

**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: 778 – 989 – 5346

Item 2. Date of Material Change

December 7, 2021

Item 3. Press Release

Press release was distributed through the facilities of Accesswire on December 8, 2021.

Item 4. Summary of Material Change

The Issuer has completed its non-brokered private placement offering (the "**Offering**") announced November 18, 2021, and expanded on November 29, 2021 and again on December 6, 2021. The Company issued a total of 17,304,306 units (the "**Units**") for gross proceeds of \$9,517,368, each Unit consisting of one common share of the Company (a "**Share**") and one half (1/2) of a common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder to purchase an additional Share of the Company at a price of C\$0.75 for a period of two years from closing, subject to acceleration in certain events.

Item 5. Full Description of Material Change

The Issuer has completed its non-brokered private placement Offering announced November 18, 2021, and expanded on November 29, 2021 and again on December 6, 2021. The Company issued a total of 17,304,306 Units for gross proceeds of \$9,517,368, each Unit consisting of one Share and one half (1/2) of a Warrant. Each whole Warrant entitles the holder to purchase an additional Share at a price of C\$0.75 for a period of two years from closing, subject to acceleration in certain events.

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. As of December 8, 2021, the Company had cash on hand of approximately US\$9.7 million and held 400 ounces of gold and 30,000 ounces of silver valued at approximately US\$1.4 million.

The Company has paid finder's fees in connection with the Offering totalling \$120,371.15 cash and finder warrants to purchase up to 175,755 Shares of the Company on the same terms as the Warrants in accordance with the policies of the TSX Venture Exchange.

All securities issued in connection with the Offering are subject to a four month hold period from the date of issuance.

Endeavour Silver Corp. ("**Endeavour**"), GSilver's largest shareholder, subscribed for a total of 5,750,000 Units or C\$3,162,500 of the Offering. In addition, certain directors and officers of the Company purchased, directly or indirectly, an aggregate of 2,712,400 Units totalling C\$1,491,820 of the Offering. The acquisition of Units in the Offering by Endeavour and such directors and officers of the Company (collectively the "**Participating Insiders**") constituted "related party transactions" as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In completing such transactions, the Company relied upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) thereof on the basis that neither the fair market value of the Units issued to the Participating Insiders under the Offering nor the consideration paid by the Participating Insiders for such Units, in either case, exceeded 25% of the Company's market capitalization.

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 778-989-5346.

Item 9. Date of Report

December 13, 2021.