MATERIAL CHANGE REPORT
FORM 51-102F3

Item 1. Reporting Issuer

Guanajuato Silver Company Ltd. (the "**Issuer**" or "**GSilver**")
Suite 578 – 999 Canada Place
Vancouver B.C. V6C 3T4
Phone: 604-913-5899

Item 2. Dates of Material Changes

July 21, 2022

Item 3. Press Releases

The press release was distributed through the facilities of Accesswire on July 21, 2022.

Item 4. Summary of Material Changes

On July 21, 2022, GSilver completed its brokered private placement of subscription receipts (the "**Subscription Receipts**") as previously announced on June 29, 2022 and July 7, 2022. In total, GSilver issued 41,885,388 Subscription Receipts at a price of C$0.33 per Subscription Receipt for gross proceeds of C$13,822,178.04 (the "**Equity Financing**").

The gross proceeds of the Equity Financing, less 50% of the agents' cash commission and expenses, has been deposited in escrow (the "**Escrowed Funds**") with Odyssey Trust Company, as subscription receipt agent, pending satisfaction of certain escrow release conditions (the "**Release Conditions**") including the concurrent closing of GSilver's acquisition of Minera Mexicana Rosario S.A. de C.V. ("**MMR**"), a wholly-owned subsidiary of Great Panther Mining Limited (TSX:GPR), which owns the producing Topia mine and production facility, the San Ignacio mine, the Valenciana Mine Complex and the Cata processing plant in Mexico as announced on June 29, 2022 (the "**MMR Acquisition**") and receipt of all necessary regulatory approvals including acceptance of the TSX Venture Exchange (the "**TSXV**").

Concurrent with the closing of the MMR Acquisition, each Subscription Receipt will automatically convert, without payment of any additional consideration or further action on the part of the holder thereof, into one unit of GSilver, each unit consisting of one common share (a "**GSilver Share**") and one common share purchase warrant (a "**GSilver Warrant**") of GSilver, and the Escrowed Funds and any accrued interest thereon (less the balance of the agents' cash commission and expenses) will be released to the Company. Each GSilver Warrant will be exercisable for one GSilver Share at a price of C$0.50 for a period of 36 months following closing of the MMR Acquisition.

Item 5. Full Description of Material Change

On July 21, 2022, GSilver completed its Equity Financing of Subscription Receipts as previously announced on June 29, 2022 and July 7, 2022. In total, GSilver issued 41,885,388 Subscription Receipts at a price of C$0.33 per Subscription Receipt for gross proceeds of C$13,822,178.04.

The gross proceeds of the Equity Financing, less 50% of the agents' cash commission and expenses, has been deposited in escrow with Odyssey Trust Company, as subscription receipt agent, pending satisfaction of the escrow Release Conditions including the concurrent closing of the MMR Acquisition as announced on June 29, 2022 and receipt of all necessary regulatory approvals including acceptance of the TSXV.

Concurrent with the closing of the MMR Acquisition, each Subscription Receipt will automatically convert, without payment of any additional consideration or further action on the part of the holder thereof, into one unit of GSilver, each unit consisting of one GSilver Share and GSilver Warrant, and the Escrowed Funds and any accrued interest thereon (less the balance of the agents' cash commission and expenses) will be released to the Issuer. Each GSilver Warrant will be exercisable for one GSilver Share at a price of C$0.50 for a period of 36 months following closing of the MMR Acquisition.

If the escrow Release Conditions are not satisfied within 90 days following the closing of the Equity Financing, the Escrowed Funds and any interest thereon will be returned to the purchasers of Subscription Receipts and such Subscription Receipts will be cancelled. The Issuer anticipates completing the MMR Acquisition within the next two weeks.

Research Capital Corporation and Canaccord Genuity Corp. acted as co-lead agents and joint bookrunners for the Equity Financing, along with Echelon Wealth Partners Inc. and Roth Canada Inc. (collectively the "**Agents**"). The Issuer has paid the Agents a cash commission (the "**Agency Fee**") equal to 6% (2% for arm's length purchasers and 0% for non-arm's length purchasers on the Company's president's list (the "**President's List**")) of the gross proceeds from the Equity Financing and issued agents' warrants ("**Agents' Warrants**") equal to 6% (2% for arm's length purchasers and 0% for non-arm's length purchasers on the President's List) of the total number of Subscription Receipts sold through the Agents. The Agents will also be paid an advisory fee equal to $298,000 and 905,695 Agents' Warrants. Each Agents' Warrant entitles the holder to purchase one common share of the Issuer at a price of C$0.33 for a period of three years following completion of the MMR Acquisition. One-half of the Agency Fee and one-half of the advisory fee has been placed in escrow with the subscription funds pending closing of the MMR Acquisition.

Certain directors and officers of GSilver also participated in the Equity Financing.

All securities issued in connection with the Equity Financing are subject to a four month hold period expiring November 22, 2022. The MMR Acquisition remains subject to TSXV approval and there are no assurances that the Issuer will successfully complete such acquisition on the terms currently contemplated or at all.

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

This report is not being filed on a confidential basis.

Item 7. Omitted Information

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

Item 8. Executive Officer

To obtain further information contact James Anderson, Chief Executive Officer, at 604-913-5899.

Item 9. **Date of Report**

July 29, 2022.

Forward-Looking Statements

This material change report contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to, the acquisition of MMR on the proposed terms and conditions and the estimated timing for closing thereof, the ability of GSilver to raise the balance of the funding necessary to complete the MMR Acquisition on the terms and conditions, in the amounts and on the schedule currently contemplated. Such forward-looking statements and information reflect management's current beliefs and are based on assumptions made by and information currently available to the Issuer. 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, metals prices, currency rate fluctuations, actual results of exploration, development and production activities, unanticipated geological formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, delays in obtaining governmental or regulatory approvals and permits, and other risks in the mining industry. There are no assurances that GSilver will successfully finance and complete the acquisition of MMR on the terms contemplated or at all. In addition, there is continued uncertainty surrounding the spread and severity of COVID-19, the ongoing war in Ukraine, rising inflation and interest rates (domestically and abroad) and the impact they will have on the Company's operations, supply chains, ability to access the MMR properties, El Cubo and/or El Pinguico or procure equipment, contractors and other personnel or raise capital on a timely basis or at all and economic activity in general. All the forward-looking statements and information made in this material change report are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at www.sedar.com and readers should not place undue reliance thereon. The forward-looking statements and information are made as of the date hereof and the Issuer does not assume any obligation to update or revise them to reflect new events or circumstances save as required by law.