

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Guanajuato Silver Company Ltd. (the "Company" or "GSilver")
Suite 578 – 999 Canada Place
Vancouver B.C. V6C 3E1
Phone: 604 – 670 - 8460

2. Date of Material Change

October 12, 2023

3. News Release

A news release was disseminated on October 13, 2023 via Accesswire.

4. Summary of Material Change

The Company has completed its previously announced shares-for-debt transaction totalling C\$937,065.60 through the issuance of 2,928,330 common shares ("Shares"), including 468,750 Shares issued to one non-arms-length parties to settle of indebtedness totalling C\$150,000. The Shares issued for this debt settlement are subject to a four-month hold period expiring February 13, 2024.

5.1 Full Description of Material Change

The Company has completed its previously announced shares-for-debt transaction (the "Transaction") totalling C\$937,065.60 through the issuance of 2,928,330 Shares, including 468,750 Shares issued to one non-arms-length parties to settle of indebtedness totalling C\$150,000. The Shares issued for this debt settlement are subject to a four-month hold period expiring February 13, 2024.

The issuance of 468,750 Shares indirectly to Hernan Dorado who is an insider of the Company (a "Related Party"), is considered "a related party transaction" within the meaning of Policy 5.9 of the TSX Venture Exchange (the "Policy") and Multilateral Instrument 61-101 - Protection of Minority Security holders in Special Transactions ("MI 61-101") adopted in the Policy. The Company is relying on the 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) of MI 61-101 in respect of such Related Party's participation in the Transaction as neither the fair market value of the Transaction, nor the fair market value of the Shares to be issued thereunder, insofar as it involves Related Parties, exceeds 25% of the Company's market capitalization (all as determined under MI 61-101). The material change report of GSilver to be filed in connection with this announcement of the Transaction will be filed less than 21 days in advance of the closing of the Transaction, which GSilver considers reasonable within the context of current market conditions and the desire of all parties to complete the Transaction as expeditiously as possible. The securities of the Company that have been acquired by the Related Party were acquired pursuant to an exemption from the prospectus requirement in section 2.14 of National Instrument 45-106 - Prospectus Exemptions.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. **Reliance on Section 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The name and business number of the executive officer of the Company who is knowledgeable about the material change and this report is:

James Anderson, Chief Executive Officer
(604) 607-8460

9. **Date of Report**

October 19, 2023

Forward-Looking Statements

This report contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to, the opportunities for future exploration, development and production at the Company's mines and the Company's status as one of the fastest growing silver producers in Mexico.

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: the potential quantity, grade and metal content of the mineralized material at the Argentina, Rosario, Santa Cruz, and the San Gregorio veins at Topia, the geotechnical and metallurgical characteristics of such material 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; 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, 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 from the Company's existing mines including Topia, 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 San Ignacio, Topia,

Valenciana Mines Complex and El Cubo 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 San Ignacio, Topia, Valenciana Mines Complex and El Cubo 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 grades of gold and silver at San Ignacio, Topia, the Valenciana Mines Complex, and El Cubo and the anticipated level of production therefrom 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, 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 report 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 fiscal 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.