



~ GSilver Begins Stockpiling Vein Material at El Cubo ~
~ Company Engages MGA for Contract Mining ~

August 6, 2021 – Vancouver, British Columbia – Guanajuato Silver Company Ltd. (the “Company” or “GSilver”) (TSXV:GSVR)(OTCQX:GSVRF) is pleased to announce that crews have begun stockpiling mineralised material from its El Cubo mine in anticipation of the recommencement of operations at the El Cubo mill. In addition, the Company has signed a mine development and production agreement with contract mining group MGA to execute contract mining services at El Cubo until December 31, 2022.

Re-commencement of mining at El Cubo:

GSilver is pleased to announce that mining, mucking, and stockpiling of mineralised material at its El Cubo mine has re-commenced ahead of schedule. Crews have begun removing previously blasted material from the 2175 and 1850 stope areas ([Click here and scroll to bottom for latest long section](#)) within the mine. This material is now being stockpiled at the El Cubo mill patio ([Click and scroll to bottom for photos](#)). These areas will be two of the three stope areas (the other area being ‘Cebolletas’) where GSilver intends to focus its El Cubo mining efforts for the next 12-18 months.

Reasons for mining 2175, 1850, and Cebolletas Stopes (the “Villalpando Stopes”):

- These stopes are readily available with infrastructure consisting of 4x4m wide access and ramps;
 - Crews have cleaned these access routes, installed new lighting and ventilation services, and have cleared and re-established emergency exit routes from within the mine.
- These stopes have previously been drilled and sampled by former owner/operator Endeavor Silver Corp.;
 - GSilver engineers have concluded that ample drilling and sampling has been conducted to date to establish areas to blast mineralised material and begin stockpiling that material on surface. The Company is planning to conduct additional infill and expansion drilling in these areas soon, details of which will be reported on and described in a subsequent news release. Additional drilling will be conducted primarily for grade control purposes.
- These are just a few of the stopes where mining had previously occurred prior to shutdown of the mine in November 2019;
 - There are numerous other areas of the mine where GSilver believes it will be able to take the same approach. The three current areas of interest exist within the main Villalpando vein structure; other areas in which the Company plans to focus its mining in the months and years ahead include the Dolores North, Dolores South, La Loca, San Eusebio, and Asuncion vein structures.

The Company’s engineers believe that the Villalpando Stopes could consistently provide up to 15,000 tonnes of mineralised material per month once mining ramps up to full capacity and milling re-commences in Q4, 2021.

Engagement of MGA Mine Contractors:

GSilver is very pleased to announce that it has signed a comprehensive 17-month contract with MGA Mine Contractors (*MGA Contratista Mineras S.A de C.V.*) of Durango, Mexico, to be the Company's primary mine contractor. MGA has over two decades experience in providing quality mine contracting expertise to some of the leading companies in Mexican mining including Grupo Mexico, Goldcorp., Fresnillo PLC., Endeavour Silver, and First Majestic Silver.

Hernan Dorado, GSilver's Chief Operating Officer commented: "At GSilver we have always planned to use an experienced and specialized mine contracting group as we restart El Cubo. In this way we can defer significant amounts of capital expenditures and rely on the experience of our contracting partners. We plan to have our 'in-company' workers commence El Cubo operations in parallel with our contract miners from MGA."

Hernan Dorado Smith, Chief Operating Officer and director of GSilver and a "qualified person" as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, has approved the scientific and technical information contained in this news release.

About Guanajuato Silver Co. Ltd.:

GSilver is a mining development company engaged in reactivating past producing silver and gold mines near the city of Guanajuato, Mexico. The Company is focused on the refurbishment and swift re-commencement of production from its El Cubo mine and mill and its nearby El Pinguico project, as well as the delineation of additional silver and gold resources through underground and surface drilling. Both projects are located within 11km of the city of Guanajuato, which has an established 480-year mining history.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"

Chairman and CEO

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Continue to watch our progress at: www.GSilver.com

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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 ability of the Company to successfully refurbish the El Cubo mill, procure equipment, hire personnel and supply and process sufficient mineralised material and resources from the El Cubo mine through the El Cubo mill to successfully begin commercial production of silver and gold in Q4 2021 at the projected amounts, grades, costs and revenues and the success related to development and production activities; the estimates of mineral resources; the accessibility, attractiveness, mineral content and volume of mineralized material within the Villalpando Stopes; the opportunities for future exploration, development and production at El Cubo and El Pinguico and the proposed exploration, development and production programs therefor and the timing and costs thereof; and the success related to any future exploration, development and/or production programs.

Such forward-looking statements and information reflect management's current beliefs 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 mineral resource estimates at El Cubo and El Pinguico and the

assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; tonnage of mineralized material to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to production estimates; success of the Company's combined El Cubo / El Pinguico operation; prices for silver and gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); 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 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, actual resource grades and recoveries of silver and gold, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, 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 re-start the El Cubo mill to process mineralized materials to produce silver and gold in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to begin processing mineralized material from its above and underground stockpiles at El Pinguico and estimated resources at El Cubo through the El Cubo mill 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 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 results of the Company's recently announced preliminary economic assessment and projected production of silver and gold will be realized. There is also uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements 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. These forward-looking statements 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.

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