

**MATERIAL CHANGE REPORT
FORM 51-102F3**

Item 1. Reporting Issuer

Guanajuato Silver Company Ltd. (the “**Issuer**” or “**GSilver**”)
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Phone: 604-913-5899

Item 2. Date of Material Change

August 29, 2022

Item 3. Press Release

The press release was distributed through the facilities of Accesswire on August 30, 2022.

Item 4. Summary of Material Change

On August 29, 2022, GSilver closed a US\$5M concentrate pre-payment facility (the “**OP Facility**”) with Ocean Partners UK Limited, a metals off-take and trading firm (“**Ocean Partners**”), to fund (a) operating costs and capital expenditures in connection with the Issuer’s recently acquired mining operations of Minera Mexicana el Rosario S.A.de C.V. (“**MMR**”) including the Valenciana Mine Complex and San Ignacio mine in Guanajuato, Mexico (including the re-starting thereof) and the Topia mine and processing plant located in Durango, Mexico; and (b) general corporate and working capital expenses. GSilver acquired MMR from Great Panther Mining Limited on August 4, 2022. See the Issuer’s news release dated August 4, 2022 for further details regarding its acquisition of MMR.

The OP Facility is for a term of 24-months, repayable over a period of 21-months following a three-month grace period, and secured by a guarantee of MMR, a pledge over the Issuer’s shares of MMR and, if required by Ocean Partners, a first ranking security interest over the property and assets of MMR. Interest on the loan will be calculated at 12-month LIBOR + 7.5%.

Concurrent with the OP Facility, the Issuer has agreed to sell 100% of its silver and gold concentrate produced from the Valenciana Mines Complex and San Ignacio Mine and 100% of all zinc concentrate produced from the Topia Mine to Ocean Partners for a period of 24 months subject to certain minimum delivery amounts.

As further consideration for the OP Facility, the Issuer has issued a total of 2,500,000 share purchase warrants to Ocean Partners; each warrant entitling Ocean Partners to purchase one common share of GSilver at a price of C\$0.50 for period 24 months.

Item 5. Full Description of Material Change

On August 29, 2022, GSilver closed the US\$5M OP Facility with Ocean Partners to fund (a) operating costs and capital expenditures in connection with the Issuer’s recently acquired mining operations of MMR including the Valenciana Mine Complex and San Ignacio mine in Guanajuato, Mexico (including the re-starting thereof) and the Topia mine and processing plant located in Durango, Mexico; and (b) general

corporate and working capital expenses. GSilver acquired MMR from Great Panther Mining Limited effective August 4, 2022. See the Issuer's news release dated August 4, 2022 for further details regarding its acquisition of MMR.

The OP Facility is for a term of 24-months, repayable over a period of 21-months following a three-month grace period, and secured by a guarantee of MMR, a pledge over the Issuer's shares of MMR and, if required by Ocean Partners, a first ranking security interest over the property and assets of MMR. Interest on the loan will be calculated at 12-month LIBOR + 7.5%. With the receipt of the OP Facility, GSilver has a cash position as of August 29, 2022 of approximately US\$9.2M.

Concurrent with the OP Facility, the Issuer has agreed to sell 100% of its silver and gold concentrate produced from the Valenciana Mines Complex and San Ignacio Mine to Ocean Partners for a period of 24 months subject to a minimum delivery of 6,000 wet metric tonnes of concentrate. Additionally, the Issuer will sell to Ocean Partners 100% of all zinc concentrate produced from the Topia Mine over the same period, subject to a minimum of 7,800 wet metric tonnes.

As further consideration for the OP Facility, the Issuer has issued a total of 2,500,000 share purchase warrants to Ocean Partners; each warrant entitling Ocean Partners to purchase one common share of GSilver at a price of C\$0.50 for period 24 months. The Ocean Partners' warrants and any common shares issuable upon the exercise thereof are subject to a 4 month hold period expiring on December 30, 2022.

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

September 8, 2022.

Forward-Looking Information and 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 ability of the Issuer to repay the OP Facility and accrued interest thereon from projected sales of concentrate derived from the Issuer's existing El Cubo and El Pinguico mines and newly acquired San Ignacio, Valenciana and Topia mines in accordance with the requirements and timetable set out in the OP Facility, the ability of the Issuer to successfully integrate the production of mineralized material from the San Ignacio mine and the Valenciana Mine Complex into existing production from El Cubo and El Pinguico and increase production at the Topia Mine to satisfy the minimum concentrate delivery requirements to Ocean Partners, the ability of the Issuer to expand production, tonnage and recoveries of mineralized material, improve grades and metallurgical recovery rates of silver, gold and other metals, increase revenues, and reduce production costs (including AISC) consistent with the Issuer's expectations and production models, the Issuer's ability to restart production from the San Ignacio and Valenciana mines and improve efficiency and output at the

Topia mine as currently planned and the timing thereof, the Issuer's future development and production activities; estimates of mineral resources and mineralized material at the Issuer's mining projects and the accessibility, attractiveness, mineral content and metallurgical characteristics thereof; the opportunities for future exploration, development and production at the Issuer's mines 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 Issuer; which assumptions, while considered reasonable by the Issuer, 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 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 Issuer to successfully integrate production from San Ignacio and Valenciana into the Issuer's existing mining and milling operations at El Cubo and the availability of excess processing and tailings capacity at El Cubo to accommodate same; the Issuer'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 Issuer's projects and to satisfy current liabilities and obligations including debt repayments; capital, 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 risks and uncertainties that may cause 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, currency rate fluctuations, rising inflation and interest rates, geopolitical conflicts including wars, 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, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, 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 El Cubo and/or Topia to process mineralized materials to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from El Cubo, El Pinguico and its newly acquired San Ignacio, Valenciana and Topia mines 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 Issuer's projected production of silver, gold and other metals will be realized. In addition, there are no assurances that the Issuer 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 Issuer is subject (including the OP Facility) 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 Issuer's operations, supply chains, ability to access mining projects or procure equipment, 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 material

change report are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at www.sedar.com including the Issuer's interim financial statements and accompanying MD&A for the three month period ended June 30, 2022. These 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.