

## Management and Board Resignation

### **ACTION: Maintain SPEC. BUY and \$0.40/share Target Price**

On July 4, Guanajuato Silver (GSVR) announced the resignation of Ramon Davila as the company's president. Mr. Davila has also resigned from the board, but will remain in an advisory role. A replacement was not named, and James Anderson continues as CEO and Chairman, as does Carlos Silva as COO. Although we are surprised by the departure, we maintain our target and recommendation. Our valuation continues to reflect an in situ approach to existing resources, using US\$3/oz of contained silver and US\$75/oz of contained gold, discounted by 50% in the case of historic resources and adjusted for equity, similar to how we value Silver Mountain Resources (SPEC. BUY; TP of \$0.25/share).

### RATING & TARGET PRICE

Rating	SPECULATIVE BUY
Price	C\$0.27
Price Target	C\$0.40
Market Cap (\$M)	C\$112.05
Projected Return	48.1%

### MARKET DATA

<b>GSVR-TSXV</b>	C\$0.27
<b>Average Daily Volume</b>	689,077.00
<b>Book Value</b>	C\$0.01
<b>52 Week Range</b>	C\$0.46 - C\$0.15
<b>Enterprise Value (\$M)</b>	C\$100.8
<b>Cash (\$M)</b>	\$1.60
<b>Shares Out. (MM)</b>	415.0
<b>Debt (\$M)</b>	\$20.14

Book value, cash and debt are current as of March 31, 2024, and stated in USD. Subsequently, GSVR raised \$11.35M in gross proceeds from an equity financing and repaid a portion of its outstanding debt.

### UPCOMING EVENTS/CATALYSTS

2024 -- ongoing project updates and quarterly results

### ANALYST INFORMATION

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## Company Description:

Guanajuato Silver Co. Ltd. is engaged in reactivating past-producing silver and gold mines in Mexico. To date, the Company has acquired five mines and three production facilities from which it produced 1.76Moz Ag and nearly 17koz Au, plus 3.6Mlbs Pb and 3.9Mlbs Zn in 2023.

## Risks:

Guanajuato Silver's projects are exposed to a variety of business risks, including but not limited to: unexpected development or operating issues, including unforeseeable cost increases; political and permitting issues or changes; commodity and currency fluctuations; and resource dilution and depletion. The Company's operational cash flow reduces the risk for external financing, but does not eliminate it, nor guarantee success.

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