. Further, there is uncertainty surrounding GSilver’s ability to successfully ramp-up production at the El Cubo mill to process mineralized materials to produce silver and gold concentrate in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver’s decision to process mineralized material from its estimated resources at El Cubo and above and underground stockpiles at El Pinguico through the El Cubo mill 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 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 results of the Company's recently announced preliminary economic assessment and projected production of silver and gold will be realized. There is also uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements 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. These forward-looking statements 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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~ GSilver announces C$8.25M Private Placement ~
~ Endeavour Silver and Ocean Partners Provide Lead Orders ~

November 18, 2021 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the "**Company**" or "**GSilver**")(**TSXV:GSVR**)(**OTCQX:GSVRF)** is pleased to announce that it has arranged a non-brokered private placement offering (the **"Offering"**) of 15,000,000 units (the "**Units**") at a price of $0.55 per Unit for estimated gross proceeds of C$8,250,000. Each Unit consists of one common share and one-half of a share purchase warrant, each whole warrant exercisable to purchase one common share at C$0.75 for a period, subject to acceleration, of two years after closing.

Major Stakeholder Support:
The Company would like to acknowledge the ongoing support of our largest shareholder, Endeavour Silver Corp. ("**Endeavour**"), which continues to provide assistance in the restarting of the El Cubo mine and mill operation, and which has subscribed for 5,750,000 Units (C$3,162,500) of the Offering. Endeavour, which currently owns 21,331,058 shares or approximately 10.37% of the Company prior to the Offering, will own 27,982,282 shares or approximately 12.63% of the Company after giving effect to the Offering (assuming the entire Offering is sold) and the issuance of 901,224 shares to Endeavour in connection with the Company's early payment of Endeavour's US$2.5 million promissory note as announced (click here) November 16, 2021.

Additionally, the Company would like to thank Ocean Partners Holdings Ltd. (**"Ocean Partners")** for their subscription and support. As announced on (click here:) Sept. 23, 2021, Ocean Partners has contracted with GSilver to purchase all of our silver and gold concentrate for an 18-month term, commencing in October 2021. Ocean Partners has provided GSilver with a US$1.5M prepayment facility and are now subscribing for 1,000,000 Units (C$550K) of the Offering to become an equity shareholder of the Company.

James Anderson, Chairman & CEO, stated, "The continued financial backing of our largest shareholder and of our metals trading service partner is a major endorsement regarding the quality of our projects and the ability of our management team to execute. We consider it prudent at this time to ensure that GSilver has a healthy balance sheet and financial buffer in place as we move forward with the El Cubo ramp-up."

Use of Proceeds:
The net proceeds from the Offering will be used to fund the ongoing exploration, development, and expansion of the Company's El Cubo mine and mill complex and El Pinguico silver and gold project, both located near the city of Guanajuato, Mexico; and for general corporate and working capital purposes.

The Offering is subject to acceptance of the TSX Venture Exchange (the "**TSXV**") with an initial closing scheduled for on or about November 30, 2021. All securities issued pursuant to the Offering will be subject to a four month hold period from the date of closing. The Company may pay finder's fees in cash, shares or warrants or any combination thereof to certain finders in connection with the sale of Units in accordance with the policies of the TSXV.

By virtue of its current shareholdings in GSilver, Endeavour's acquisition of Units in the Offering constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In addition, it is expected that certain directors and/or officers of GSilver will be participating in the Offering. However, the Company expects the participation by Endeavour and such directors and/or officers (collectively the "**Insiders**") in the Offering will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101 based on the fact that neither the fair market value of the Units subscribed for by the Insiders, nor the consideration for the Units to be paid by the Insiders, will exceed 25% of the Company's market capitalization.

The Company will file a material change report in connection with the Offering less than 21 days before the expected closing date of the Offering, which the Company deems reasonable in the circumstances to be able to avail itself of potential financing opportunities and complete the Offering in a timely manner.

About Guanajuato Silver Co. Ltd.:

GSilver mines and processes silver and gold concentrate from its El Cubo mine and mill. The Company continues to delineate additional silver and gold resources through underground drilling at El Cubo and its nearby El Pinguico project. Both projects are located within 11km of the city of Guanajuato, which has an established 480-year mining history.

ON BEHALF OF THE BOARD OF DIRECTORS
"James Anderson"
Chairman and CEO

For further information regarding Guanajuato Silver Co. Ltd, please contact:
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Continue to watch our progress at: www.GSilver.com

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.

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 *United States Securities Act of 1933*, as amended (the "**U.S. Securities 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 U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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 total proceeds to be raised under the Offering and the timing thereof and the use of proceeds therefrom; the ability of the Company to successfully ramp-up production at El Cubo and produce larger quantities of silver and gold concentrate at higher grades; the Company's ability to restart production from the El Pinguico mine and supply sufficient quantities of silver and gold bearing material from El Pinguico and El Cubo to the El Cubo mill to produce concentrate at the projected amounts, grades, costs and revenues; the

Company’s future development and production activities; estimates of mineral resources and the accessibility, attractiveness, mineral content and metallurgical characteristics thereof; the opportunities for future exploration, development and production at El Cubo and El Pinguico and the proposed exploration, development and production programs therefor and the timing and costs thereof; and the success related to any future exploration, development and/or production programs.

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: our mineral resource estimates at El Cubo and El Pinguico and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; tonnage of mineralized material to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to production estimates; success of the Company’s combined El Cubo / El Pinguico operation; prices for silver and gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labor, materials, supplies and services (including transportation); no union or other labor-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 to differ materially from those expected including, but not limited to, market conditions, availability of financing, currency rate fluctuations, actual results of exploration, development and production activities, actual resource grades and recoveries of silver and gold, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, union or other 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 ramp-up production at the El Cubo mill to process mineralized materials to produce silver and gold concentrate in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver’s decision to process mineralized material from its estimated resources at El Cubo and above and underground stockpiles at El Pinguico through the El Cubo mill 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 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 results of the Company's recently announced preliminary economic assessment and projected production of silver and gold will be realized. There is also uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking information and statements 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. Forward-looking information and statements 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.

Guanajuato Silver Company Ltd.
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