



Guanajuato Silver Restarts the Cata Mill at the Valenciana Mines Complex

January 17, 2023 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (TSXV:GSVR)(AQUIS:GSVR)(OTCQX:GSVRF) is pleased to announce that the Cata mill has commenced precious metals processing at the Company’s wholly-owned Valenciana Mines Complex (“**VMC**”) in Guanajuato, Mexico.

James Anderson, Chairman & CEO said, “With the Cata mill now operational, Guanajuato Silver adds a third processing facility to our growing inventory of operating assets. The Cata mill is the last major asset acquired as part of the 2022 transaction with Great Panther to be placed back in service. With four operating silver mines and three production plants, we remain one of the fastest growing silver producers in Mexico.”

Commissioning of the Cata mill began during the last week of December 2022, with mineralized material coming from VMC and the San Ignacio mine. The Company intends to start processing at a run-rate of approximately 8,000 tonnes per month with the goal of ramping up to 20,000 tonnes per month by year end; full capacity at the Cata mill is 36,000 tonnes per month. The Cata plant, which comprises three balls mills and a two-stage crushing system, is in excellent working order; no significant capex was required prior to restart.

The Company plans to operate the Cata mill with production from both VMC and the San Ignacio mine and anticipates achieving initial metallurgical recoveries in the 83%-85% range for silver and gold.

The Cata mill is located at approximately the mid-point of the 4.2-kilometre strike length that spans mineralization at VMC, and sits immediately adjacent to the Company’s administrative offices, assay lab, and one of two primary access shafts. In November 2021, the Cata mill was put on care and maintenance by the previous operator due to a lack of tailings capacity. In response, the Company intends to backfill tailings underground using a hydraulic fill system that will make use of select voids and open stopes that have been created at VMC over the past 450 years of underground mining. The hydraulic fill system will not only provide VMC with additional tailings capacity, but the process also represents a more environmentally benign approach to tailings management.

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, 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 expected start and projected year-end processing rates at the Cata mill, the proposed sources of mineralized material to be processed at the Cata mill and anticipated metallurgical recoveries rates for silver and gold therefrom, the ability of the Company to use of a hydraulic fill system to backfill tailings underground into select voids and open stopes and the anticipated success, capacity and environmentally benign approach thereof, 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 VMC and San Ignacio 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 start and 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 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, 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 VMC and San Ignacio for processing at the Cata mill 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 VMC, San Ignacio 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, 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.