



~ **GSilver Drills 17.4m of 327 gpt AgEq at El Cubo** ~  
 ~ **Exploration at El Pinguico Continues** ~

December 21, 2021 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (TSXV:GSVR)(OTCQX:GSVRF) is pleased to provide drilling results from its ongoing diamond drill programs at its 100% owned El Cubo mine and its 100% owned El Pinguico exploration project, located east and south, respectively, of the city of Guanajuato, Mexico.

**Highlights include:**

- **0.6 metres of 538 gpt AgEq drilled at El Cubo (Drill Hole CEB21-003).**
- **25.85 metres of 235 gpt AgEq drilled at El Cubo (Drill Hole CEB21-004).**
- **0.55 metres of 228 gpt AgEq drilled at El Pinguico (P21-015).**
- **Over 24,000 metres of core drilling committed for 2022.**

**El Cubo Mine Infill (Grade Control) & Expansion Drilling:**

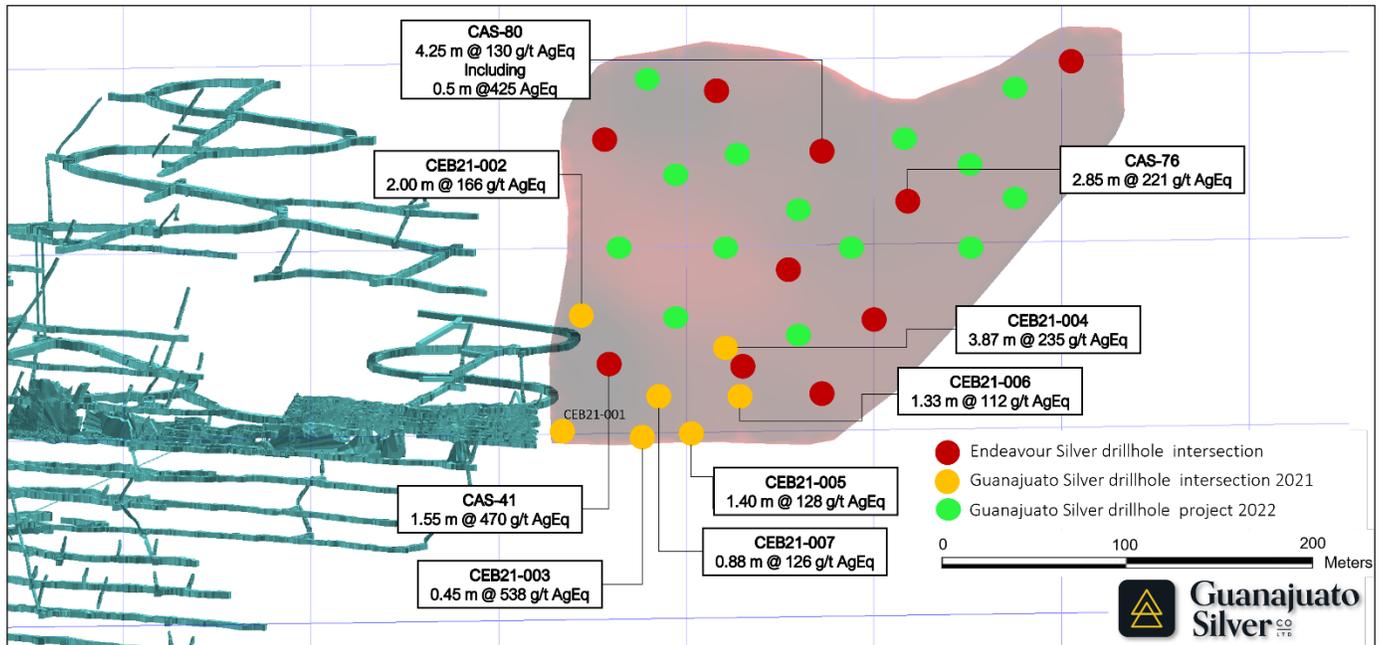
Both drill holes CEB21-004 and VPO21-01 cut through long intervals of the Villalpando vein, and other vein structures, within the Villalpando area. Especially significant is drill hole CEB21-004, which drilled into the Cebolletas stope area of the Villalpando vein system; this drill hole returned 17.40m of 1.91 gpt Au and 174 gpt Ag or 327 gpt AgEq (silver equivalent), within a broader interval of 25.85m of 1.38 gpt Au and 124 gpt Ag or 235 gpt AgEq. High grade intervals of 0.55m of 1,025 gpt AgEq and 0.65m of 1,069 gpt AgEq within the longer interval shows the potential of this area of the El Cubo mine to deliver high grade results.

James Anderson, Chairman and CEO said: “We are pleased with the results and pace of our initial drilling at El Cubo; our drill program at El Cubo is in-line with our development schedule, and within our expectations for grade and vein width in the Villalpando area. Over the past few months, we have established greater grade control for mining while at the same time we have expanded the footprint surrounding our known resources. The New Year will see a marked increase in exploration drilling, especially in the Dolores and Santa Cecilia areas, where previously under-explored and potentially higher-grade silver and gold bearing transverse veins strike at 90 degrees to the main NW-SE Villalpando/Dolores structures.”

<b>El Cubo: Cebolletas Stope and 1850 Stope <sup>(1)</sup></b>							
<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Estimated True Width (m)</b>	<b>Au gpt</b>	<b>Ag gpt</b>	<b>AgEq gpt</b>
CEB21-002	58.80	61.5	2.70	2.00	1.01	85	166
(including)	60.95	61.5	0.55	0.40	<b>0.93</b>	<b>202</b>	<b>277</b>
CEB21-003	6.95	7.55	0.60	0.45	<b>4.33</b>	<b>192</b>	<b>538</b>
CEB21-004	74.70	100.55	25.85	3.87	1.38	124	235

(including)	80.65	98.05	17.40	2.61	<b>1.91</b>	<b>174</b>	<b>327</b>
(including)	81.20	81.75	0.55	0.10	<b>6.80</b>	<b>481</b>	<b>1025</b>
(including)	87.35	88.00	0.65	0.12	<b>5.80</b>	<b>605</b>	<b>1069</b>
CEB21-005	50.50	53.15	2.65	1.40	0.37	99	128
CEB21-006	115.8	118.45	2.65	1.33	0.88	42	112
CEB21-007	1.20	2.50	1.30	0.88	0.27	104	126
and	57.65	58.85	1.20	0.79	0.74	108	168

(1) Due to a lack of easily accessible drill stations, CEB21-04 was drilled obliquely along the Villalpando vein; the true width of the vein in this area is estimated to be less than 4.0m.



GSilver is currently drifting towards the Cebolletas stope and expects to begin mining mineralized material from this area in the first quarter of 2022. Approximately 800 meters of development work has been completed to date - 500 meters in mineralized material and 300 meters in waste - with an additional 300 meters of additional stope development work needed before this area will commence active mining.

COO Hernan Dorado remarked: "The drill intercepts at Cebolletas are best discussed in the context of the results of surface holes that were drilled in 2014 by Endeavour Silver Corp. GSilver's Cebolletas results so far validate this stope as a large, highly mineralized zone and are consistent with previous historic surface drill results shown below. Continuity of the vein itself remains excellent, and we look forward to adding this significant stope area to our production schedule in the New Year."

El Cubo: Cebolletas Stope and 1850 Stope previous drill result from Endeavour Silver Corp. <sup>(2)</sup>								
Drill Hole		From (m)	To (m)	Core Length (m)	True Width (m)	Ag (g/t)	Au (g/t)	AgEq (g/t)
CVS-09		336.50	340.40	3.90	3.80	82	0.45	133
		336.50	338.95	2.45	2.39	116	0.64	167
	Including	336.50	337.50	1.00	0.97	131	0.88	201
CAS-41		435.35	443.80	8.45	7.39	50	0.71	107
		440.05	441.90	1.85	1.62	<b>179</b>	<b>2.85</b>	<b>407</b>

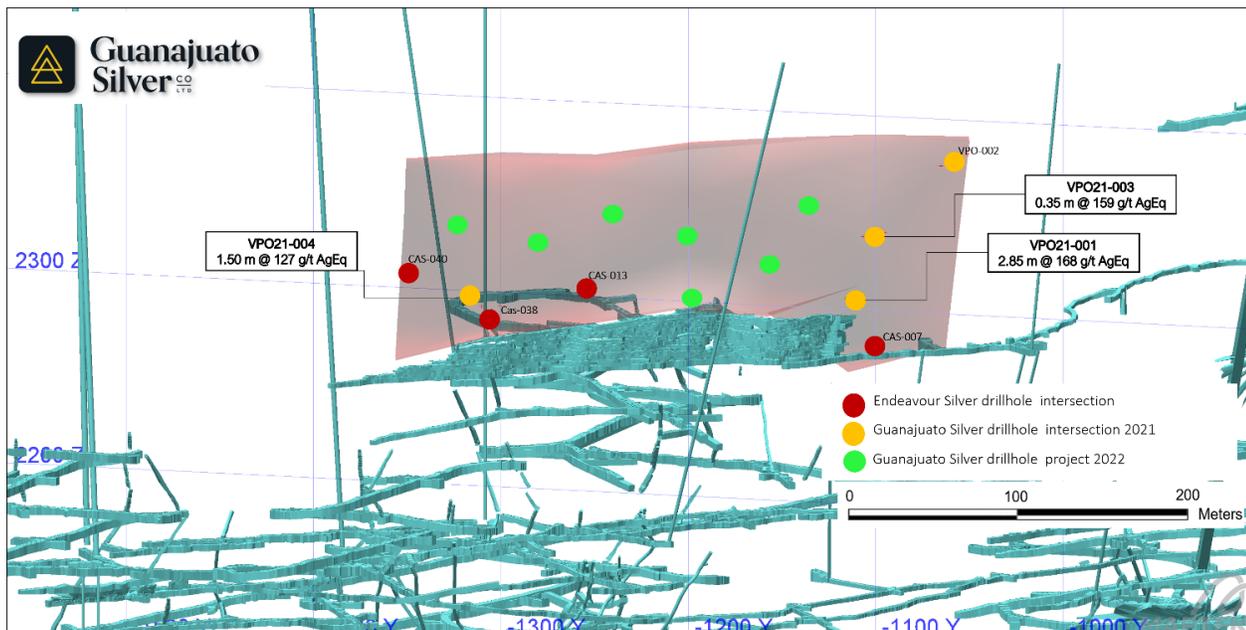
	including	440.70	441.60	0.90	0.79	231	3.87	541
<b>CAS-69</b>		404.30	407.20	2.90	2.51	62	0.48	100
		404.30	406.40	2.10	1.82	77	0.62	127
	Including	404.30	405.25	0.95	0.82	100	0.78	162
<b>CAS-76</b>		373.00	376.60	3.60	3.29	108	0.92	182
		373.75	376.60	2.85	2.60	131	1.12	221
	including	373.75	374.50	0.75	0.69	111	2.58	317
<b>CAS-80</b>		354.65	356.55	1.90	1.71	152	0.46	189
	Including	354.65	355.15	0.50	0.45	358	0.96	425
<b>CAS-82</b>		381.50	382.70	1.20	1.04	121	0.68	175
		380.90	382.70	1.80	1.56	90	0.52	132
	Including	381.85	382.35	0.50	0.43	142	0.71	199

(2) *These results are historical and have not been verified by GSilver's qualified person and should not be relied upon.*

Additional recent drilling at El Cubo has focused on the main Villalpando structure in the 4-1500 stope area that connects Cebolletas with the 2175 stope:

El Cubo Villalpando / 4-1500 Stope Area							
Drill Hole	From (m)	To (m)	Interval (m)	Estimated True Width (m)	Au gpt	Ag gpt	AgEq gpt
VPO21-01	105.80	117.35	11.55	6.35	0.69	65	120
and	124.00	124.75	0.75	0.41	0.85	66	134
	114.50	117.35	2.85	1.57	0.88	98	168
VPO21-02	No significant results						
VPO21-03	72.9	73.25	0.35	0.18	0.75	100	159
and	82.65	83.2	0.55	0.28	0.36	127	156
VPO21-04	90.8	91.4	0.6	0.32	0.48	104	143
	133.95	134.9	0.95	0.51	1.07	88	174
	136.45	137.95	1.50	0.81	0.69	72	127
VPO21-05	279.65	280.20	0.55			Assays Pending	
VPO21-06						Currently Drilling	

**Note:** All silver equivalent (AgEq) values are calculated based on a long-term gold to silver price ratio of 80:1 as used by mineral industry advisors, Behre Dolbear and Company (USA), Inc., in the Company's NI 43-101 Preliminary Economic Assessment report dated May 6, 2021 (effective date: January 31, 2021); a copy of which is available for review on SEDAR.



**El Pinguico Project - Maiden Resource Drilling Program:**

Drilling at El Pinguico in 2021 represented the first-ever modern drilling campaign at this historically high-grade mine. GSilver’s drilling program in early 2021 started well with significant intercepts encountered at both the San Jose vein and the better known and understood El Pinguico vein. Later in the year, progress was hampered by extremely slow assay results from commercial laboratories used by the Company, and by mechanical breakdowns of GSilver’s drill rig. An effort to intercept additional vein structures NE of the El Pinguico and San Jose veins in drill holes P21-011 and P21-012 met with limited success, while an attempt to intercept the southern extension of the El Pinguico vein returned no significant results from drill holes P21-017 and P21-018. However, the drill rig is now operating at full capacity, and will soon to be moved to an area further north within the El Pinguico mine. The transition of the drill rig to a more favourable position combined with the ability of the Company’s newly constructed assay lab to aid in the rapid return of assay information, is anticipated to accelerate drilling results at El Pinguico in 2022.

<b>Pinguico</b>						
Drill Holes P21-001 – P21-010 were previously released (See Guanajuato Silver news release dated May 3, 2021, and July 7, 2021).						
<b>Drilled from Adit #4 Portal Drill Station <sup>(3)</sup></b>						
<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>AgEQ g/t</b>
P21-001	79.50	80.10	0.60	0.46	81	118
	84.73	85.23	0.50	0.15	48	60
	87.96	88.46	0.50	0.25	50	70
	93.76	95.25	1.49	0.28	34	56
P21-002	79.65	80.20	0.55	0.11	27	36
	82.30	83.00	0.70	0.11	13	22
	116.25	117.00	0.75	0.17	15	29
P21-003	87.90	88.40	0.50	0.38	88	118
	97.95	102.00	4.05	0.68	62	116
including	99.15	100.15	1.00	<b>1.50</b>	<b>122</b>	<b>242</b>
	106.80	107.35	0.55	<b>2.11</b>	<b>505</b>	<b>674</b>
P21-004	105.75	106.55	0.80	0.03	2	4

<b>Drilled from San Joes Cross Cut #1 Drill Station</b>						
P21-005	172.90	173.40	0.50	0.42	29	63
P21-006	151.25	153.00	1.75	0.68	35	89
P21-007	82.25	84.65	2.40	0.30	12	36
P21-008	102.25	103.90	1.65	<b>2.45</b>	<b>125</b>	<b>321</b>
	169.20	177.15	7.95	<b>1.35</b>	<b>39</b>	<b>147</b>
	169.70	170.45	0.75	<b>8.81</b>	<b>208</b>	<b>913</b>
	176.15	177.15	1.00	1.65	45	177
P21-009	91.20	91.85	0.65	0.49	38	77
	165.05	165.70	0.65	0.65	51	103
P21-010						
	107.55	115.65	8.10	<b>1.00</b>	<b>93</b>	<b>173</b>
including	113.00	113.90	0.90	<b>5.96</b>	<b>476</b>	<b>953</b>
P21-011	5.1	6.4	1.30	0.51	37	78
P21-012	68.50	79.75	11.15	0.03	5	8
P21-013	185.30	186.90	1.60	0.44	20	55
P21-014	203.05	204.20	1.15	0.23	2	21
P21-015	135.25	138.20	2.95	0.62	21	70
	136.75	137.30	0.55	<b>1.91</b>	<b>75</b>	<b>228</b>
P21-016	169.15	170.05	0.90	0.23	14	33
P21-017	No significant results					
P21-018	No significant results					
P21-019	<b>Assays Pending</b>					
P21-020	<b>Assays Pending</b>					
P21-021	<b>Currently Drilling</b>					

- (3) *No attempt has been made by the Company to establish the true width of veins at El Pinguico reported in this news release as the Company has determined that it would be premature to do so.*

### **2022 Drilling Plans:**

Guanajuato Silver plans to conduct over 24,000 metres of core drilling in 2022. Encompassing a combination of infill drilling, grade control drilling, resource expansion and exploration drilling; GSilver's drill programs will be executed with a blend of Company owned drill equipment and personnel and external drill contracting teams. The planned division of drilling is as follows:

<b>At the El Cubo Mine</b>	
Villalpando/Dolores	8,000 metres
Santa Cecelia/San Nicholas	9,300 metres
<b>At the El Pinguico Exploration Project</b>	
El Pinguico/San Jose	5,300 metres
Veta Madre	1,600 metres

Beginning in February 2022, GSilver intends to focus on El Cubo's Santa Cecelia area where high grade material has historically been developed and mined. Mineralization within transverse veins in this area contain proportionately higher grades of gold over silver, and Company geologists have identified Santa Cecelia as being particularly underexplored with ample opportunities for resource expansion.

Beginning in January 2022, the drill at El Pinguico will be moved north within the mine to target extensions of the El Pinguico vein adjacent to high-grade areas that were mined in the early 1900s. This drilling is part of the Company's methodical exploration program designed to establish a maiden resource at this historic high-grade mine.

Additionally, the Company has allocated 1,600 metres of drilling targeting the Veta Madre or "Mother Vein". The Veta Madre is the primary structure within the Guanajuato Mining District; this large multi-pulse epithermal system is responsible for numerous noteworthy precious metals mines along the length of its trend. Further details of this drilling will be announced in early 2022.

**Laboratory Activation:**

The Company has completed the construction of an assay laboratory at El Cubo which will aid significantly in grade control for El Cubo mining operations, and for the rapid return of exploration assay data from both the El Cubo and El Pinguico drill programs. The lab is currently capable of assaying approximately 150 samples per day, and will be expanded to a capacity of 200 samples per day shortly.

**Sampling and quality assurance/quality control:**

Drill core was first reviewed by a Company geologist, who identified and marked intervals for sampling. The marked sample intervals were then cut in half with a diamond saw; half of the core was left in the core box and the other half was removed, placed in plastic bags, sealed and labeled. Intervals and unique sample numbers are recorded on the drill logs and the samples are sequenced with standards and blanks inserted according to a predefined QA/QC procedure. The samples are maintained under security on site until they are shipped to the analytical lab. The analytical work reported on herein was performed by Corporacion Quimica Platinum S.A de C.V., Silao, Guanajuato, Mexico. To validate our assay results and our preparation procedures, GSilver sends additional random samples representing approximately 20% of all analytical samples to Bureau Veritas in Hermosillo, Sonora, Mexico. Bureau Veritas is an ISO/IEC (International Organization for Standardization/International Electrotechnical Commission) geo-analytical laboratory and is independent of GSilver and its "qualified person". In order to further validate our assay results and our preparation procedures GSilver sent additional random samples representing approximately 10% of all analytical samples to SGS Mexico, S.A de C.V, Durango, Mexico. SGS is an ISO/IEC (International Organization for Standardization/International Electrotechnical Commission) geo-analytical laboratory and is independent of GSilver and its "qualified person". Core samples were subject to crushing at a minimum of 70 per cent passing two millimeters, followed by pulverizing of a 250-gram split to 85 per cent passing 75 microns. Gold determination was via standard atomic absorption (AA) finish 30-gram fire assay (FA) analysis, in addition to Silver and 34-element using fire assay and gravimetry termination. Following industry-standard procedures, blank and standard samples were inserted into the sample sequence and sent to the laboratory for analysis. Data verification of the analytical results included a statistical analysis of the standards and blanks that must pass certain parameters for acceptance to ensure accurate and verifiable results. GSilver detected no significant QA/QC issues during review of the data and is not aware of any sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.

Hernan Dorado Smith, a director and officer of GSilver and a "qualified person" as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, has approved the scientific and technical information contained in this news release.

**Private Placement:**

Further to the Company's news release dated December 8, 2021, the Company wishes to clarify that the total finder's fees paid in connection with the Company's recently completed non-brokered private placement

were \$120,371 cash and 214,881 finder's warrants, each finder's warrant entitling the holder to purchase one common share of the Company at a price of \$0.75 for a period of two years, subject to acceleration in certain events.

**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 for 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, Mexico 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 Company Ltd., please contact:**

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**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 Company's proposed development and mining plans at El Cubo, expected areas for future mining operations and the timing thereof, the Company's proposed drilling and exploration programs at El Cubo and El Pinguico in 2022 including the total number of meters to be drilled, the locations thereof and the anticipated results therefrom; the Company's expectations for grade and width of certain veins within the El Cubo and El Pinguico mines including prospective high grade vein locations and opportunities for resource expansion at El Cubo and the establishment of a maiden in-situ resource at El Pinguico; and the Company's ability to improve grade control and rapidly process assay results at its newly constructed assay laboratory at El Cubo. 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 mining operation and development and exploration programs thereon; 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, labour, materials, supplies and services (including transportation); 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 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 silver, gold and other metals, operating risks, accidents, labour 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 and maintain 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 concentrate 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 Cubo and/or El Pinguico or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the 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](http://www.sedar.com). The 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.