



Guanajuato Silver Arranges New US\$5,000,000 Facility with OCIM

~ New Facility Fully Repays and Replaces Current OCIM Facility ~

March 16, 2023 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (TSXV:GSVR)(AQUIS:GSVR)(OTCQX:GSVRF) is pleased to announce that the Company has arranged a new US\$5,000,000 silver and gold pre-payment facility (the “New Pre-Payment Facility”) with Swiss-based precious metals trading firm, OCIM Metals & Mining S.A. (“OCIM”); upon closing, the New Pre-Payment Facility will fully replace the current OCIM gold and silver pre-payment facility (see Guanajuato Silver previous news release dated May 9, 2022 - ["GSilver Draws US\\$7.5M Silver/Gold Pre-Payment Facility from OCIM"](#), which has a balance remaining of approximately US\$5.5M as of the date hereof. The Company has reduced its obligations to OCIM from a total of approximately US\$10.5M in November of 2023 to US\$5.0M under this new facility. Any shortfall in the net proceeds from the New Pre-Payment Facility to repay the existing pre-payment facility will be funded out of the Company’s current working capital.

The New Pre-Payment Facility is for US\$5,000,000 and has a 19-month term, which includes an initial three-month delivery-free grace period, and is then repayable over the following 16 months by the Company delivering a set number of silver and gold ounces based on a 12% discount to the LBMA fix price for silver and gold on the date of closing. The New Pre-Payment Facility will be secured by, among other things, a general security agreement over all present and after-acquired personal property of the Company, subject to certain carve-outs, and a share and asset pledge over the Company’s El Cubo complex in favour of OCIM. Subject to acceptance of the TSX Venture Exchange, closing of the New-Prepayment Facility is expected to take place on or before March 31, 2023.

Lisa Dea, CFO of GSilver, said: “The new pre-payment facility with OCIM provides additional financial flexibility for our balance sheet as we advance ramp up operations across all four of our producing silver mines in Mexico. The support of our partners at OCIM has proven to be critical to our success and we look forward to continued collaboration with them as we grow Guanajuato Silver into a mid-tier silver producer.”

The Company also announces that it has entered into an amendment agreement with Exploraciones Mineras Del Bajío S.A. de C.V. (“**EMBSA**”), the original vendor of the Company’s El Pinguico gold and silver project in Guanajuato, Mexico, to extend the deadline for payment of the final option payment of C\$625,000 required to eliminate three of the underlying royalties on the El Pinguico project held by EMBSA as more particularly described in the Company’s news release dated November 13, 2020 – [“VanGold Amends El Pinguico Royalties Purchase Agreement.”](#) Under the terms of the amendment agreement, the final option payment of C\$625,000 has been split into two equal payments of C\$312,500 each, of which the first payment will be made to EMBSA immediately with the second payment now due on or before October 16, 2023. In addition, the Company purchased all of EMBSA’s interest in its 15% royalty on net profits derived from the surface stockpile of historically mined (but unprocessed) mineralized material at El Pinguico for a purchase price of US\$70,000. Accordingly, upon payment of the final option payment of C\$312,500 to EMBSA on or before October 16, 2023, the only royalty that will remain over the El Pinguico project will be a 15% net profits royalty on the underground stockpile of previously mined material in favour of EMBSA.

Hernan Dorado Smith, the Chief Operating Officer and a director of GSilver is also the Managing Director and a principal shareholder of EMBSA, and as such the amendment agreement constitutes a “related party transaction” for the purposes of Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions (“MI 61-101”). GSilver has relied upon exemptions from the requirement to obtain a formal valuation and seek minority shareholder approval for its royalty purchase option agreement with EMBSA on the basis that the fair market value of Mr. Smith’s interest in such option agreement, as amended, is less than 25% of GSilver’s market capitalization.

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

For further information regarding Guanajuato Silver Company 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 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 net proceeds from the New Pre-Payment Facility and the estimated timing for closing thereof, the status of the Company as one of the fastest growing silver producers in Mexico, and the ability of the Company to ramp-up and expand production across all four of its producing silver mines and grow into a mid-tier silver producer.

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 and El Pinguico and estimates of mineralized material at San Ignacio, Valenciana 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 successfully integrate operations and increase production from its existing mining and milling operations and the availability of excess processing and tailings capacity 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 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 to attain positive cash flow. 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 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 including the Company's annual information form for the year ended December 31, 2021. 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.