

Guanajuato Silver Provides Mid-Q4 Production Update

December 12, 2023 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “Company” or “GSilver”) (TSXV:GSVR)(OTCQX:GSVRF) is pleased to provide an operations update prior to year-end 2023. Production results are generated from the Company’s wholly owned El Cubo Mines Complex (“El Cubo”), Valenciana Mines Complex (“VMC”), and San Ignacio Mine (“San Ignacio”) in Guanajuato, Mexico, and the Topia Mine (“Topia”) in Durango, Mexico.

November Production Results Demonstrate Improved Performance

During the second and third quarters of 2023, the Company completed several changes to operations at all of GSilver’s producing silver mines. (See GSilver news release dated November 24, 2023 – “[Guanajuato Silver Reports Q3 2023 Financial and Operating Results](#)”). Most notably:

- Mining operations were adjusted at El Cubo to significantly increase the number of available mining stopes.
- Dewatering commenced at El Cubo to access higher-grade mineralized zones located in deeper areas of the Villalpando section of the mine.
- The business model at Topia was changed to center on purchasing mineralized material from underground contract miners and local operators.

Results from October to the end of November have demonstrated improvements across almost all measurable categories.

	El Cubo	Valenciana	Topia	Total Oct	Total Nov	Variance Oct vs Nov
Milling (tonnes)	24,834	17,748	4,265	40,610	46,847	15%
Au grade (g/t)	0.97	1.39	1.00	1.09	1.14	5%
Ag grade (g/t)	63	81	439	100	104	4%
AgEq (g/t)	145	199	782	215	223	4%
Au recovery (%)	89.0%	90.0%	70.1%	85.2%	87.5%	3%
Ag recovery (%)	85.3%	85.0%	93.0%	83.5%	85.6%	3%
AgEq ounces¹	100,975	99,941	94,368	239,410	295,284	23%

¹Silver equivalents are calculated using an 84.85:1 (Ag/Au), 0.04 (Ag/Pb) and 0.05 (Ag/Zn) ratio for November and an 85.70:1 (Ag/Au), 0.04 (Ag/Pb), and 0.05 (Ag/Zn) ratio for October.

James Anderson, Chairman & CEO of Guanajuato Silver, said, “As previously reported, we have adjusted several operating procedures and made significant capex investments designed to increase efficiencies and better overall commercial performance. Results to date are very encouraging; we appear to be back on track in terms of the progress of the ramp-up at El Cubo as we have increased the available production stopes there from 10 to 23; also, our new business model at Topia is generating much healthier economics. At San Ignacio, November was the best single month on record regarding tonnes mined. We are confident that the trajectory of this success will continue well into the New Year.”

Decision to Transition to Dry Stack

After a comprehensive internal review, Guanajuato Silver has decided to proceed with the installation of a dry stack tailings facility at the Company's wholly owned El Cubo Mines Complex. A dry stack tailings facility employs a filter press that will extract approximately 82% of the water from the tailings generated during mineral processing; this water can then be reused and recycled continuously. The "dry" tailings process is much easier to rehabilitate, reduces future environmental impact and, increases overall safety for local communities by increasing the structural integrity of the tailings deposit, and would extend the tailings capacity at El Cubo by an estimated 18 to 20 years. GSilver anticipates the start of production of the new dry stack facility to commence in H2 2024, and the Company will provide more details on specific timing later in 2024.

James Anderson, Chairman & CEO, added, "Transitioning our El Cubo tailings to a dry stack technique further enhances Guanajuato Silver's commitment to become one of Mexico's most environmentally friendly mining companies. This decision to move away from the current Mastrantos basin system at El Cubo will add up to 20 years of tailings capacity, while confirming our commitment to employ the best and most environmentally sound contemporary mining techniques."



Caption: Guanajuato Silver's current Mastrantos tailings basins at El Cubo. Mastrantos IIIA is currently active.

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 Complex, 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.

Technical Information

Reynaldo Rivera, VP of Exploration of GSilver, has approved the scientific and technical information contained in this news release. Mr. Rivera is a member of the Australasian Institute of Mining and Metallurgy (AusIMM - Registration Number 220979) and a "qualified person" as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

ON BEHALF OF THE BOARD OF DIRECTORS
"James Anderson"
Chairman and CEO

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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 continuing trend of quarterly increases in production and silver equivalent ounce recoveries in 2023; the details of the progress at El Cubo, confidence in continued success, the construction of a new dry stack tailings facility at El Cubo, the anticipated increase and length of additional tailing storage capacity resulting therefrom and the expecting timing for the construction thereof and safety and environmental benefits therefrom;; 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 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, economic and regulatory uncertainties and contingencies. These assumptions include: our estimates of mineralized material at El Cubo, VMC, San Ignacio 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 ramp up processing of mineralized material at Cata at the projected rates and source sufficient high grade mineralized material to fill such processing capacity; 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 cost estimates; 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, future prices of gold, silver and other metals, currency rate fluctuations, rising inflation and interest rates, actual results of production, exploration and development 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, geopolitical conflicts including wars, 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 successfully discover and mine sufficient quantities of high grade mineralized material at El Cubo, VMC, San Ignacio and Topia for processing at its existing mills to increase production, tonnage milled and recoveries rates of gold, silver, and other metals in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from El Cubo, VMC, San Ignacio, Topia and its other 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 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, 2022. 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.