



**Guanajuato
Silver** CO
LTD

**REPORT RE FIGHTING AGAINST FORCED LABOUR AND
CHILD LABOUR IN SUPPLY CHAINS ACT**

Entity Information

Entity Name: Guanajuato Silver Company Ltd.

Entity Address: 578-999 Canada Place, Vancouver, British Columbia, V6C 3E1, Canada

**Subsidiary Entities Covered by Report: MMR Minera Mexicana el Rosario S.A. de C.V.,
OMPSA Obras Mineras el Pinguico S.A. de C.V. and 1352168 B.C. Ltd.**

Section 11 Information

(1) Describe the steps the entity has taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

Guanajuato Silver Company Ltd. and its subsidiaries (collectively the “Company”) recognize that by the nature of its business, there is a risk that its operations could cause, contribute to, or be directly linked to, modern slavery. Potential modern slavery risk exposures in our operations have been assessed as follows:

- **Employees/labour** – a risk of “causing” or “contributing to” modern slavery if any of our employees or temporary workers were in exploitative situations.
- **Community** – a risk of “contributing” or being “directly linked” to modern slavery if our activity contributes to modern slavery in the community.
- **Investments** – a risk of being “directly linked” to modern slavery through our investments if our investees are themselves involved in modern slavery.

As it relates to its labor force, the Company only has employees in British Columbia, Canada and the States of Guanajuato and Durango, Mexico. The Company pays all of its employees at or above the prevailing minimum wage in Canada and Mexico and all employees are verified to be employed voluntarily and therefore does not engage in any forced labour practices.

There have not been any modern slavery issues identified during the most recently completed financial year.

(3)(a) Entity structure, activities and supply chains

The Company’s only production of goods is the production of gold, silver, lead and zinc concentrates extracted from its mines in Mexico. To support its concentrates production the Company sources many items including but not limited to acid, reagents, solutions, gas, propane, spare parts, piping,

flanges, pumps, fasteners, motors, safety equipment and computer equipment. All goods are sourced from suppliers in the United States, Canada and Mexico.

(3)(b) Entity policies and its due diligence processes in relation to forced labour and child labour

Within its mining operation the Company conducts due diligence on employees to ensure they are of legal age and would not be engaging in child labor. The Company pays all of its employees at or above the prevailing minimum wage in Mexico and Canada and all employees are verified to be employed voluntarily and therefore does not engage in any forced labour practices.

(3)(c) The parts of Entity's business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

With respect to the Company's mining operations it has assessed the risk of child labour and forced labour as low due to its due diligence activities in verifying age status, paying a wage that is at or above the prevailing minimum wage in Mexico and confirming employees are employed voluntarily.

With respect to its supply chain, the Company is in the process of implementing a plan to determine if there is a risk of forced labour or child labour in its supply chain. In order to manage the risk the Company will begin to require supplier certifications and contractual provisions regarding forced labour and child labour risk reduction practices and procedures.

(3)(d) Any measures taken to remediate any forced labour or child labour

The Company believes our activities and supply chains do not carry a risk of forced labour or child labour being used and as such has not taken any measures to remediate any forced labour or child labour.

(3)(e) Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

The Company has not taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

(3)(f) The training provided to employees on forced labour and child labour

Employees are trained in hiring practices to ensure that all employees are of legal age to work in Mexico and Canada, provided relevant information on applicable minimum wages and directed to ensure that all employees are voluntarily employed. The Company has not yet implemented training on identifying forced labour or child labour risks in its supply chain but is in the process of establishing policies and training employees on such policies.

(3)(g) How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

The Company plans to assess if there is a secondary age verification system in Mexico in order to assess its compliance with child labour restrictions at its mine site. However, the Company does not have a process in place to ensure the effectiveness of ensuring that forced labour and child labour are not being used in its supply chains.

Attestation

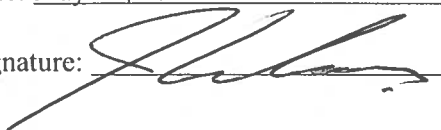
In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: James Ernest Anderson

Title: Chairman and CEO

Date: May 21, 2024

Signature: _____

 (I have the authority to bind **Guanajuato Silver Company Ltd.**)