



May 6, 2021

GR Silver Mining Closes Acquisition of 100% of San Marcial Silver Project

Vancouver, BC – GR Silver Mining Ltd. (TSXV: GRSL, FRANKFURT: GPE, OTCQB: GRSLF) (“GR Silver Mining” or the “Company”) – is pleased to announce that it has made the final option payment of CDN\$2.5 M and issued 1,500,000 common shares to SSR Mining Ltd., as required under the San Marcial option agreement dated April 17, 2018 (refer to [News Release dated May 7, 2018](#)). SSR Mining’s subsidiary, Silver Standard México, S.A. de C.V., has also been granted a 0.75% net smelter returns royalty (“NSR”). The Company has a buy-back right on the NSR that can be exercised at any time by payment of CDN\$1.25 M. As required by applicable securities law and the policies of the TSX Venture Exchange, the shares will be subject to a hold period expiring September 6, 2021.

Since acquiring the option three years ago, GR Silver Mining has invested over CDN\$4.6 M in exploration expenditures on the Project, increasing NI 43-101 resources by 57% in the Indicated category to 29 Moz Ag and by 126% in the Inferred category to 10 Moz Ag. The Company has also progressed exploration outside of the Resource Area discovering 14 exploration targets which are currently being explored with the first ever ground geophysical survey and geological work, with potential for drilling later this year. This transaction represents a low-cost acquisition at US\$0.13/oz AgEq, for an advanced-stage property with the potential for initial open pit development.

GR Silver Mining President and CEO, Marcio Fonseca, commented, *“We are very pleased to have completed the acquisition of 100% of the San Marcial Project. While a number of companies have reviewed this project over the past 20 years, GR Silver Mining is the first to recognize its significant potential, having expended over CDN\$4.6 M in producing a NI 43-101 silver resource estimate in 2019, discovering new silver and gold drill targets and now obtaining full ownership. The NI 43-101 report in 2019 indicated that the project is potentially open pit amenable and there are underground opportunities for future development of San Marcial. Numerous areas in the vicinity of the NI 43-101 Resource Area represent opportunities for resource expansion. The successful consolidation of 100% ownership of San Marcial, as well as the neighbouring Plomosas and La Trinidad Projects, provide the Company with two past producer Ag-Au mines, unrestricted access to all exploration targets on three mineralized trends totaling 75 km, where initial field work has already identified 24 old Ag-Au workings.*

The Company today has control of a district-scale mineralized Ag-Au system, with potential for continuous discoveries and resource expansion. We are now completing work on two resource estimates at the neighbouring Plomosas Project, expected to be completed in Q2/2021. The new resources support our strategy for continuously increasing the Company's resource inventory, with the objective of future integration of all projects into combined development."

In February 2019, less than 12 months after acquiring the option on the San Marcial Project, GR Silver Mining reached a significant milestone by publishing a NI 43-101 silver resource estimate. This estimate confirmed a 57% increase in Indicated Resources to 29 Moz Ag and a 126% increase in Inferred Resources to 10 Moz Ag, in comparison to the 2008 historical resource. Aspects of the GR Silver Mining resource were amended in June 2020 (see News Releases dated [February 7, 2019](#) and [June 12, 2020](#)).

In addition to outlining a much larger NI 43-101 silver resource at San Marcial, over the past three years the Company has undertaken successful and extensive concession-wide exploration activities. The discoveries of new high-grade Ag-Au zones outside of the Resource Area has identified the exploration potential for future resource expansion at San Marcial. The following are examples of previously announced exploration work completed by the Company, not incorporated in the NI 43-101 report, and selected results indicating the potential outside of the Resource Area.

- completed 51 trenches/channels on priority targets, with best results including:
 - 3.8 m at 2,184 g/t Ag (see [News Release dated November 12, 2020](#))
 - 56 m at 196 g/t Ag (see [News Release dated February 21, 2019](#))
 - 24 m at 2.1 g/t Au (see [News Release dated July 10, 2019](#))
- completed 17 diamond drill holes, including:
 - 1 m at 204.6 g/t Au (see [News Release dated July 30, 2019](#))
- completed a 25 m x 25 m litho-geochemical sampling program covering almost 70% of the 1,250 ha property, and creating a geochemical database of over 13,000 samples,
- commenced the first ever ground geophysical survey across the San Marcial concessions. This survey includes IP and magnetometry and is currently being completed. This survey will aid our technical team during the remainder of 2021 to advance new targets towards initial shallow surface drilling.

More recently, GR Silver Mining was the first company to complete an underground tunnel development into the San Marcial deposit, providing full exposure of the mineralized zones to support an oriented underground drill program and to delineate high-grade extensions to the silver resource at depth. The upcoming underground drill program scheduled to commence in Q2/2021 will provide additional information that will be incorporated in an updated resource estimate for the San Marcial Project towards the end of 2021.

While the San Marcial Resource Area is contained structurally within a 500 m long breccia-host, part of a 6 km mineralized trend, our exploration has successfully identified a new Au-Ag epithermal-style mineralization in various other targets within the concession and on the footwall of the NI 43-101 Resource Area. These multiple opportunities for resource expansion are now being explored by the Company as one regional-scale mineralized system, with use of geophysical, geochemical and detailed geological surveys.

GR Silver Mining's achievements at San Marcial over the past three years have included successful exploration results as well as providing significant employment opportunities for the local population and developing strong relationships and support from local communities.

The integration of the Plomosas Project and the San Marcial Project, together with the recent acquisition of the La Trinidad Project, represent the first time in the history of the Rosario Mining district that one single company controls 100% of the area, with access to three major structural corridors representing a total of 75 km of strike length. During 2021, GR Silver Mining will continue to explore new Ag-Au mineralized zones, close to surface, within these projects, providing potential for drilling, additional discoveries and resource growth.

Qualified Person

The scientific and technical data contained in this News Release related to the Plomosas Project was reviewed and/or prepared under the supervision of Marcio Fonseca, P. Geo. He has approved the disclosure herein.

About GR Silver Mining Ltd.

GR Silver Mining Ltd. is a Mexico-focused Company engaged in cost-effective silver-gold resource expansion on its 100%-owned assets which lie on the eastern edge of the Rosario Mining District, in the southeast of Sinaloa State, Mexico.

Plomosas Silver Project

GR Silver Mining's 8,515 ha Plomosas Silver Project is located near the historic mining village of La Rastra and within 5 km of the Company's San Marcial Silver Project, in the Rosario Mining District. The Project is a past-producing asset where only one mine, the Plomosas lead-zinc(-silver-gold) underground mine, operated a 600 tpd crush-mill-flotation circuit from 1986 to 2001, producing approximately 8 M ounces of silver, 73 M pounds of lead and 28 M pounds of zinc.

The March 2020 acquisition of the Plomosas Silver Project included 563 historical and recent drill holes from both surface and underground locations. These drill holes represent an extensive database allowing the Company to advance towards resource estimation and potential project development in the near future.

The Company is completing a drilling program with surface holes focused on expanding known mineralization along strike in two areas, the Plomosas Mine Area and the San Juan Area. Underground drilling included in the program is targeting the extension of recent Au-rich discoveries at the lowest

level (775 m RL, or ~250 m below surface) of the Plomosas Mine Area and six low sulphidation epithermal veins at the San Juan Area. Both areas are currently the subject of NI 43-101 resource estimations.

The assets include all facilities and infrastructure including access roads, surface rights agreement, water use permit, 8,000 m of underground workings, water access, 60 km - 33 KV power line, offices, shops, 120-person camp, infirmary, warehouses and assay lab representing approximately US\$30 M of previous capital investments. The previous owners invested approximately US\$18 M in exploration, including extensive geophysics and geochemistry programs.

The silver-gold mineralization on this Project displays the alteration, textures, mineralogy and deposit geometry characteristics of a low sulphidation epithermal silver-gold-base metal mineralized vein/breccia system. Previous exploration was focused on polymetallic (Pb-Zn+/-Ag-Au) shallow mineralization, hosted in NW-SE structures in the vicinity of the Plomosas Mine. The E-W portion of the mineralization and extensions of the main N-S Plomosas Fault remain under-explored.

In addition to the resource potential at Plomosas, a review of the existing drill hole database, geophysical surveys and geochemical data covering most of the concession, has defined 16 new exploration targets from which 11 have high priority for future exploration programs.

San Marcial Project

San Marcial is a near-surface, high-grade silver-lead-zinc open pit-amenable project. The Company filed a National Instrument 43-101 ("NI 43-101") report entitled "San Marcial Project Resource Estimation and Technical Report, Sinaloa, Mexico" having an effective date of March 18, 2019 and an amended date of June 10, 2020 (the "Report"), which contains a 36 Moz AgEq (Indicated) and 11 Moz AgEq (Inferred) resource estimate. The Report was prepared by Todd McCracken and Marcelo Filipov of WSP Canada Inc. and is available on SEDAR. The Company recently completed over 320 m of underground development in the San Marcial Resource Area, from which underground drilling is planned to expand the high-grade portions of the resource down-dip. The Company recently discovered additional mineralization in the footwall, outside of the existing resource, and will also be drilling this area. GR Silver Mining is the first Company to conduct exploration at San Marcial in over 10 years.

Recent exploration has identified silver and gold mineralization in areas previously defined as non-mineralized, discovering evidence of pervasively altered rocks with intense silicification, veining and associated wide, silver and gold mineralized zones on the footwall of the NI 43-101 resource area.

La Trinidad Project

The La Trinidad Project was acquired in March 2021. While La Trinidad has been the focus of artisanal mining activity over many decades, commercial operations began late in the 20th century. Anaconda Minerals Corp. was first to drill the project in the mid-late 1980s. After initially taking up an option on the Project in 1993, Eldorado Gold Corp. then commenced an open pit gold mine at La Trinidad in 1995, known as the Taunus Pit, with ore being processed via a heap leach operation. The mine operated until 1998, producing approximately 52,000 ounces of gold¹.

¹ Refer to Marlin Gold Mining Ltd. (Marlin) NI 43-101 News Release dated February 1, 2013

Exploration undertaken by Oro Gold from 2006 identified additional resources below the Taunus Pit and operations recommenced late in 2014. Gold output from the heap leach pads continued until late 2019 for a total cumulative production by Oro Gold of 112,000 oz gold^{2,3}. In addition to La Trinidad, the portfolio acquired by GR Silver Mining includes an extensive regional database of geological, geochemical and geophysical information resulting from historical exploration expenditure by Oro Gold of more than CDN\$18.6 M since 2006.

Cimarron Project

Cimarron is another advanced stage project that was acquired along with the La Trinidad Project in March 2021 and is located 40 km to the NW of La Trinidad. A number of targets have been identified at Cimarron including Calerita, El Prado, Huanacaxtle, Betty and Veteranos, however Calerita is the only target to have been drilled to date. The near surface historical Inferred Resource at the Calerita prospect contains 3.7 Mt at 0.65 g/t Au for approximately 77,000 oz of gold⁴, which is considered to be open along strike and down dip.

Whilst the 2011 resource is considered by GR Silver Mining to be a historical resource, the Company considers the resource estimate as being relevant and reliable, considering a lack of significant additional exploration work since its release. A key parameter in the historical resource is the usage of a US\$1,200/oz gold price compared to a much higher current spot gold price. A Qualified Person (QP) would be required to review the historical resource report and make recommendations in order to verify and upgrade it to a current resource. A QP has not done sufficient work to classify the historical estimate as current mineral resources. The Company is treating the 2011 resource estimate as a historical estimate. The Company plans to re-assess the work completed by previous owners and define the feasibility of additional drilling, aiming at identifying additional near-surface mineralization.

The Plomosas, San Marcial and La Trinidad Projects collectively represent a geological setting resembling the multi-million-ounce San Dimas Mining District which has historically produced more than 600 Moz Ag and 11 Moz Au over a period of more than 100 years.

Other Projects

GR Silver Mining's other projects are situated in areas attractive for future discoveries and development in the same vicinity of Plomosas, La Trinidad and San Marcial in the Rosario Mining District. Following the acquisition of Marlin Gold Mining Ltd. ("Marlin") in March 2021, GR Silver Mining controls a concession portfolio of over 1,000 km², two previously producing mines fully permitted for future developments and a total combined 75 km of structures with field evidence of 24 Ag-Au veins in historic old workings.

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² Refer to Marlin MD&A Releases dated 30 April 2015, 29 April 2016, 1 May 2017, 30 April 2018, 29 August 2018

³ Refer to Mako Mining Corp. MD&A Releases dated 28 August 2019, 29 April 2020

⁴ Refer to Marlin NI 43-101 News Release dated March 18, 2011

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