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~GSilver on Track to Close US$15.3M Debt and Equity Financing~

~Funding Acquisition of Three Mexican Silver Mines Proceeding on Schedule~

July 18, 2022 / *Vancouver, British Columbia* - Guanajuato Silver Company Ltd. (the "**Company**" or "**GSilver**") (TSXV:GSVR) reports that as of July 15, 2022 it has received subscriptions totaling approximately US$10.3M (C$13.3M) towards its equity financing of subscription receipts (the "**Equity Financing**") announced on June 29, 2022 – "**GSilver to Acquire 100% of Great Panther's Mexican Mining Assets**"; and July 7, 2022 – "**GSilver Increases Debt and Equity Financing Package to US$15.3M**."

Funds Received:
Of such subscriptions, wire transfers totaling approximately US$7.1M are currently being held in escrow by the Company pending closing. The balance of the Equity Financing - approximately US$3.2M - is expected to settle on July 21 2022, as announced and as per GSilver's mantra – "*on track, on time, on budget*".

- James Anderson, Chairman & CEO, said, "The oversubscription of our brokered private placement is a major endorsement of the quality of the assets that we are purchasing and the ability of our operations team to execute. We look forward to closing the acquisition of Great Panther Mining's Mexican assets and getting to work on building Guanajuato Silver into a mid-tier precious metals producer."

Debt Component:
In conjunction with the Equity Financing, GSilver has also signed a concentrate pre-payment facility term sheet (the "**OP Facility**") with Ocean Partners (UK), a metals off-take and trading firm, to provide US$5.0M of financing towards the purchase price of Great Panther Mining's Mexican subsidiary, Minera Mexicana Rosario S.A. de C.V. ("**MMR**"), and general corporate and working capital purposes. The OP Facility will be for a term of 24-months, secured by a share pledge over MMR and repayable over a period of 21-months following a three-month grace period. Interest on the OP Facility will be calculated at 12-month LIBOR + 7.5%. Closing of the OP Facility will occur concurrently with the acquisition of MMR (the "**MMR Acquisition**").

Upon closing, the gross proceeds of the Equity Financing, less 50% of the Agents' cash commission, will be deposited in escrow pending satisfaction of certain escrow release conditions including the concurrent closing of the MMR Acquisition and acceptance of the TSX Venture Exchange (the "**TSXV**"); the Company expects to close the MMR Acquisition within the next three weeks.

All securities issuable in connection with the MMR Acquisition, the Equity Financing and the OP Facility as previously announced will be subject to a statutory hold period of 4 months and one day from the date of issue. There are no assurances that the MMR Acquisition, the Equity Financing and the OP Facility, which remain subject to TSXV approval, will be completed on the terms contemplated by the Company or at all.

Stock Options:
The Company also announces that its Board of Directors has approved the granting of 5,975,000 stock options,

including 3,450,000 options to officers and directors of the Company. The options, which shall vest over a two-year period, are exercisable up to five years from the grant date and have a strike price of C$0.33. These options form part of a total remuneration package for directors, officers, employees, advisors and consultants of GSilver, and are designed to incentivize members of the GSilver team as we embark on our next phase of growth.

About Guanajuato Silver Company Ltd.:

GSilver mines and processes silver and gold concentrate from its El Cubo mine and mill. The Company continues to delineate 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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Continue to watch our progress at: **www.GSilver.com**

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This new release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the *United States Securities Act of 1933,* as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward-Looking Information and 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 acquisition of MMR on the proposed terms and conditions and the estimated timing for closing thereof, the ability of GSilver to raise the necessary funding to complete the MMR Acquisition including the Equity Financing and the OP Facility on the terms and conditions, in the amounts and on the schedule currently contemplated, the quality of MMR's mining assets and the Company's Mexican operations team and the ability of the Company to become a mid-tier precious metals producer. Such forward-looking statements and information reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. 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, unanticipated geological formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, delays in obtaining governmental or regulatory approvals and permits, and other risks in the mining industry. There are no assurances that GSilver will successfully finance and complete the acquisition of MMR on the terms contemplated or at all. In addition, there is continued uncertainty surrounding the spread and severity of COVID-19, the ongoing war in Ukraine, rising inflation and interest rates (domestically and abroad) and the impact they will have on the Company's operations, supply chains, ability to access the MMR properties, El Cubo and/or El Pinguico or procure equipment, contractors and other personnel or

raise capital 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 and readers should not place undue reliance thereon. 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.
