

The securities offered under this offering document under the Listed Issuer Financing Exemption (the “Offering Document”) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities 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, U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

**Offering Document**  
**under the Listed Issuer Financing Exemption**

**August 8, 2025**



**Guanajuato Silver Company Ltd. (the “Issuer” or “GSilver”)**

**PART 1: SUMMARY OF OFFERING**

**What are we offering?**

<b>Offering:</b>	Units (“Units”) of the Issuer, each Unit being comprised of one common share of the Issuer (a “Unit Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”).  Each Warrant will entitle the holder to acquire one additional common share of the Issuer (a “Warrant Share”) at an exercise price of \$0.45 per Warrant Share for a period of 36 months following the Closing Date.
<b>Offering Price:</b>	\$0.30 per Unit (the “Issue Price”).
<b>Offering Amount:</b>	A minimum of 50,000,000 Units (the “Minimum Offering”) and a maximum of 60,000,000 Units (the “Maximum Offering”, and together with the Minimum Offering, the “Offering”), for minimum gross proceeds of \$15,000,000 and maximum gross proceeds of \$18,000,000.
<b>Closing Date:</b>	Closing of the purchase and sale of the Units shall take place on or around the week of August 18, 2025 (“Closing Date”), or on such other date as the Issuer may determine.
<b>Exchange:</b>	The Issuer’s common shares (the “Common Shares”) are listed, traded or quoted, as the case may be, on the TSX Venture Exchange (the “TSXV”) in Canada under the symbol “GSVR” and the OTCQX marketplace in the United States under the symbol “GSVRF”.
<b>Last Closing Price:</b>	The closing price of the Issuer’s Common Shares on the TSXV was \$0.34 and on the OTCQX marketplace was US\$0.24 on August 7, 2025, the last trading day prior to the date of this Offering Document.

***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

**GSilver is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – Prospectus Exemptions. In connection with this Offering, the Issuer represents the following is true:**

- The Issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering

**Document, will not exceed \$25,000,000.**

- **The Issuer will not close this Offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.**

**The Units may, subject to the terms and conditions set forth in the U.S. Placement Memorandum (and the purchaser letters attached as appendices thereto) for the Units, be offered to, or for the account or benefit of, persons in the “United States” or “U.S. Persons” (as such terms are defined in Regulation S sold in the United States only to (i) qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act that are also “accredited investors” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (“Accredited Investors”); and (ii) Accredited Investors, in each case, pursuant to the exemption from registration provided by Section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D thereunder. In each case, offers and sales may only be made pursuant to similar exemptions under applicable state securities laws. Concurrently with the offering of the Units in the United States, the Units are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act.**

All references to “\$” or C\$ in this Offering Document are to lawful currency of Canada unless otherwise expressly stated. References to “US\$” are to United States dollars.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION**

This Offering Document contains forward-looking statements and information within the meaning of applicable Canadian securities laws, which are based upon GSilver’s current internal expectations, estimates, projections, assumptions and beliefs, and include, but are not limited to, statements concerning future production, development and exploration plans at GSilver’s mineral properties, including projected mined output and GSilver’s ability to increase mined tonnage, grade, recoveries and silver equivalent ounces in accordance with its objectives, timetable and anticipated costs; expectations regarding cash flows for the next 12 months; expectations regarding the NucTech (defined below) claim; GSilver’s expectations with respect to raising the minimum and maximum proceeds of the Offering, the anticipated timing thereof and GSilver’s expectations with respect to the use of available funds following completion of the Offering.

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 GSilver; which assumptions, while considered reasonable by GSilver, are inherently subject to significant operational, business, market, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates and estimates of mineralized material at our mineral properties 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 GSilver to successfully integrate production from recent acquisitions into existing mining and milling operations and the availability of excess processing and tailings capacity at existing facilities to accommodate same; GSilver’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 GSilver’s projects and to satisfy current liabilities and obligations including debt repayments, capital expenditures and 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 GSilver’s future results, production levels, cash flows or other performance or achievements to differ materially from those expected including, but not limited to, regulatory approval for the Offering and completion thereof; market conditions, future prices of gold, silver and other metals, 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, currency rate fluctuations, availability of future financing, rising inflation and interest rates, 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 GSilver will be able to maintain or increase production, tonnage milled and recovery rates, improve grades and reduce costs at its mines to process mineralized material to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. Further, GSilver's decision to process mineralized material from its existing mines is not based on a feasibility study of mineral reserves demonstrating economic and technical viability and thus 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 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 GSilver will meet its production or revenue forecasts or generate the anticipated cash flows from operations to satisfy scheduled debt payments and other liabilities when due or meet financial covenants to which GSilver 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, global conflicts, and inflation and interest rates that are at elevated levels and the impact they will have on GSilver'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 herein are qualified by these cautionary statements and those in GSilver's continuous disclosure filings available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). These forward-looking statements and information are made as of the date hereof and GSilver assumes no obligation to update or revise them to reflect new events or circumstances save as required by law.

## **PART 2: SUMMARY DESCRIPTION OF BUSINESS**

### **What is our business?**

GSilver is a Canadian based mining, development and exploration company engaged in reactivating past producing silver and gold mines in central Mexico, predominantly near the city of Guanajuato. Since 2017, GSilver has acquired a 100% interest in five past producing silver and gold mines and three processing mills: the El Pinguico mine in 2017, the El Cubo Mines complex in 2021, and the San Ignacio mine, Valenciana Mines Complex and Cata processing plant, and Topia mine and mill in 2022 as well as several exploration concessions within the Mexican silver states of Guanajuato and Querétaro.

Currently, GSilver produces a silver and gold concentrate at its El Cubo mill and Cata mill from mineral resources and material derived from its El Cubo, San Ignacio and Valenciana mines, and an existing stockpile at its El Horcon mine, all of which are situated in and about Guanajuato, Mexico and a zinc concentrate and separate lead and silver concentrate at its Topia mine and mill in Durango, Mexico, which concentrates GSilver sells to third party metal traders and purchasers pursuant to existing offtake agreements.

### **Recent developments**

#### *Project Updates*

On May 8, 2025, the Issuer announced an update on exploration progress at the Issuer's wholly-owned El Cubo Mines Complex ("**El Cubo**") and the San Ignacio Mine ("**San Ignacio**") located in Guanajuato, Mexico.

In January 2025, an underground diamond drilling campaign commenced that was centered on the transverse San Luis vein in the southern part of the Villalpando mine area. During the first quarter of 2025, a total of 971.8 meters were drilled with the goal of confirming lateral and vertical continuity of the San Luis mineralized material body. Drilling assays are shown in the table below with some of the strongest results coming from splays extending from the San Luis vein.

DRILLHOLE	TARGET	AZIMUTH	INCLINATION	INTERSECTIONS		WIDTH	Au	Ag	AgEq <sup>1</sup>	DRILLHOLE DEPTH	TRUE WIDTH
#				(m)		(m)	g/t	g/t	g/t	(m)	(m)
SL25-01	San Luis Splay	201.267	16.08	30.80	31.50	0.70	0.14	105	118	120.00	0.45
	San Luis Splay			32.45	33.00	0.55	0.48	64	108		0.35
	San Luis Splay			114.90	115.10	0.20	0.22	74	94		0.14
SL25-02	Hanging Wall San Luis Vein	205.124	34.89	128.00	128.50	0.50	0.07	7	13	142.30	0.23
	San Luis Splay			134.65	134.90	0.25	0.27	78	102		0.24
	San Luis Vein			134.90	135.85	0.95	0.91	319	401		0.52
SL25-03A	San Luis Vein	139.832	37.46	113.55	114.75	1.20	0.69	143	205	196.50	0.85
	Including			113.95	114.40	0.45	1.31	298	416		0.32
	Maria Vein			167.00	167.85	0.85	0.56	96	146		0.60
	San Luis Splay			177.00	177.45	0.45	0.69	315	377		0.21
SL25-04	San Luis Vein	123.81	38.44	157.40	158.75	1.35	1.27	248	362	174.00	0.72
SL25-05	San Luis Vein	126.73	21.64	126.80	127.30	0.50	0.11	35	45	213.00	0.30
	Footwall San Luis Vein			127.30	127.70	0.40	0.11	45	55		0.24
	San Luis Splay			169.25	169.70	0.45	0.87	496	574		0.08

1 AgEq is calculated using a silver to gold ratio of 90:1.

For 2025, the Issuer plans to drill a total of 6,500 meters in approximately 30 drillholes at El Cubo; at least five of these proposed drillholes will continue to target the San Luis vein and associated structures.

The San Luis vein was discovered by Guanajuato Silver in 2022; now, after several drilling campaigns and mine developments, San Luis represents one of the most productive areas at El Cubo. The San Luis vein has an average width of 1.0 to 1.2 meters comprising consistent silver and gold grades that average 116 g/t silver and 1.05 g/t gold for an average silver-equivalent grade of 210 g/t AgEq (using a gold to silver ratio of 85:1).

In addition to San Luis, the Issuer's drill plans for 2025 also include intersecting the Villalpando vein, which is the main vein controlling the Sierra Vein System; this drilling is expected to total 2500 meters. The parallel Dolores vein will also be targeted with approximately 1350 meters of diamond drilling. Furthermore, 1500 meters of drilling is planned to target the San Nicolas vein, with 1150 meters of drilling planned for both the San Eusebio and La Loca veins.

The Issuer also announced the completion of a geophysical study to the west of the Santo Nino mining block at San Ignacio; the survey was conducted by Nevada-based Zonge International Inc. ("**Zonge**") and consisted of a combined Induced Polarization survey and a Controlled-source Audio-frequency Magnetotellurics (CSAMT) survey. Guanajuato Silver recently announced the completion of development work that intersected a significant new mining block centered on the Santo Nino vein at the San Ignacio Mine. The Zonge geophysics study helps to delineate vein systems known from surface mapping, west of the main San Ignacio production areas. This data will support further exploration activities including drilling at this highly prospective area west of the Santo Nino vein mining block, which has demonstrated comparatively high gold content.

On July 22, 2025, the Issuer announced an additional update on exploration and development work at San Ignacio by releasing the results of an additional nine drill holes.

- Drillholes 1 through 5 were drilled to the east towards the Nombre de Dios and Melladito areas.
- Drillholes 6 through 9 were drilled to the west towards Santo Nino.

DRILLHOLE #	AZIMUTH / INCLINATION	INTERSECTIONS		WIDTH (m)	TRUE WIDTH (m)	Au (g/t)	Ag (g/t)	AgEq (g/t)	Zone
		From(m)	To (m)						
UGSI25-001	203.5 / -54.8	74.65	75.15	0.50	0.35	1.3	7.0	118	Nombre de Dios
UGSI25-002	262.5 / -50.4	121.05	122.35	1.30	1.13	1.5	24.2	153	Intermeidate Vein
UGSI25-003	190.1 / -26.35	78.65	80.55	1.90	1.30	1.7	4.5	151	Loop
<i>and</i>		<b>82.00</b>	<b>87.50</b>	<b>5.50</b>	<b>2.10</b>	<b>4.1</b>	<b>4.3</b>	<b>353</b>	<b>Nombre de Dios</b>
<i>and</i>		150.30	150.90	0.60	0.44	2.4	14.0	222	Melladito
<i>and</i>		151.30	151.70	0.40	0.29	2.1	3.0	183	Melladito
UGSI25-004	204.2 / -25.8	59.85	60.50	0.65	0.39	0.3	262	283	Loop
UGSI25-004		63.30	64.55	1.25	0.72	0.9	101.1	178	Loop
UGSI25-005	232.2 / -25.0	32.15	32.45	0.30	0.26	0.9	62.0	135	VNLT
<i>and</i>		46.50	47.90	1.40	0.99	1.1	12.6	106	Nombre de Dios
<i>and</i>		119.75	120.45	0.70	0.61	1.4	22.0	141	Melladito
UGSI25-006	243.7 / -20.0	59.30	60.55	1.25	1.08	2.5	3	219	Vein
<i>and</i>		<b>64.80</b>	<b>67.50</b>	<b>2.70</b>	<b>2.34</b>	<b>4.9</b>	<b>165</b>	<b>579</b>	<b>Santo Nino Vein</b>
<i>and</i>		172.85	173.45	0.60	0.30	0.6	212	261	Vein
<b>UGSI25-007</b>	270.0 / -18.2	<b>66.10</b>	<b>76.25</b>	<b>10.15</b>	<b>8.20</b>	<b>5.7</b>	<b>54</b>	<b>536</b>	<b>Santo Nino system</b>
<i>including</i>		66.10	66.85	0.75	0.60	15.1	13	1,293	<i>Santo Nino system</i>
<i>including</i>		74.70	75.75	1.05	0.83	13.7	158	1,322	<i>Santo Nino system</i>
<i>and</i>		78.85	80.80	1.95	1.61	3.7	127	439	
<i>and</i>		<b>82.10</b>	<b>83.55</b>	<b>1.45</b>	<b>1.06</b>	<b>28.5</b>	<b>164</b>	<b>2,585</b>	<b>Vein</b>
<i>and</i>		86.40	87.15	0.75	0.48	1.2	56	159	Vein
<i>and</i>	95.40	95.75	0.35	0.32	0.5	268	307	Vein	
UGSI25-008	257.1 / 39.0	<i>Hole lost in fault - currently being redrilled as UGSI25-008A</i>							
<b>UGSI25-009</b>	308.0 / 35.35	<b>49.85</b>	<b>57.90</b>	<b>8.05</b>	<b>4.46</b>	<b>2.2</b>	<b>99</b>	<b>287</b>	<b>Santo Nino</b>

(1) All AgEq calculations use a silver to gold ratio of 85:1; some AgEq figures may vary slightly due to rounding.

Mining is currently occurring within the western zones of San Ignacio. The mineralization highlighted within the tables above is within proximity to existing infrastructure and the Issuer expects to expedite development to these zones so that they can be sequenced for extraction in 2025.

On July 31, 2025, the Issuer provided an update on exploration and development work at the Issuer's wholly-owned Valenciana Mines Complex located in Guanajuato, Mexico by announcing the interception of certain high-grade veins and associated breccias.

On August 6, 2025, the Issuer provided an update on one of the Issuer's key development projects within its core portfolio of Guanajuato district holdings in central Mexico. The Issuer announced that the Pinguico epithermal gold-silver vein project, a satellite project to the nearby El Cubo Mines Complex, has received a key development permit that allows the Issuer to advance this wholly owned project and that the Ministry of Defense of Mexico has executed the request for a General Explosives Consumption Permit for the Issuer's operating subsidiary, Compañía Obras Mineras El Pingüico, SA de CV. The Issuer announced that underground mining activities are now poised to recommence this year.

#### Technical Information

Guanajuato Silver adheres to thorough QA/QC procedures and practices that exceed standard regulatory requirements when managing the Issuer's testing and sampling. Drill core was first reviewed by an Issuer geologist, who identified and marked intervals for sampling. The marked sample intervals were then cut in half with a diamond saw; half of the core was left in the core box and the other half was removed, placed in plastic bags, sealed and labeled. Intervals and unique sample numbers are recorded on the drill logs and the samples are sequenced with standards and blanks inserted according to a predefined QA/QC procedure. The samples are maintained under security on site until they are shipped to the analytical lab. The analytical work reported on herein was performed by Guanajuato Silver's local laboratory, located at the Valenciana Mines Complex at Ex-Hacienda

de Bustos in Guanajuato City. This laboratory is owned and operated by the Issuer and is not independent. To validate the Issuer's assay results and preparation procedures, GSilver customarily sends additional random samples representing approximately 20% of all analytical samples to one of two ISO certified labs: Quimico Platinum, located at Silao, Guanajuato or Bureau Veritas located in Hermosillo, Sonora, Mexico. Both laboratories are certified at the ISO/IEC (International Organization for Standardization/International Electrotechnical Commission) geo-analytical laboratory and are independent of GSilver and its "qualified person". Core samples were subject to crushing at a minimum of 70% passing two millimetres, followed by pulverizing of a 250-gram split to 85% passing 75 microns. Gold determination was via standard atomic absorption (AA) finish 30-gram fire assay (FA) analysis, in addition to silver and 34-element using fire assay and gravimetry termination. Following industry-standard procedures, blank and standard samples were inserted into the sample sequence and sent to the laboratory for analysis. Data verification of the analytical results included a statistical analysis of the standards and blanks that must pass certain parameters for acceptance to ensure accurate and verifiable results. As of the date of this press release, the Issuer has not yet received the results of the random samples sent to the independent laboratory.

William Gehlen, a Director of Guanajuato Silver, is a Certified Professional Geologist with the American Institute of Professional Geologists (No. 10626), and a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects.

Mr. Gehlen has reviewed and verified technical data disclosed in this Offering Document and has not detected any significant QA/QC issues during review of the data and is not aware of any sampling, recovery or other factors that could materially affect the accuracy or reliability of the drilling data referred to herein. The verification of data underlying the disclosed information includes reviewing compiled assay data; QA-QC performance of blank samples, duplicates and certified reference materials; and grade calculation formulas.

#### *Corporate Updates*

On June 16, 2025, the Issuer announced that it has amended the terms of its Gold Credit Facility with Ocean Partners UK Ltd. ("**Ocean Partners**"). The new Gold Credit Facility (the "**New Facility**") has an outstanding balance of 7182 ounces of gold bullion; under the terms of the New Facility, two-thirds of the outstanding balance will be amortized over 36 months starting April 2025, and is repayable in equal fixed monthly installments of 131.7 ounces of gold bullion, representing approximately 10% of Guanajuato Silver's modelled monthly gold production. In connection with the terms of the New Facility, the Issuer issued to Ocean Partners 4,550,000 non-transferable warrants exercisable into one common share of the Issuer with an exercise price of \$0.24. Each warrant has a term that expires on March 31, 2028. The warrants, and the common shares issuable upon exercise, are subject to a statutory hold period that ends on October 17, 2025.

On July 22, 2025, the Issuer announced that NucTech Mexico, S.A. de C.V. ("**NucTech**") has commenced litigation in Mexico City, Mexico against the Issuer. NucTech alleges that the Issuer has not compensated it for the installation and use of NucTech's mineral sorting equipment at the Issuer's San Ignacio mine in Guanajuato, Mexico and is claiming compensation for future equipment rentals over a 10-year period. The Issuer believes that the litigation has no merit, and the Issuer will vigorously defend itself. The amounts claimed do not have any supportable basis and the Issuer will pursue all legal options to protect its interests and will seek to recover legal and other costs from NucTech. The Issuer will provide further updates on this matter as developments warrant.

On July 29, 2025, the Issuer announced that Mr. Rick Trotman was appointed as Senior Vice President of the Issuer.

#### **Material facts**

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Issuer in the 12 months preceding the date of this Offering Document.

**What are the business objectives that we expect to accomplish using the available funds?**

GSilver's primary business objective over the next 12 months is to increase production of silver and gold and other metals concentrates at its existing mining projects in Mexico and increase overall mined tonnage, grades, recoveries and silver equivalent ounces while improving operational efficiencies and reducing costs with a view to achieving positive cash flow from operations.

GSilver intends to use the net proceeds from the Offering to increase production at its El Cubo, San Ignacio and Valenciana mines situated in and about Guanajuato, Mexico, complete certain improvements to expand and modernize its processing facilities at the Topia mine and mill complex in Durango, Mexico, carry out brownfield exploration at its existing mineral properties with particular emphasis at San Ignacio and Valenciana, and fund its corporate head office general and administrative expenses ("G&A") for the ensuing 12 months.

See Part 3 "Use of Available Funds" below.

**PART 3: USE OF AVAILABLE FUNDS**

**What will our available funds be upon the closing of the offering?**

		Assuming the Minimum Offering (\$)	Assuming the Maximum Offering (\$)
A	Amount to be raised by this offering (rounded to nearest whole dollar)	\$15,000,000	\$18,000,000
B	Selling commissions and fees <sup>(1)</sup>	\$(900,000)	\$(1,080,000)
C	Estimated offering costs (e.g., legal, accounting, regulatory filing fees)	\$(150,000)	\$(160,000)
D	Net proceeds of offering: D = A – (B+C)	\$13,950,000	\$16,760,000
E	Adjusted working capital deficiency as at July 31, 2025 (estimate only) <sup>(2)</sup>	\$(10,495,831)	\$(10,495,831)
F	Additional sources of funding <sup>(3)</sup>	\$14,487,000	\$14,487,000
<b>G</b>	<b>Total available funds: G = D+E+F</b>	<b>\$17,941,169</b>	<b>\$20,751,169</b>

- (1) Assumes that cash commission to the Finders is payable on entire Offering amount.
- (2) Working capital = current assets minus current liabilities. The Issuer's estimated working capital as at July 31, 2025 has been adjusted to reflect the following reductions/adjustments to current liabilities subsequent to July 31, 2025 for items that will not be paid in cash or are not expected to be paid: (a) derivative liabilities of \$239,279 which is the revaluation of hedging instruments that the Issuer has for gold and silver, and (b) the exclusion of certain "contingent" current liabilities totaling \$1,830,000 payable pursuant to the Issuer's acquisition of Minera Mexicana El Rosario S.A. de C.V ("MMR"). This amount represents a bonus payable calculation to employees of MMR as a result of its acquisition by the Issuer based on net income. However, the positive net income figure comes from the forgiveness of intercompany debt prior to acquisition and it is the Issuer's belief that this will never be paid but has been accrued for accounting purposes under IFRIC 23.
- (3) This figure represents the positive expected cashflows for the next 12 months of \$14,487,000 which incorporates debt repayments, capital expenditures, taxes payable and VAT refunds.

The disclosure in the table above in row "F" and the related footnotes provide the Issuer's expectations for expected cashflows from operations for the next 12 months and such disclosure is forward-looking information. Actual results may vary from the forward-looking information.

The Issuer's cashflow forecast for the next 12 months is based on assumptions regarding production rates, operating and capital costs. In general, the objectives in the use of proceeds outlined in the Offering Document will improve ore grade, improve metal recoveries, reduce energy consumption, increase concentrate production

capacity and lower operating costs.

Due to the capital expenditures made in 2023 and 2024, the Issuer has seen a significant and continuing decrease in its capital and operating costs. The objectives from use of proceeds outlined in this Offering Document will bring even further improvements.

Please refer to “CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION” in this Offering Document for further details of the material risk factors that could cause actual results to differ materially from the forward-looking information; the material factors and assumptions used to develop such forward-looking information; and the Issuer’s policy for updating forward-looking information.

**How will we use the available funds?**

<b>Description of intended use of available funds listed in order of Priority</b>	<b>Assuming the Minimum Offering (\$)</b>	<b>Assuming the Maximum Offering (\$)</b>
To add to the Issuer’s underground fleet and increase production at GSilver’s producing mines in and about Guanajuato, Mexico including El Cubo, San Ignacio, Valenciana and Topia mines.  Target completion date December 31, 2025	\$3,052,327	\$4,635,963
To fund corporate head office G&A expenses including legal, audit, and overhead for ensuing 12 months (~\$243,000 per month)	\$2,916,000	\$2,916,000
Further development of Argentina vein system at Topia Mine Complex to access higher grade portions of the deposit	\$1,250,000	\$1,250,000
Development work to construct a stope ramp along the San Jose vein and towards Pinguico’s underground stockpile.	\$1,250,000	\$2,000,000
To carry out brownfields’ exploration at GSilver’s mineral properties, particularly El Horcon.	\$3,000,000	\$3,500,000
Unallocated working capital	\$6,472,842	\$6,449,206
<b>Total</b>	<b>\$17,941,169</b>	<b>\$20,751,169</b>

GSilver currently produces and sells a silver/gold concentrate at El Cubo from mineral resources and material derived from its El Cubo, San Ignacio and Valenciana mines, and an existing stockpile at its El Horcon mine, all of which are situated in Guanajuato, Mexico and a lead/silver concentrate and separate zinc concentrate at its Topia mine and mill complex in Durango, Mexico. As GSilver continues to advance operational efficiencies, the Company has not yet attained positive cash flow such that a portion of the available funds have been allocated as a reserve against future operating losses from GSilver’s mining operations in Mexico as well as its corporate head office G&A expenses in Vancouver, B.C.

The above-noted allocation and anticipated timing represents GSilver’s current intentions with respect to its use of available funds based on current knowledge, planning and expectations of GSilver’s management. Although GSilver intends to expend the net proceeds from the Offering and available funds as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed

prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including GSilver’s ability to execute on its business plan.

The most recent audited annual financial statements of GSilver included a going concern note. GSilver started producing and selling silver and gold concentrate in the fourth quarter of 2021 and has yet to generate positive cash flow from operations. As of the date of this Offering Document, GSilver continues to generate a net loss and negative cash flow from operating activities, which may cast significant doubt about GSilver’s ability to continue as a going concern. The Offering is intended to enable GSilver to supplement cash flow from production, continue to meet its head office G&A expenses, carry out certain capital improvements and explore its properties. However, unless and until GSilver’s operations begin to generate positive cash flow, the Offering is not expected to affect the decision to include a going concern note in GSilver’s next annual financial statements.

**How have we used the other funds we have raised in the past 12 months?**

<b>Previous financing activity</b>	<b>Intended Use of Funds</b>	<b>Actual Use of Funds to Date (as of June 30, 2025)</b>	<b>Variance between Intended and Actual Use of Funds</b>	<b>Impact of Variance on business objectives and milestones</b>
October 29, 2024  Private placement financing \$8,720,400	For capital expenditures aimed at expanding precious metals production and for working capital and general corporate purposes.	\$8,720,400	Nil	N/A

**PART 4: FEES AND COMMISSIONS**

**Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?**

<b>Finders:</b>	Research Capital Corporation Medalist Capital Advisors Inc. (together, the “ <b>Finders</b> ”)
<b>Compensation Type:</b>	Cash commission and finder’s warrants.
<b>Cash Commission:</b>	6.0% cash commission on gross proceeds raised from purchasers introduced to the Issuer by Finders.
<b>Finder’s Warrants:</b>	Finder’s warrants (“ <b>Finder’s Warrants</b> ”) in an amount equal to 6.0% of the total number of Units sold to purchasers introduced to the Issuer by Finders, with each Finder’s Warrant entitling the holder to purchase one Common Share of the Issuer at an exercise price of \$0.30 for a period of 36 months following the Closing Date.

