



Guanajuato
Silver CO
LTD

WHISTLEBLOWER POLICY

GENERAL

Guanajuato Silver Company Ltd. (the "Company" or "GSilver") requires its directors, officers and employees to observe high standards of professionalism and ethical conduct Pursuant to its Charter, the Audit Committee of the Board of Directors of the Company is responsible for ensuring that a confidential and anonymous process exists whereby persons can express any concerns or complaints about the accuracy, fairness or appropriateness of any of the Company's actions, policies, procedures or financial reports. In order to carry out its responsibilities under its Charter, the Audit Committee has adopted this Whistleblower Policy.

For the purposes of this Policy, reportable violations include, but are not limited to:

- Health, safety and environmental concerns
- Discrimination or harassment
- Conflicts of interest
- Fraud
- Bribery
- Questionable accounting, internal controls and auditing matters
- Omission or misrepresentation in the Company's public disclosure documents
- Any other non-compliance with the Code, internal policy or law.

Collectively "Business Irregularity".

REPORTING RESPONSIBILITY

It is the responsibility of all directors, officers and other employees to report violations or suspected violations in accordance with this Policy.

NO RETALIATION

No officer or employee who in good faith reports a Business Irregularity shall suffer harassment, retaliation or adverse employment consequence. An officer or employee who retaliates or intimidates against someone who has reported a Business Irregularity in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

REPORTING VIOLATIONS

It is the responsibility of all directors, officers and employees to report all suspected Business Irregularities in accordance with this Whistleblower Policy. The Company maintains an open-door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is the best position to address an area of concern. An employee's supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is the supervisor's responsibility to help solve the problem.

However, if an employee is not comfortable speaking with the employee's supervisor or an employee is not satisfied with the supervisor's response, the employee is encouraged to speak anyone in management whom the employee is comfortable in approaching. Supervisors and managers are required to report suspected Business Irregularities to the Audit Committee, who has specific and exclusive responsibility to investigate all reported Business Irregularities. For suspected fraud or securities law violations, or when an employee is not satisfied or uncomfortable with following the Company's open-door policy, the employee should contact the Audit Committee through the following options:

Option 1

Reports may be made in writing, by mail or courier, and addressed to the Audit Committee as follows:

PRIVATE AND CONFIDENTIAL
Audit Committee
c/o Corporate Secretary
Guanajuato Silver Company Ltd.
Suite 578 – 999 Canada Place
Vancouver, BC, Canada V6C 3E1

Option 2

Reports may be made by e-mail to auditcommittee@gsilver.com. This address is accessed only by the Audit Committee if you wish to report any such matters anonymously.

The contact persons listed above are independent of management and any reports will be completely confidential.

CONFIDENTIALITY

Complaints or submissions concerning a suspected Business Irregularity may be submitted on a confidential basis by the complainant or may be submitted anonymously. All

complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

INVESTIGATIONS OF COMPLAINTS

The Company's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Business Irregularities.

Audit Committee will notify the sender and acknowledge receipt of the reported suspected Business Irregularity within five business days. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and will only share the information on a "need to know" basis.

All reports will be promptly investigated, if appropriate, in accordance with the law, governmental rules and regulations, the Company's Code of Ethics and otherwise consistent with good business practice, and appropriate corrective action will be taken if warranted by the investigation. The Chief Financial Officer, as well as all other officers of the Company as required, must fully cooperate with and assist the Committee, as requested, to investigate and resolve the matter. The Audit Committee may retain independent legal counsel, accountants, or others to assist in its investigations. The Company shall retain records of complaints for a period of no less than five years as a separate part of the records of the Audit Committee.

ACTING IN GOOD FAITH

Anyone filing a complaint concerning a suspected Business Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a Business Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

PRIVACY VIOLATIONS

Additionally, in conjunction with this policy, the *Personal Information Protection and Electronic Documents Act* (Canada) ("PIPEDA") and the *Personal Information Protection Act* (British Columbia) ("PIPA"), provide that any person who has reasonable grounds to believe that there has been a contravention of either of PIPEDA or PIPA may notify the relevant Privacy Commissioner.

An organization must not dismiss, suspend, discipline, harass or otherwise disadvantage an employee or deny an employee a benefit because the employee, acting in good faith and on the basis of reasonable belief, has disclosed to the Privacy Commissioner that the organization has contravened or is about to contravene either of PIPEDA or PIPA. Members of the public may lodge anonymous complaints to avoid the possibility of retaliation.