



Guanajuato Silver Files Preliminary Base Shelf Prospectus

~ Filing Provides Financing Flexibility to Pursue Continued Growth in the Mexican Precious Metals Arena ~

July 25, 2024 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (**TSXV:GSVR**) announces the filing of a preliminary short form base shelf prospectus (the “**Preliminary Shelf Prospectus**”) with the securities regulatory authorities in each of the provinces and territories of Canada.

Chairman and CEO, James Anderson said, “As we continue to grow precious metals production, the Company has filed its preliminary base shelf prospectus in order to permit the widest possible financial flexibility for the ensuing 25-month period.”

Upon the issuance of a receipt for the final short form base shelf prospectus (the “**Final Shelf Prospectus**” and, together with the Preliminary Shelf Prospectus, the “**Prospectus**”), the Company will be permitted by the securities regulatory authorities to offer up to US\$65 million of common shares, debt securities, warrants, subscription receipts, share purchase contracts and units, or any combination thereof (collectively, the “**Securities**”) during the 25-month period that the Prospectus is effective. The specific terms of any offering of Securities, including the use of proceeds from any offering, will be set forth in a shelf prospectus supplement, which will be filed with the applicable Canadian securities regulatory authorities at that time.

In Canada, the use of a base shelf prospectus is customary practice as it allows companies to undergo applicable Canadian regulatory review process before commencing any offer of securities. Importantly, securities issued under a shelf prospectus supplement filed under a base shelf prospectus are not subject to a four-month hold period in Canada.

Securities may be offered under the Prospectus separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and as set forth in an applicable prospectus supplement. No Securities may be sold, nor may offers to buy be accepted, prior to the time a receipt for the Final Shelf Prospectus has been issued. The Company has not entered into any agreements or arrangements to authorize the sale, distribution or offer of any Securities and has no immediate plans to issue Securities under the Prospectus. In addition, the Company has a contractual restriction, pursuant to the Agency Agreement dated May 9, 2024, on the issuance of any equity or debt securities, or securities convertible or exercisable into equity or debt securities, that expires on September 6, 2024.

Copies of the Preliminary Shelf Prospectus may be obtained on request without charge from the Company at Suite 578 – 999 Canada Place, Vancouver, BC V6C 3E1, telephone (604) 670-8460 and can be found under the Company’s SEDAR+ profile at www.sedarplus.ca.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Securities in any jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities being referred to in this press release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the U.S. or to, or for the account or benefit of, U.S. persons absent registration

or an applicable exemption from the registration requirements. No public offering of securities is being made in the United States. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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.

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

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Forward-Looking Statements

This press release contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to the filing of and receipt of the Final Shelf Prospectus; the aggregate amount or number of Securities that may be offered; the filing and effectiveness of any potential prospectus supplement; the Company undertaking any offering of Securities under the Final Shelf Prospectus, including the amount and terms of any Securities to be offered; the use of proceeds of any offering of Securities; 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: the securities commissions will issue a receipt for the Final Shelf Prospectus on the terms expected by the Company; the Company's estimates of mineralized material at El Cubo 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 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 any resurgence of COVID-19, the ongoing war in Ukraine and conflict in Gaza and higher 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 press release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR+ at www.sedarplus.ca including the Company's most recently filed annual information form. 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.