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Guanajuato Silver Announces Closing of C\$18 Million Financing

August 21, 2025 / Vancouver, British Columbia - Guanajuato Silver Company Ltd. (the “**Company**” or “**GSilver**”) (TSXV:GSVR) (OTCQX:GSVRF) is pleased to announce the closing of its previously announced non-brokered Listed Issuer Financing Exemption private placement (the “**Offering**”) for aggregate gross proceeds to the Company of C\$18M under the Listed Issuer Financing Exemption (“**LIFE**”) private placement. The Company engaged Medalist Capital Ltd. and Research Capital Corporation (the “**Finders**”) as exclusive finders to assist with the Offering.

James Anderson, Chairman & CEO said, “With this strengthening of our balance sheet, Guanajuato Silver is now positioned to make significant upgrades to our underground mining fleet and to our three processing facilities, as we move to establish improved operational consistency at all four of our producing silver mines. Furthermore, current exploration and development drill programs will be scaled up considerably as we move to expand our mineral resource base. We thank current and past investors for their continued support as we build Mexico’s next mid-tier silver producer.”

The Offering consisted of 60,000,000 units of the Company (the “**Units**”) at a price of C\$0.30 per Unit (the “**Offering Price**”). Each Unit consists of one common share of the Company (“**Common Share**”) and one-half of one common share purchase warrant of the Company (each whole such warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase an additional Common Share at an exercise price of \$0.45 for a period of 36 months subject to customary anti-dilution adjustments, until August 21, 2028.

Net proceeds from the Offering will be used to, inter alia:

- add to the Company’s underground fleet and ramp up production at GSilver’s producing mines in Guanajuato and Durango.
- fund certain improvements to expand and modernize the processing facilities at the Topia mine and mill complex including capital expenditures and related costs.
- fund corporate head office general and administrative expenses including legal, audit, overhead and salaries for the ensuing 12 months.
- carry out detailed exploration at GSilver’s mineral properties, particularly San Ignacio and Valenciana.

The Units were sold pursuant to the Listed Issuer Financing Exemption under Part 5A of National Instrument 45-106 - *Prospectus Exemptions*, as amended by Coordinated Blanket Order 45-935 - *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption*. The Offering was made in all provinces of Canada (except Quebec) and other qualifying jurisdictions, including the United States. The Units offered under the Listed Issuer Financing Exemption will be immediately "free-trading" under applicable Canadian securities laws. Units sold to subscribers resident in the United States are subject to additional restrictions on trade.

In connection with the Offering, the Finders received a cash commission of \$520,463.92, and 1,727,904 non-transferable finder's warrants (the "**Finder's Warrants**"). Each Finder's Warrant entitles the holder to purchase one Common Share at an exercise price equal to the Offering Price, subject to customary anti-dilution adjustments, until August 21, 2028. Unless permitted under securities legislation, the Finder's Warrants and securities underlying the Finder's Warrants cannot be traded before December 22, 2025.

In connection with the Offering, the Company has entered into an Advisory Agreement with Research Capital Corporation (the "**Advisor**"), pursuant to which the Advisor provided financial advisory, consulting, and support services in connection with the Offering (the "**Advisory Services**"). In consideration for the Advisory Services, the Company will pay the Advisor a work fee equal to \$136,500 (the "**Fee**") and issue 458,500 advisor warrants (the "**Advisor Warrants**"). Each Advisor Warrant entitles the holder to purchase one Common Share at an exercise price equal to the Offering Price, subject to customary anti-dilution adjustments, until August 21, 2028. The Advisor Warrants and the underlying securities issued to the Advisor will be subject to a four month and one day hold period in accordance with Canadian securities laws.

To demonstrate continued support of the Company, certain directors and officers of the Company or their affiliates (each, a "**Related Party**") participated in the Offering and acquired an aggregate of 2,100,000 Units for total gross proceeds of \$630,000. Each subscription by a Related Party is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The related party transactions are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 in reliance upon the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the fair market value of the transaction, insofar as it involves the Related Parties, does not exceed 25% of the Company's market capitalization. The Company did not file a material change report related to the Offering more than 21 days before the expected closing of the Offering as required by MI 61-101 since the details of the participation by the Related Parties were not settled until shortly prior to the closing of the Offering and the Company wished to close on an expedited basis for sound business reasons.

There is an offering document related to this Offering that can be accessed under the Company's profile at www.sedarplus.ca and at the Company's website at www.gsilver.com.

This news 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 offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 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 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registrations are available. No public offering of securities is being made in the United States. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About GSilver

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, GSilver is one of the fastest growing silver producers in Mexico.

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

Guanajuato Silver Bullion Store

Please visit our [Bullion Store](#), where Guanajuato Silver coins and bars can be purchased.

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Forward-Looking Statements and Information

This news release contains forward-looking statements and information, which relate to future events or future performance including, but not limited to the intended use of proceeds from the Offering, the Company's future development and production activities and opportunities for future exploration, development and production and the estimated timing and costs thereof; and the status of the Company 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, market, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates 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 successfully integrate production from San Ignacio and Valenciana into the Company's existing mining and milling operations at El Cubo and the availability of excess processing and tailings capacity at El Cubo to accommodate same; the Company's ability to secure additional sources of mineralized material for processing, 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 expenditures, 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 significant risks and uncertainties that may cause actual 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, 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, rising inflation and interest rates, geopolitical conflicts including wars, unanticipated geological or structural formations and characteristics, 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 the Company will successfully complete the Offering in whole or in part on the terms and in accordance with the timing set out herein. Further, there are no assurances that GSilver will be able to continue to increase production, tonnage milled and recoveries rates, improve grades and reduce costs at its existing mines to process mineralized materials to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. GSilver's decision to process mineralized material from its mining projects 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 impact of any future global pandemic, ongoing global conflicts, and 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.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.