



May 13, 2021

## GR Silver Mining Reports Near Surface High-Grade Silver Drill Results and Gold Discoveries in the Plomosas Mine Area:

- 3.0 m @ 9.7 g/t Au
- 1.0 m @ 1,000 g/t Ag
- 0.5 m @ 13.1 g/t Au, 0.5 % Pb and 1.0 % Zn
- 0.2 m @ 383 g/t Ag, 1.88 g/t Au and 22.2 % Zn (1,189 g/t AgEq<sup>1</sup>)

Vancouver, BC – GR Silver Mining Ltd. (TSXV: GRSL, FRANKFURT: GPE, OTCQB: GRSLF) (“GR Silver Mining” or the “Company”) – is pleased to report near surface drill results delineating continuity of high-grade, narrow silver-gold (Ag-Au) rich epithermal mineralization in the southern limit of the Plomosas Mine. The Plomosas Mine Area is currently undergoing resource estimation and these results will be incorporated in the database allowing expansion of the 3D-model beyond previously modelled zones. The drill results demonstrate intersections of polymetallic-style veins that are common in the Plomosas Mine Area, as well as some new veins hosting only precious metal (Ag-Au) mineralization. The combination of mineralization styles reinforces the large, multi-phase hydrothermal system that the Company has identified in the Plomosas Mine Area (Figure 1) at the Plomosas Silver Project (“Plomosas Project”) in Sinaloa, Mexico.

**GR Silver Mining President and CEO, Marcio Fonseca commented,** *"We are very pleased to report the success of oriented core drilling following our detailed geological modelling, resulting in an improved understanding of controls on mineralization at the Plomosas Mine Area. Our geological modelling has resulted in discoveries of extensions adjacent to the area undergoing resource estimation. The Company's 3D geological interpretation has significantly improved our understanding of the geological setting at the Plomosas Mine Area, revealing a much larger epithermal system than originally contemplated".*

Highlights of these drill results and preliminary interpretation include:

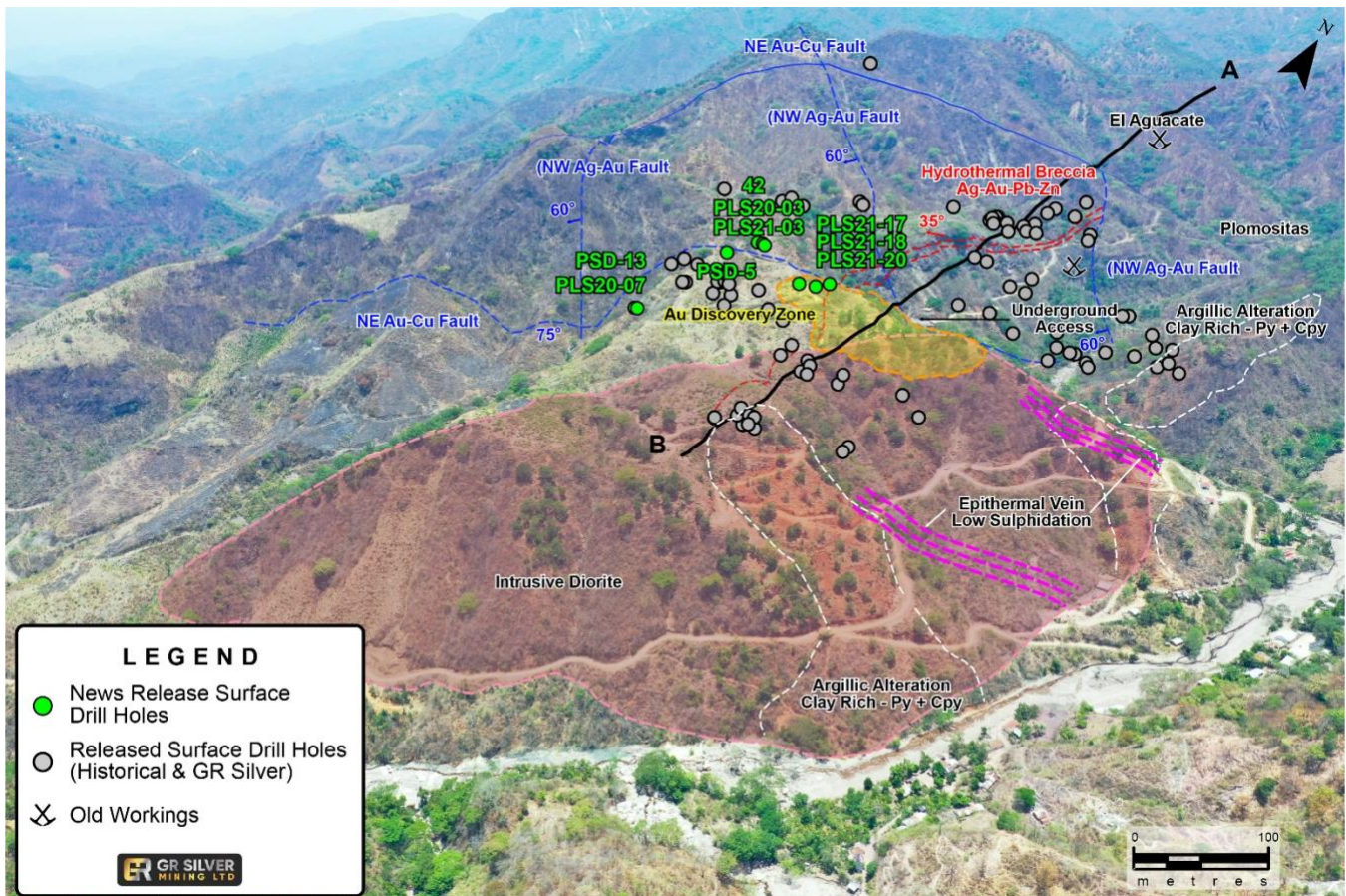
- New, higher-grade, Au-Ag mineralization has been intercepted at shallow depth by the 2021 surface and underground drilling program in step-out areas never drilled before (drill holes PLS21-17, PLS21-18 and PLS21-20). Results from these holes demonstrate the continuity and

<sup>1</sup> AgEq is based on long term gold, silver, zinc, lead and copper prices of US\$1,600 per ounce gold, US\$16.50 per ounce silver, US\$0.85 per pound zinc, US\$0.95 per pound lead and US\$2.00 per pound copper. The metallurgical recoveries are assumed as 90% Ag, 95% Au, 78% Pb, 70% Zn and 70% Cu.

overall robustness of a large epithermal system at the Plomosas Mine Area.

- Presence of micro-veinlets and epithermal quartz comb texture at the end of PLS21-18, define a broad mineralized zone hosted in previously undrilled geological targets, including 3 m @ 9.7 g/t Au). This represents a target at depth and along strike for future drilling. [Link to Core Photo](#)
- Wide, near-surface, polymetallic hydrothermal breccia intersections, including 21 m @ 0.2 g/t Au, 0.6 % Pb and 1.6 % Zn (PLS21-18).
- Presence of narrow massive sulphide intervals showing new areas for future drilling. [Link to Polymetallic Core Photo](#)

**Figure 1: Plomosas Mine Area: Large Epithermal System with New Discoveries (Drone image)**



A systematic surface and underground mapping program has identified broad alteration systems and a direct correlation to some precious metals-rich zones along major NW and NE trending faults throughout the Plomosas Mine Area. All of the mineralized zones indicate strong structural control, with evidence of multiple phases of mineralization in many locations inside the historic underground mine.

As the company has completed the drilling program on the Plomosas Mine Area, we are currently incorporating all assays to be part of the maiden NI 43-101 resource estimation for that area.

The longitudinal section below represents the trend of the Plomosas Mine Area and drilled to date areas.

**Figure 2: Longitudinal Section - Plomosas Mine Area (Looking East)**

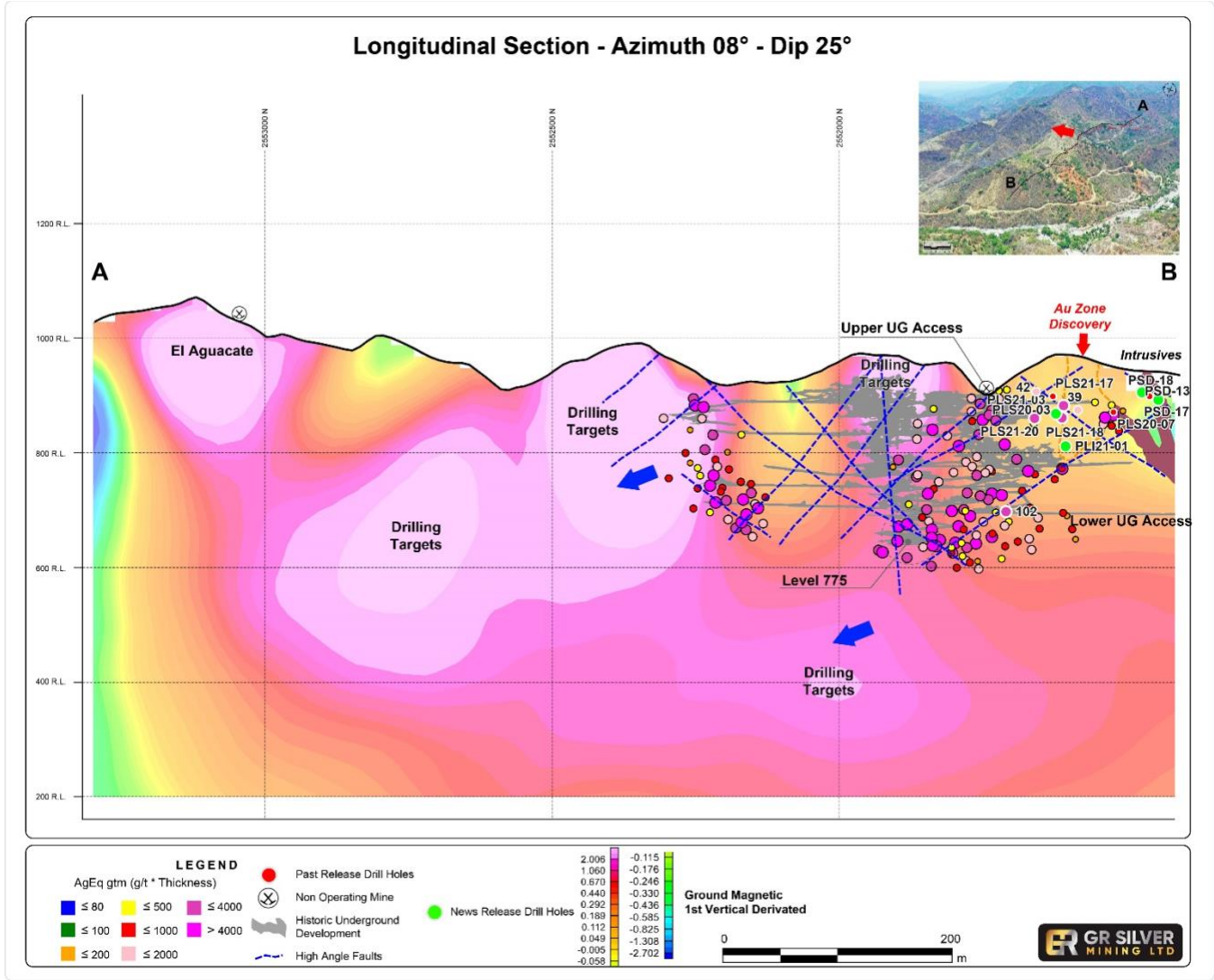


Table 1 (below) summarizes the most significant assay results for the drill holes in this News Release.

**Table 1: Drill Hole Assay Results - News Release May 13, 2021**

Hole No.	From (m)	To (m)	Drilled width (m)	True width (m)	Ag g/t	Au g/t	Pb %	Zn %	Cu %	AgEq g/t
PLS21-03	122.7	127.0	4.3	4.0	80	0.19	0.5	0.6	na	136
PLS21-17	40.1	48.9	8.8	8.5	46	0.16	1.3	1.2	na	140

Hole No.	From (m)	To (m)	Drilled width (m)	True width (m)	Ag g/t	Au g/t	Pb %	Zn %	Cu %	AgEq g/t
	<b>92.5</b>	<b>93.0</b>	<b>0.5</b>	<b>0.5</b>	<b>3</b>	<b>13.05</b>	<b>0.5</b>	<b>1.0</b>	na	<b>1,383</b>
PLS21-18	42.0	54.1	12.1	<b>11.9</b>	43	0.03	0.1	0.2	na	54
	96.0	117.0	21.0	<b>14.8</b>	4	0.21	0.6	1.6	na	89
	<b>190.0</b>	<b>193.0</b>	<b>3.0</b>	1.7	<b>8</b>	<b>9.67</b>	na	na	na	<b>998</b>
PLS21-20	50.0	59.3	9.3	<b>9.0</b>	141	0.31	na	0.7	0.7	235
Including	53.0	58.5	5.5	5.3	210	0.43	na	1.1	0.9	343
PLI20-08	132.5	144.9	12.4	12.2	1	0.15	0.2	1.2	na	
PLI21-01	0.0	27.0	27.0	19.1	2	0.09	0.3	0.6	na	
PLS20-03	249.5	284.5	35.0	20.1	2	0.08	0.4	1.8	na	
	289.9	295.0	5.1	2.9	3	0.08	0.4	1.8	na	
PLS20-07	98.9	109.9	11.0	10.0	21	0.17	0.2	0.4	na	56.0
<b>39</b>	<b>31.5</b>	<b>32.5</b>	<b>1.0</b>	0.9	<b>1,000</b>	<b>0.01</b>	na	na	na	<b>1,000</b>
	37.5	45.4	7.9	6.8	128	0.01	0.1	0.1	na	134
	<b>60.2</b>	<b>67.5</b>	<b>7.3</b>	6.3	<b>80</b>	<b>0.01</b>	<b>0.1</b>	<b>13.0</b>	na	<b>440</b>
	112.0	119.9	7.9	4.0	131	0.01	0.2	0.4	na	147
	<b>122.0</b>	<b>131.9</b>	<b>9.9</b>	<b>5.0</b>	<b>234</b>	<b>0.01</b>	<b>0.2</b>	<b>0.3</b>	na	<b>249</b>
<b>42</b>	<b>9.5</b>	<b>10.9</b>	<b>1.4</b>	<b>1.3</b>	<b>530</b>	<b>0.01</b>	<b>0.1</b>	<b>0.1</b>	na	<b>534</b>
	17.0	23.0	6.0	<b>5.4</b>	82	0.01	na	0.1	na	84
	59.8	61.5	1.7	<b>1.5</b>	209	0.01	na	na	na	209
	67.5	72.5	5.0	4.3	50	0.01	na	na	na	50
	89.0	92.0	3.0	2.5	112	0.01	<b>0.2</b>	0.2	na	124
	<b>99.0</b>	<b>102.5</b>	<b>3.5</b>	2.5	<b>173</b>	<b>0.01</b>	<b>2.3</b>	<b>1.9</b>	na	<b>301</b>
<b>102</b>	<b>8.3</b>	<b>17.1</b>	<b>8.8</b>	8.7	<b>57</b>	<b>0.01</b>	<b>4.1</b>	<b>1.9</b>	na	<b>249</b>
PSD-13	76.5	80.4	3.9	3.5	230	0.01	0.3	0.3	na	249
	<b>96.9</b>	<b>97.1</b>	<b>0.2</b>	0.2	<b>383</b>	<b>1.88</b>	na	<b>22.2</b>	na	<b>1,189</b>
PSD-17	145.8	147.8	2.0	1.3	1	2.45	na	0.1	na	
	237.1	252.1	15.0	9.6	9	0.20	0.2	0.4	na	

Hole No.	From (m)	To (m)	Drilled width (m)	True width (m)	Ag g/t	Au g/t	Pb %	Zn %	Cu %	AgEq g/t
PSD-18	167.9	168.8	0.9	9.1	5	1.53	1.2	1.4	na	
	204.2	206.6	2.4	0.8	2	0.08	0.1	1.8	na	

AgEq is based on long term gold, silver, zinc, lead and copper prices of US\$1600 per ounce gold, US\$16.50 per ounce silver, US\$0.85 per pound zinc, US\$0.95 per pound lead and US\$2.00 per pound copper. The metallurgical recoveries are assumed as 90% Ag, 95% Au, 78% Pb, 70% Zn and 70% Cu. All numbers are rounded. Results are uncut and undiluted. "na" = no relevant assays.

The following table (Table 2) summarizes the collar locations for drill holes reported in this News Release.

**Table 2: Drill Hole Locations – News Release May 13, 2021**

Hole No.	East (m)	North (m)	RL (m)	Dip (°)	Azimuth (°)	Depth (m)	Type
<b>PLS21-03</b>	451418.1	2551628	992.64	90	-50	420	Surface
<b>PLS21-17</b>	451580.3	2551591	977.048	90	-80	117	Surface
<b>PLS21-18</b>	451541.6	2551610	973.59	75	-75	195	Surface
<b>PLS21-20</b>	451500.8	2551649	970.87	50	-75	156	Surface
<b>PLI21-01</b>	451312.8	2551632	803.929	270	35	64.5	UG
<b>PLI20-08</b>	451317	2551633	801.152	90	-60	234	UG
<b>PLS20-03</b>	451417.4	2551633	991.92	0	-90	313.5	Surface
<b>PLS20-07</b>	451399	2551531	951.9	90	-75	237	Surface
39	451455	2551614	986.4	0	-90	140	Surface
42	451455	2551614	986.4	55	-50	130.4	Surface
102	451064	2551751	728.0	36	-45	86.95	UG
PSD-13	451468	2551447	975.4	50	-80	383.95	Surface
PSD-17	451468	2551447	975.4	220	-80	292.35	Surface
PSD-18	451468	2551447	975.4	50	-67	248.85	Surface

All numbers are rounded. **Red** drill holes are drilled by GRSI; East (m) and North (m) are UTM coordinates in WGS84, zone 13.

The Company also announces that, pursuant to its 10% rolling stock option plan and in compliance with the policies of the TSX Venture Exchange (“TSXV”), it has granted incentive stock options to employees of the Company and its subsidiaries to purchase up to an aggregate of 800,000 common shares of the Company. These options are exercisable for a period of five years at a price of \$0.71 per share. Of these options, 300,000 options granted will vest as to 1/3 on the date of grant, and a further 1/3 on each of the 1st and 2nd anniversaries of the date of grant.

The Company has also negotiated a debt settlement with a non-arm's-length creditor. Pursuant to the debt settlement agreement and subject to acceptance by the TSXV, the Company has settled debt of US\$27,000 (CAD\$32,659) in consideration for which it will issue an aggregate of 45,999 common shares at a deemed price of CAD\$0.71 per share. Ms. Laura Diaz, a director of the Company, is also the principal owner of the creditor. Consequently, this debt settlement arrangement is considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with Ms. Diaz’s participation in the debt settlement in reliance of sections 5.5(a) and 5.7(a) of MI 61-101, respectively, on the basis that the creditor’s participation in this debt settlement did not exceed 25% of the fair market value of the Company’s market capitalization.

#### **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.

#### **Quality Assurance Program and Quality Control Procedures (“QA/QC”)**

The Company has implemented QA/QC procedures which include insertion of blank, duplicate and standard samples in all sample lots sent to SGS de México, S.A. de C.V laboratory facilities in Durango, Mexico, for sample preparation and assaying. For every sample with results above Ag >100 ppm (over limits), these samples are submitted directly by SGS de Mexico to SGS Canada Inc at Burnaby, BC. The analytical methods are 4-acid Digest and Inductively Coupled Plasma Optical Emission Spectrometry with Lead Fusion Fire Assay with gravimetric finish for silver above over limits. For gold assays the analytical methods are Lead Fusion and Atomic Absorption Spectrometry Lead Fusion Fire Assay and gravimetric finish for gold above over limits.

The recent drill holes, completed by First Majestic from 2016 to 2018, followed QA/QC protocols reviewed and validated by GR Silver Mining, including insertion of blank and standard samples in all sample lots sent to First Majestic’s Laboratorio Central facilities in La Parilla, Durango, for sample preparation and assaying. Additional validation and check assays were performed by an independent laboratory at SGS de México, S.A. de C.V. facilities in Durango, Mexico. The analytical methods applied for these recent holes for Ag and Au assays comprised of Fire Assay with Atomic Absorption finish for samples above Au >10ppm and Ag >300ppm and Gravimetric Finish. Lead and Zn were analyzed using Inductively Coupled Plasma Optical Emission Spectrometry. GR Silver Mining has not received

information related to the Grupo Mexico QA/QC and assay protocols and at this stage is considering the information historic for news release purposes.

### **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 of 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 oz of gold<sup>2</sup>.

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<sup>3,4</sup>. 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, Huanacastle, 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 gold<sup>5</sup>, which is considered to be open along strike and down dip.

While 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

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<sup>2</sup> Refer to Marlin Gold Mining Ltd. 2<sup>nd</sup> Amended NI 43-101 Technical Report dated February 1, 2013

<sup>3</sup> Refer to Marlin Gold Mining Ltd. MD&A dated April 30, 2015, April 29, 2016, May 1, 2017, April 30, 2018, August 29, 2018

<sup>4</sup> Refer to Mako Mining Corp. MD&A dated August 28, 2019, April 29, 2020

<sup>5</sup> Refer to Oro Mining Ltd. NI 43-101 Technical Report dated March 18, 2011



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 km<sup>2</sup>, 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.

Mr. Marcio Fonseca, P. Geo.  
GR Silver Mining Ltd.  
President & CEO

For further information:

Telephone: +1.604.558.6248

Email: [info@grsilvermining.com](mailto:info@grsilvermining.com)

[Facebook](#) [LinkedIn](#) [Twitter](#)

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