



## Offering Document under the Listed Issuer Financing Exemption

December 12, 2022

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 (1/2) of one common share purchase warrant (each whole warrant, a "Warrant").  Each Warrant will entitle the holder to acquire one additional common share (a "Warrant Share") at an exercise price of C\$0.60 for a period of 24 months.
<b>Offering Price:</b>	C\$0.425 per Unit (the "Issue Price").
<b>Offering Amount:</b>	A minimum of 7,058,824 Units and a maximum of 17,647,059 Units for minimum gross proceeds of C\$3,000,000 and maximum gross proceeds of C\$7,500,000 (the "Offering").
<b>Closing Date:</b>	Closing of the purchase and sale of the Units shall take place in one or more tranches on such day or days (each a "Closing Date") as determined by the Issuer, in its sole discretion, on or before the 45 <sup>th</sup> day following the date of this Offering Document. Initial Closing of the Offering is expected to occur on or about December 20, 2022, or such other date as the Issuer determines.
<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", the OTCQX marketplace in the United States under the symbol "GSVRF" and the Aquis Stock Exchange (Apex Segment) in London, England under the symbol "GSVR".
<b>Last Closing Price:</b>	The last closing price of the Issuer's Common Shares on the TSXV on December 9, 2022 was C\$0.425.

***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 \$10,000,000.**
- **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.**

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 the 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; GSilver's expectations with respect to raising the minimum or 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 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 continued spread and severity of COVID-19, ongoing war in Ukraine and rising inflation and interest rates 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.sedar.com](http://www.sedar.com) including GSilver's annual information form for the year ended December 31, 2021. 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 from mineral resources and material derived from its El Cubo, San Ignacio and Valenciana mines 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**

On August 4, 2022, GSilver acquired, by way of share purchase agreement, 100% of the issued and outstanding shares of Minera Mexicana El Rosario S.A. de C.V. ("**MMR**"), a private Mexican company which owns, among other assets, 100% of the San Ignacio mine and Valenciana Mines complex in Guanajuato, Mexico and the Topia mine and mill complex in Durango, Mexico, from Great Panther Mining Limited ("**Great Panther**") for a purchase price of US\$8,000,000 cash, a closing working capital adjustment of US\$1,350,000 cash and 25,787,200 Common Shares of GSilver at a deemed issue price of C\$0.335 (~US\$0.26) per share. In addition, GSilver is required to make certain contingent payments up to an additional US\$2,000,000 to Great Panther upon GSilver recovering a total of 2,500,000 ounces of silver produced from MMR's mineral properties and the price of silver reaching certain minimum thresholds during the two and three year periods after closing.

In conjunction with the acquisition of MMR, GSilver completed a brokered private placement of 41,885,388 subscription receipts at a price of \$0.33 per receipt for gross proceeds of \$13,822,178 (the "**2022 SR Financing**") to fund the cash portion of the purchase price for MMR and the initial cost of re-starting mining operations at the San Ignacio and Valenciana mines (which had been placed on "*care and maintenance*" by Great Panther in late 2021 and early 2022). The Topia mine and mill complex has been in production since 2012 when Great Panther acquired the mine. Concurrent with closing of the MMR acquisition, each subscription receipt was converted, without payment of additional consideration, into one Common Share and one share purchase warrant to purchase one Common Share at a price of \$0.50 until August 4, 2025. See also "*How have we used the other funds we have raised in the past 12 months?*" below for further details regarding the use of funds from the 2022 SF Financing.

On August 29, 2022, GSilver closed a US\$5,000,000 concentrate credit facility (the "**2022 OP Facility #1**") with Ocean Partners UK Limited, a U.K. based metals trader ("**Ocean Partners**"), for the purposes of funding (i) operating costs and capital expenditures in connection with the re-start of mining and ramp up of production at San Ignacio and Valenciana as well as the day to day mining operations at Topia; and (ii) general corporate and working capital purposes. See "*How have we used the other funds we have raised in the past 12 months?*" below. The 2022 OP Facility #1 is for a term of 24 months, bears interest at 12-month LIBOR + 7.5% and repayable over a period of 21 months following a three-month payment free grace period. The 2022 OP Facility #1 is to be secured by the guarantee of MMR, a pledge over all of the issued and outstanding MMR shares and, at Ocean Partner's election and cost, a fixed and floating charge on the property and assets of MMR. As further consideration for the 2022 OP Facility #1, GSilver issued a total of 2,500,000 non-transferable "bonus" share purchase warrants to Ocean Partners, each warrant entitling Ocean Partners to purchase one Common Share of GSilver at a price of \$0.50 on or before August 29, 2024.

As a condition of and in conjunction with the 2022 OP Facility #1, GSilver, indirectly through its Mexican subsidiaries Obras Mineras El Pinguico, S.A. de C.V. ("**OMPSA**") and MMR, entered into off-take agreements with MK Metals Trading Mexico, S.A. de C.V, a Mexican division of Ocean Partner ("**MK Metals**"), to sell 100% of its silver and gold concentrate produced from San Ignacio and Valenciana and 100% of its zinc concentrate produced at Topia (subject to certain minimum delivery amounts) for a term of 24 months. Currently, GSilver ships mineralized material from San Ignacio and Valenciana to its nearby El Cubo mill for processing pending GSilver's restart of the Cata mill and processing plant at Valenciana targeted for late 2022 or early 2023. OMPSA also sells

100% of its silver and gold concentrate produced from El Cubo to MK Metals pursuant to a previous 2021 offtake agreement for a term of 18 months.

MMR currently sells 100% of its lead and silver concentrate produced at Topia to Samsung C&T UK Limited pursuant to an existing offtake agreement which GSilver inherited as part of its acquisition of MMR.

On December 7, 2022, GSilver entered into a second US\$5,000,000 secured credit facility with MK Metals (the “**2022 OP Facility #2**”) and consolidated its existing offtake agreements with MK Metals for the sale of all silver and gold concentrate produced from the El Cubo, San Ignacio and Valenciana mines into a single offtake agreement for a new term of 24 months (subject to a minimum delivery amount of 12,500 wet metric tonnes). The 2022 OP Facility #2 bears interest at annual rate of 12 Month SOFR + 7.50% and is repayable in a single bullet repayment on the earlier of: (a) March 31, 2023; or (b) the completion by GSilver of a new secured debt financing facility in the principal amount of not less than US\$15,000,000. If GSilver does not enter into a new debt financing facility and payout the 2022 OP Facility #2 in full on or before March 31, 2023, the 2022 OP Facility #2 will be rolled over into a secured “revolving” credit facility with Ocean Partners that is re-payable and re-drawable in four month intervals for the balance of the term of the offtake agreement. The net proceeds from the 2022 OP Facility #2 have or will be used to repay certain existing debt to MK Metals and for general operating expenses and working capital purposes. See Part 3 “*Use of Available Funds*” below.

### **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 Company 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 ramp up 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 and the remaining proceeds from the 2022 OP Facility #2 (after repayment of certain outstanding debt to MK Metals) to satisfy its current adjusted working capital deficiency of \$1,288,915 (estimate) as of November 30, 2022, ramp up production at its El Cubo, San Ignacio and Valenciana mines (including restarting the Cata processing plant at Valenciana) situated in and about Guanajuato, Mexico, carry out brownfields 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 assuming only the minimum Offering of \$3,000,000 is raised.

If GSilver successfully completes the maximum offering of \$7,500,000, in addition to the foregoing, GSilver’s priorities are to:

1. Complete certain capital and other improvements to its Topia mine and mill complex in Durango, Mexico to expand and modernize its processing facilities with a view to increasing monthly milling capacity from 7,500 tonnes to approximately 12,500 tonnes.

The cost to complete this work is estimated at \$2,225,000 to be completed in the second half of 2023.

2. Carry out additional brownfields exploration work at, inter alia, San Ignacio and Valenciana at a total cost of approximately \$1,650,000 with a target completion date of July 31, 2023.

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?**

The expected availability of funds is \$6,071,277 and \$10,301,277 for the minimum and maximum offering size, respectively.

		Assuming minimum offering only (C\$)	Assuming maximum offering (C\$)
A	Amount to be raised by this offering (rounded to nearest whole dollar)	\$3,000,000	\$7,500,000
B	Selling commissions and fees	\$(180,000)	\$(450,000)
C	Estimated offering costs (e.g., legal, accounting, regulatory filing fees)	\$(85,000)	\$(85,000)
D	Net proceeds of offering: D = A – (B+C)	\$2,735,000	\$6,965,000
E	Adjusted working capital deficiency as at November 30, 2022 (estimate only) <sup>(1)</sup>	\$(1,288,915)	\$(1,288,915)
F	Additional sources of funding <sup>(2)(3)</sup> (US\$3,386,054)	\$4,615,192	\$4,615,192
<b>G</b>	<b>Total available funds: G = D+E+F</b>	<b>\$6,061,277</b>	<b>\$10,291,277</b>

- (1) Working capital = current assets minus current liabilities. The Issuer's working capital as at November 30, 2022 has been adjusted to reflect the following reductions/adjustments to current liabilities subsequent to November 30, 2022 (a) the settlement of indebtedness totaling \$1,127,038 for an aggregate of 2,817,595 Common Shares at a deemed price of \$0.40 per share on December 7, 2022; (b) the closing of the 2022 OP Facility #2 and repayment of \$2,148,194 (US\$1,576,078) in existing debt (as of November 30, 2022) to MK Metals on December 8, 2022 (see note 2 below), and (c) the exclusion of certain "contingent" current liabilities totaling \$1,357,232 payable pursuant to the Issuer's recent acquisitions of El Cubo and MMR in the event GSilver produces certain minimum ounces of silver or silver equivalent ounces from such assets and/or the price of gold or silver reaches certain minimum thresholds during the two and third year periods following such acquisitions. See "Recent Developments" above for details of the contingent payments payable in connection with GSilver's recent acquisition of MMR if the applicable thresholds are met.
- (2) This figure represents the net proceeds remaining from the 2022 OP Facility #2 after repayment and/or reduction of certain existing credit facilities and interest due of MK Metals in the aggregate amount of US\$1,588,946 on December 8, 2022 and an upfront arrangement fee of US\$25,000.
- (3) Converted to Canadian \$ based on the Bank of Canada indicative exchange rate of US\$1.00 = C\$1.3630 as of December 9, 2022.

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

<b>Description of intended use of available funds listed in order of Priority</b>	<b>Assuming minimum offering only (C\$)</b>	<b>Assuming 100% of offering (C\$)</b>
To ramp up production at GSilver's producing mines in and about Guanajuato, Mexico including El Cubo, San Ignacio and Valenciana mines and as a reserve against future operating deficits therefrom (US\$3,386,054)	\$4,615,192	\$4,615,192
To fund corporate head office G&A expenses including legal, audit, overhead and salaries for ensuing 12 months (~\$79,166 per /month)	\$950,000	\$950,000
To fund certain improvements to expand and modernize the processing facilities at the Topia mine and mill complex including capital expenditures and related costs  Target completion date – second half of 2023	\$Nil	\$2,225,000
To carry out brownfields' exploration at GSilver's mineral properties, particularly San Ignacio and Valenciana  Target completion date – July 31, 2023	\$450,000	\$1,650,000
Unallocated working capital	\$46,085	\$851,085
<b>Total</b>	<b>\$6,061,277</b>	<b>\$10,291,277</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 in Guanajuato, Mexico and a lead/silver concentrate and separate zinc concentrate at its Topia mine and mill complex in Durango, Mexico. GSilver's mining operations are in the ramp up phase and have 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 and interim financial report 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 mine operating loss, 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?

Previous financing activity	Intended Use of Funds	Actual Use of Funds to Date (as of November 30, 2022)	Variance between Intended and Actual Use of Funds	Impact of Variance on business objectives and milestones
<u>May 4, 2022:</u>  \$10,236,750 (US\$7,500,000) secured gold and silver prepayment facility with OCIM Precious Metals SA (“OCIM”) <sup>(1)</sup>	\$6,259,964 (US\$4,586,390) – to prepay in cash six (6) months’ deliveries of gold and silver ounces due to OCIM under a previous 2021 gold and silver loan facility (the “2021 OCIM Loan”)	\$6,259,964 (US\$4,586,390)	Nil	N/A
	\$3,976,786 (US\$2,913,610) – to fund capital improvements and ongoing operating and exploration expenses at El Cubo	\$3,976,786 (US\$2,913,610)	Nil	N/A
<u>July 21, 2022:</u>  2022 SR Financing \$13,822,178	\$10,320,000 – to fund cash portion of the purchase price for MMR	\$12,061,500	+\$1,741,500 (overage) due to closing working capital adjustment of US\$1,350,000 paid to Great Panther	Decreased funds available from financing to pay for costs of issue and restart of MMR’s San Ignacio and Valenciana mines
	\$2,129,000 – to fund costs of issue related to GSilver’s acquisition of MMR and 2022 SR Financing including agent’s commissions/advisory fees, legal, accounting and regulatory fees and ancillary expenses	\$1,760,678	-\$368,322 (shortfall)	This shortfall, together with additional issue costs (including tax advice, due diligence and NI 43-101 reports, etc.) of ~\$800,000, were paid out of GSilver’s existing cash on hand at June 30, 2022
	\$1,373,178 – to help finance restart of MMR’s San Ignacio and Valenciana mines	Nil	-\$1,373,178 (shortfall)	To offset this funding shortfall, GSilver re-allocated the bulk of the 2022 OP Facility #1 (see below) to restarting the San Ignacio and Valenciana mines
<u>August 29, 2022:</u>  2022 OP Facility #1 \$6,844,613 (US\$5,000,000)	\$6,000,000 - to fund restart of MMR’s San Ignacio mine and Valenciana mines complex	~\$3,095,330 (USD\$2,267,807)	As budgeted	N/A
	\$844,613 – Corporate G&A <sup>(2)</sup>	\$844,613	As budgeted <sup>(2)</sup>	N/A

- (1) In May 2022, GSilver drew down a US\$7,500,000 secured gold and silver prepayment facility (the “**2022 OCIM Facility**”) from OCIM, a Geneva based precious metals merchant and financier, to repay in cash certain monthly deliveries of gold and silver ounces due to OCIM under the 2021 OCIM Loan and fund ongoing capital and operating expenses and exploration work at El Cubo. Previously, the net proceeds of the 2021 OCIM Loan were used to fund, in part, the refurbishment and restart of GSilver’s El Cubo mine and mill complex in Guanajuato, Mexico acquired from Endeavour Silver Corp. in April 2021. Under the 2022 OCIM Facility GSilver is required to deliver, in monthly instalments, a total of 1,958 ounces of gold and 242,877 ounces of silver, such number of ounces determined on the basis of a 12% annualized discount to the spot prices of gold and silver on May 4, 2022. In November 2022, GSilver made an early payment of 5 months’ deliveries of silver and gold ounces to OCIM under the 2021 OCIM Loan and 2022 OCIM Facility such that as of the date hereof, GSilver has only 10 months’ deliveries of gold and silver ounces remaining to OCIM under the 2021 OCIM Loan (one month’s delivery) and the 2022 OCIM Facility (9 months’ deliveries) for a total of 1,646.93 ounces of gold and 201,236 ounces of silver. The 2021 OCIM Loan and the 2022 OCIM Facility are secured by, inter alia, a share pledge and asset pledge agreement over El Cubo and a general security agreement over all of GSilver’s present and after acquired personal property and assets, subject to certain carve-outs.
- (2) The purpose of the Offering is to fund, in part, GSilver’s anticipated head office G&A expenses for the ensuing 12 months and supplement the Issuer’s cash on hand following the payment of certain cost overages associated with the acquisition of MMR as noted above.

#### **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>Agent:</b>	The Offering is a non-brokered private placement offering. Following commencement of the Offering, the Issuer expects to engage one or more registered dealers (each a “ <b>Finder</b> ”) to introduce potential purchasers of Units to the Issuer. However, as of the date hereof, the Issuer has not entered into finder’s fee agreements with any dealers.
<b>Compensation Type:</b>	Cash finder’s fee and finder’s warrants.
<b>Cash Finder’s Fee:</b>	Up to 6% cash finder’s fee on gross proceeds raised from purchasers introduced to the Issuer by Finders.
<b>Finder’s Warrants:</b>	Finder’s warrants in an amount up to 6% of the total number of Units sold to purchasers introduced to the Issuer by Finders, each finder’s warrant entitling the holder to purchase one Common Share of the Issuer at an exercise price of C\$0.60 for a period of 24 months following the Closing Date.

**Do the Finders have a conflict of interest?**

To the knowledge of the Issuer, it is not and will not be a “related issuer” or “connected issuer”, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*, to any Finder engaged by the Issuer in connection with the Offering.



## **PART 5: PURCHASERS' RIGHTS**

### **Rights of Action in the Event of a Misrepresentation**

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with GSilver, or
- (b) to damages against GSilver and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

## **PART 6: ADDITIONAL INFORMATION**

### **Where can you find more information about us?**

Security holders can access GSilver's continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com) under GSilver's profile.

For further information regarding GSilver, visit our website at: <https://www.gsilver.com>.

## **PART 7: DATE AND CERTIFICATE OF THE ISSUER**

This offering document, together with any document filed under Canadian securities legislation on or after December 12, 2021, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated: December 12, 2022

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*"James Anderson"*  
**JAMES ANDERSON**  
Chief Executive Officer

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*"Lisa Dea"*  
**LISA DEA**  
Chief Financial Officer