



Guanajuato Silver Reports Increased Production in Q2

~ 6th Consecutive Quarter of Record Production ~

July 14, 2023 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (TSXV:GSVR)(AQUIS:GSVR)(OTCQX:GSVRF) is pleased to announce consolidated production results for the three months ended June 30, 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.

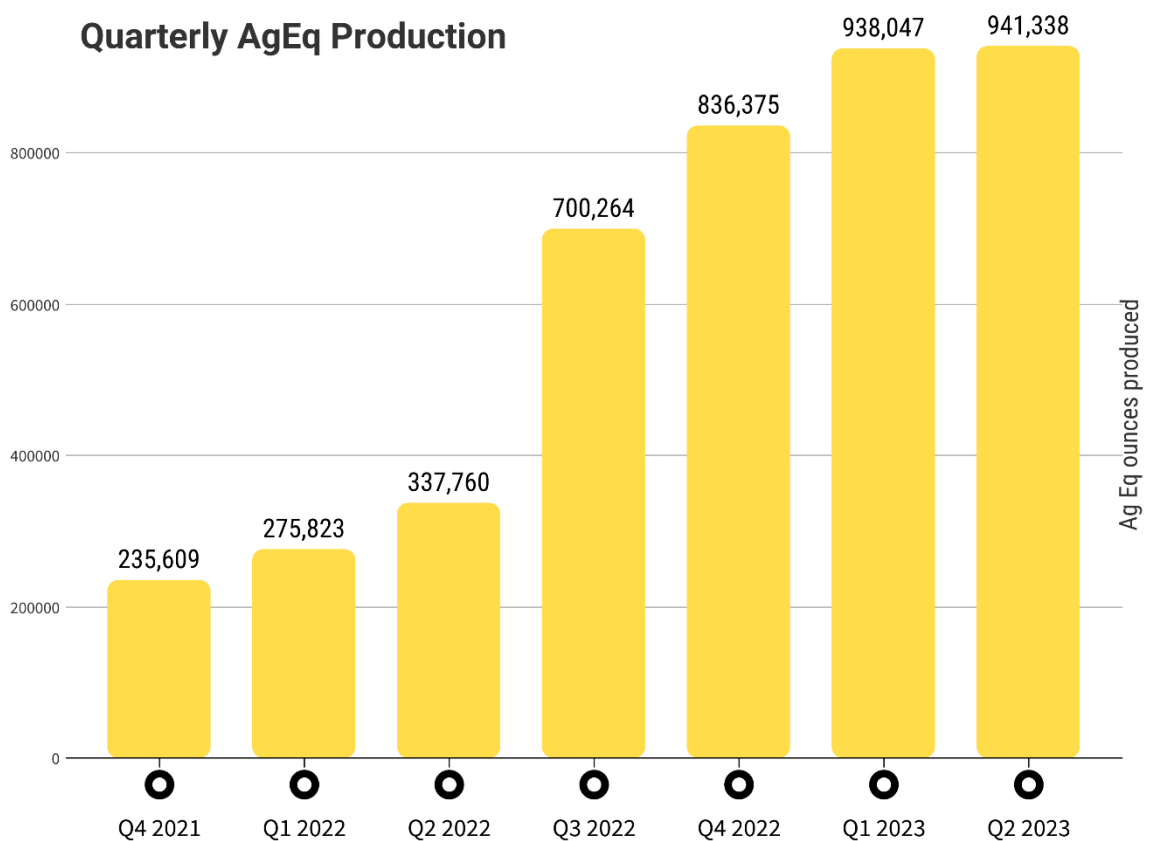
Q2 2023 Production Highlights

- **Record production during the quarter** of 941,338 silver-equivalent ounces (“**AgEq**”) derived from 477,650 ounces of silver; 4,719 ounces of gold; 875,802 pounds of lead; and 897,258 pounds of zinc.
- **The development of the El Condor Tunnel Project at the Topia mine** has accessed the Argentina vein in an area that previous operators had not reached; the new tunnel opens up the potential for additional mineralized material that would sit in close proximity to the mill. The Argentina vein is the most important producing vein system in the district and has been the primary structure mined at Topia for the past 40 years. The nearby Santa Cruz vein was also accessed with the El Condor tunnel, and both veins are currently being drilled with results being collected and analyzed.
- **Underground hydraulic fill tailings system successfully realized at the VMC**; tailings material continues to be deposited underground in one of the numerous voids that have been created over Valenciana’s 450-year mining history.
- **The Cata Shaft at VMC** is now fully integrated into mining operations; for the month of June, over 5,000 tonnes of mineralized material were hoisted to surface through this shaft. The shaft, together with a new underground locomotive system, has reduced haulage costs from the lower levels and reduced the wear and tear on trucks, tires, and ramps.
- **The recovery of high-grade mine pillars** has now begun at VMC and this program of pillar extraction is expected to grow over the coming months (see GSilver news release dated July 11, 2023 – “[Guanajuato Silver Targets High-Grade Pillars at the Valenciana Mines Complex](#)”).

James Anderson, Chairman & CEO, said, “We are proud to announce our sixth consecutive quarter of increased precious metals production; we expect this trend to continue as we head into the second half of the year. During Q1 and Q2, we have implemented a number of efficiency upgrades that are now poised to generate significant improvements to production grades and volumes, as we look to optimize mine production at all four of our producing silver mines. Furthermore, we continue to pursue additional opportunities to grow our production portfolio as we move towards becoming Mexico’s next mid-tier silver producer.”

	First Quarter 2023				Second Quarter 2023			
	January	February	March	Total	April	May	June	Total
Tonnes Mined	53,354	50,304	58,457	162,116	53,142	56,290	56,739	166,171
Tonnes Milled	52,333	48,208	59,641	160,182	52,745	55,664	55,385	163,793
Silver ounces Produced	157,582	146,720	154,501	458,803	165,188	171,145	141,317	477,650
Gold ounces produced	1,461	1,462	1,489	4,413	1,409	1,682	1,628	4,719
Lead pound produced	314,354	279,183	313,158	906,696	308,975	285,717	281,109	875,802
Zinc pound produced	341,176	411,996	399,966	1,153,138	336,082	285,929	275,247	897,258
Silver equivalent (Ag/Eq) ounces produced¹	307,164	310,011	320,871	938,047	307,089	332,646	301,602	941,338
Average silver recovery (%)	85.4%	84.2%	82.4%	83.9%	84.1%	86.6%	83.9%	84.9%
Average gold recovery (%)	82.6%	81.8%	79.4%	81.1%	80.9%	85.1%	83.2%	83.1%
Average lead recovery (%)	89.1%	83.5%	88.5%	87.1%	85.8%	88.6%	88.1%	87.4%
Average zinc recovery (%)	83.2%	83.0%	84.4%	83.5%	76.5%	80.3%	77.6%	78.1%

1. Silver equivalents are calculated using an 81.33:1 (Ag/Au), 0.04:1 (Ag/Pb) and 0.05:1 (Ag/Zn) ratio for Q2 2023 and an 83.78:1 (Ag/Au), 0.04:1 (Ag/Pb) and 0.06:1 (Ag/Zn) ratio for Q1 2023; respectively.



Q2 2023 Mine Operations Continues Trend of Overall Quarter over Quarter Production Increases:

- Consolidated mine production increased 2.5% in Q2 2023 to 166,171 tonnes mined, as compared to 162,116 tonnes mined in Q1 2023.
- Consolidated silver production increased 4% to 477,650 ounces in Q2 2023 compared to 458,803 ounces in Q1 2023; similarly, consolidated gold production increased by 7% to 4,719 ounces over the same period; however, overall lead and zinc production at Topia decreased by 3.4% and 22.2%, respectively, in Q2 2023 from Q1 2023 primarily due to a shift to targeting mineralized material that contained higher grades of silver and gold versus base metals.

- Consolidated silver-equivalent production in Q2 2023 was higher by 3,291 ounces over the previous quarter; this increase reflects the continuing ramp-up of operations at all of Guanajuato Silver's mining assets.
- Average recoveries for silver, gold and lead increased to 84.9%, 83.1% and 87.4% respectively in Q2 2023 from Q1 2023, although average recoveries for zinc dropped from 83.5% in Q1 2023 to 78.1% in Q2 2023 primarily due to lower grade throughput of zinc.

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 Mines 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 projected continuing trend of quarterly increases in production and silver equivalent ounce recoveries in 2023; the anticipated improvements to production grades and volumes resulting from recently completed efficiency upgrades at VMC and Topia including the potential for additional mineralized material to be derived from the Argentina and Santa Cruz veins in close proximity to the Topia mill via the newly completed El Condor Tunnel, the anticipated reduction in haulage costs and improved operating efficiencies resulting from the integration of the Cata shaft and new underground locomotive system into mining operations at VMC, the projected growth and recovery of high grade material to be extracted from existing mine pillars at VMC, and the ability of the Company to continue to deposit tailings material into underground voids at VMC to increase tailings capacity and reduce the Company's environmental footprint; the Company's ability to maintain and improve overall operating efficiencies at its mining operations in the second half of 2023; and the Company's status as one of the fastest growing silver producers in Mexico including its ability to pursue additional opportunities to grow its production profile to become Mexico's next mid-tier silver producer.

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 its El Cubo Cata and Topia mills 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; improved efficiencies and benefits to be derived from the Company's development and operational activities being achieved as anticipated; the continued 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, elevated 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 recovery 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 and Topia 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 operational efficiencies and cash flow 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, elevated 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.