

GR SILVER MINING LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

REPORT DATE:
November 25, 2021

This Management Discussion and Analysis (the “MDA”) provides relevant information on the operations of GR Silver Mining Ltd. (the “Company” or “GR Silver”) to the Report Date and the financial condition of the Company for the three-and nine-month period ended September 30, 2021.

This document contains forward looking statements. Please see section “*Forward-Looking Statements*”.

The Company is in the business of mineral exploration. Consistent with the Company’s business plan, the land consolidation phase has been completed and the focus shifted to the Plomosas Project, the San Marcial Project and the adjoining, newly acquired La Trinidad Project (the “Projects”), which are located approximately 90 to 100 kilometres east-southeast of Mazatlán, Sinaloa, Mexico. The Projects are in a prolific mining area, the Rosario Mining District, with nearby historical precious metal producers. The Company has now identified multiple epithermal veins and hydrothermal breccias on the Projects.

The main activities include the evaluation and exploration of mineral exploration properties in search of economic mineral deposits. The Company is currently focused on resource expansion at the Projects, as well as new discoveries. The amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the condensed interim consolidated financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue or misleading statements nor do they omit stating material facts required to be stated in light of the circumstances under which they were made, with respect to the period covered by these filings, and the condensed interim consolidated financial statements together with other financial information included in these filings. The Board of Directors approves the condensed interim consolidated financial statements and MDA and ensures that management has discharged its financial responsibilities.

The MDA should be read in conjunction with the Company’s consolidated financial statements and notes thereto for the year ended December 31, 2020.

The Company is registered in the province of British Columbia. The Company’s head office address is Suite 900 – 999 West Hastings Street, Vancouver B.C. V6C 2W2. The Company’s registered and records office is Suite 600 – 890 West Pender Street, Vancouver, B.C. V6C 1J9.

OVERALL PERFORMANCE

The Company is a mineral exploration and resource expansion company active in exploration and development of mineral properties within the Rosario Mining District, Sinaloa, Mexico. It is employing its mineral exploration and business expertise, as well as knowledge and experience related to the district to advance resource expansion and new discovery opportunities with the pursuit of future development. The Company has successfully completed low-cost acquisitions, by staking, property acquisitions and corporate transactions. This is highlighted by the acquisition of 100% of Minera La Rastra S.A. de C.V. (“MLR”); the company holding Plomosas and other concessions from First Majestic Silver Corp. (“First Majestic”), completed in March 2020 and the more recent acquisition of 100% of Marlin Gold Mining Ltd. (“Marlin”) from Mako Mining Corp. (“Mako”), completed in March 2021. Marlin owns 100% of Oro Gold de Mexico, S.A. de C.V. (“Oro Gold”), a Mexican company, that includes the past producing La Trinidad open pit Au mine (“La Trinidad”), that ceased operating in 2019, and additional highly prospective concessions located adjacent to GR Silver’s existing portfolio of properties. These acquisitions together with the existing portfolio and

nearby San Marcial, totalling 77,823.4 ha, have positioned the Company as a leader controlling key silver-gold assets in the Rosario Mining District (Figure 1).

COVID 19-UPDATE

The Company continues to adjust to the unprecedented COVID-19 conditions. At Plomosas, the Company has a camp with a capacity for 190 essential persons, directly involved in exploration, drilling, underground activities and general logistics and operational support, led by a local General Manager. The Company employs experienced medical and Occupational Health and Safety personnel and has implemented strict measures and protocols to limit potential exposure of personnel and nearby communities to the virus. Before accessing the camp and any operation, all persons, including external consultants, are tested for COVID-19 and following receipt of negative tests, are transported to site using strict health and safety protocols. Once on site, all appropriate COVID-19 related protocols are rigorously enforced. In addition, the Company has implemented frequent testing of all staff working on all facilities and all visitors are required to present evidence of vaccination or negative PCR results. Any anomaly regarding COVID-19 is reported to the Company's Health and Safety staff for review and implementation of appropriate actions such as isolation or restricting access to facilities. The municipality of Rosario, where most of the projects are located, has been classified according to the Mexican Authorities as "semaforo verde" (green light), reflecting a significant reduction in the number of COVID-19 cases over recent months.

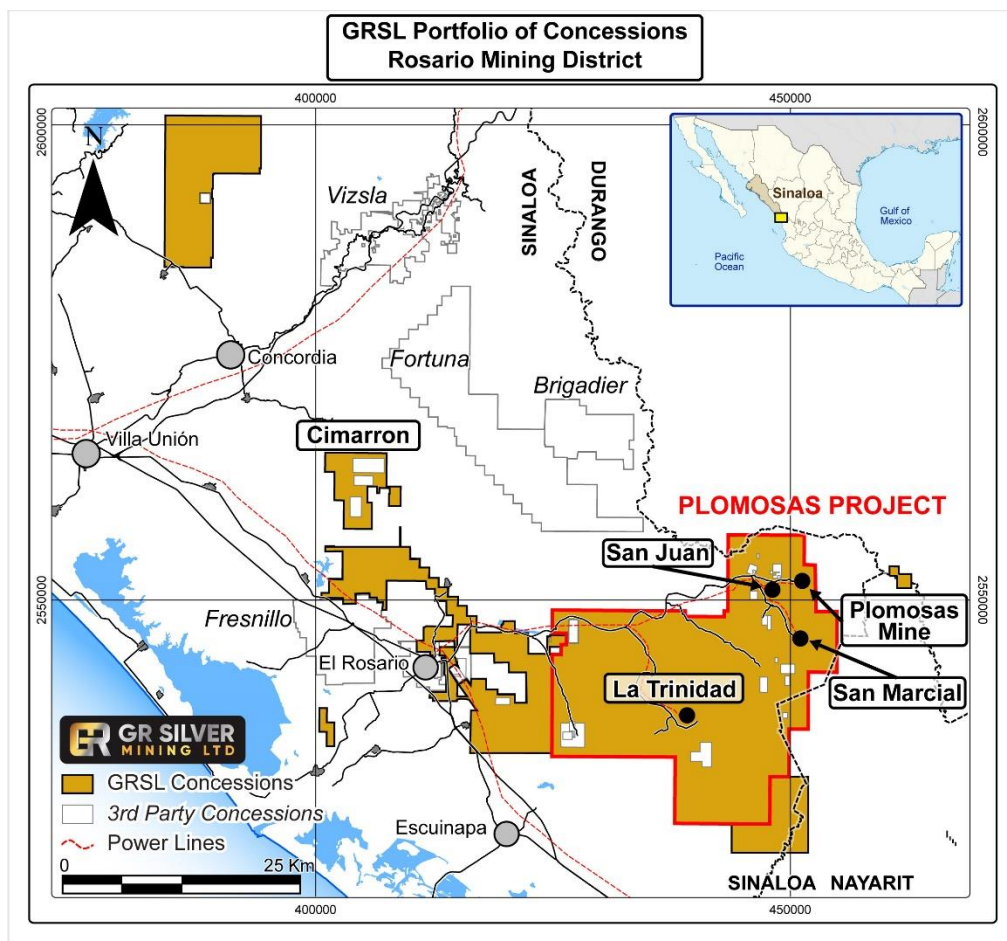
EXPLORATION & RESOURCE DEVELOPMENT-STAGE PROJECTS

GR Silver is a mineral exploration and resource expansion company. It controls 100% of approximately 778 sq. km of highly prospective exploration concessions within the Rosario Mining District, in Sinaloa State, Mexico, and includes two mineral resource estimates as well as two past-producer mines. Its principal project is the Plomosas Project. The Plomosas Project incorporates the three key assets of the Company (Figure 1) covering 476 sq. km:

- (1) **Plomosas** - a past-producing underground lead-zinc-silver-gold mine where the Company recently released the first ever *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("NI 43-101") resource estimates on the Plomosas Mine Area and the San Juan Area. Plomosas also includes at least 16 additional exploration targets of which 11 are prioritized for further review and assessment;
- (2) **San Marcial** - a resource expansion stage asset. The Company released its NI 43-101 resource estimate for San Marcial in February 2019 and amended in June 2020 [the NI 43-101 resource reports for both Plomosas and San Marcial, respectively, are available on SEDAR (www.sedar.com) or the Company's website (www.grsilvermining.com)]; and
- (3) **La Trinidad** – a past-producing open pit, heap leach gold mine and associated concessions, acquired in March 2021.

In addition to the three "core" assets (above) that comprise the Plomosas Project, the Company holds over 300 sq. km of highly prospective "non-core" assets which include the Cimarron gold deposit (Figure 1), as well as exploration concessions close to the El Rosario historical multi-million-ounce gold-silver mine, named the Rosario Project, El Habal, Union II, El Habal Sur, Yauco and El Placer II.

Figure 1 GR Silver Portfolio and “Core” Plomosas Project (red) in the Rosario Mining District, Sinaloa, Mexico



PLOMOSAS PROJECT, SINALOA, MEXICO

GR Silver owns 100% of the Plomosas Project located near the historic mining village of La Rastra, within the Rosario Mining District. The Plomosas Project incorporates the three key neighbouring assets of the Company – Plomosas, San Marcial and La Trinidad (Figure 1) – and consists of 17 mining concessions covering an area of 476 sq. km. The Plomosas Project consists of 11 mining concessions that were acquired via the acquisition of Minera La Rastra S.A. de C.V. (“MLR”), two concessions through the acquisition of Minera San Marcial S.A. de C.V. (“MSM”) and an additional four concessions through the acquisition of Oro Gold (Table 1). In conjunction with the extensive databases that were acquired through each of these transactions, the Company has now integrated the data into one single project.

The Plomosas Project lies in one of the most prolific geological settings for the discovery of high-grade silver-gold epithermal mineralized systems in Mexico. This is evidenced by world class deposits discovered in similar mining districts along the western edge of the Sierra Madre Occidental and replicated by recent high-grade silver-gold drilling results from the Company’s underground and surface drilling program. This is also evidenced by the history of multi-million ounce past gold and silver production from the historic El Rosario Mine.

Table 1 Plomosas Project – Core Area Mining Concessions

AREA	No.	MINING CONCESSIONS	OWNERSHIP	TITLE	SURFACE AREA (ha)
San Marcial	1	Mina San Marcial	Minera San Marcial	180998	119.0000
	2	Ampliacion San Marcial	Minera San Marcial	211650	1131.0000
Plomosas	3	Plomosas	Minera La Rastra	168698	12.0000
	4	Segunda Ampl. de Plomosas	Minera La Rastra	168699	100.0000
	5	Continuacion de Plomosas	Minera La Rastra	168700	12.0000
	6	La Rastra 2	Minera La Rastra	183443	25.4275
	7	San Juan	Minera La Rastra	188174	24.5725
	8	La Estrella	Minera La Rastra	202188	261.6800
	9	Plomosas 3	Minera La Rastra	209251	23.2700
	10	Plomosas 2	Minera La Rastra	210152	83.5000
	11	La Rastra	Minera La Rastra	214304	5396.0027
	12	Plomosas 4	Minera La Rastra	225024	420.9633
	13	Los Arcos	Minera La Rastra	226222	214.1300
La Trinidad	14	Reduccion la Nueva Trinidad*	Oro Gold de Mexico	244239	35,173.5088
	15	Nancy	Oro Gold de Mexico	226638	100.0000
	16	San Carlos	Oro Gold de Mexico	237870	79.5781
	17	San Carlos I	Oro Gold de Mexico	241108	10.4219

* June 2021 reduction subject to Government approval

Plomosas

Plomosas includes the small past-producing Plomosas mine, a shallow underground mine from which Grupo Mexico (IMMSA) historically produced 67,600 t of lead concentrate and 31,400 t of zinc concentrate with silver-gold credits between 1986 and 2000. The mine was closed in 2001 after succumbing to the then prevailing low commodity prices. As a result of the mine's continuous care and maintenance since that time, the extensive eight kms of underground tunnels and developments are in good condition, providing immediate access for exploration and potential future mining activities.

Plomosas is strategically located within five kms of San Marcial (Figure 1) in the southeast of Sinaloa State, Mexico, providing opportunities for cost and operational synergies in an integrated development scenario. The March 2020 acquisition of MLR included 563 historical and recent drill holes from both surface and underground locations in the Plomosas Mine Area and San Juan Area. This extensive database of drilling data was key in the Company's recent mineral resource estimation at Plomosas.

The Company completed its first drilling program at Plomosas during 2020-21, with surface and underground holes focused on expanding known mineralization along strike and down dip in both the Plomosas Mine Area and the San Juan Area. Underground drilling included in the program targeted the extension of recent silver-gold rich discoveries, such as at the lowest level (775 m RL, or approximately 250 m below surface) of the Plomosas Mine Area and two low sulphidation epithermal veins at the San Juan Area. Both areas were the subject of 3D modelling and interpretation, leading to the initial NI 43-101 resource estimations completed on August 23, 2021 (see below).

The previous owners of Plomosas invested approximately US\$18 million in exploration, including extensive geophysics and geochemistry programs. As the Plomosas mine is a past producer, valid surface rights agreements, as well as mine and water use permits, remain in place for current and future use by the Company. Strategically, through the acquisition of MLR, the Company also now owns key land holdings and fixed assets around the Plomosas Mine Area and camp facilities.

NI 43-101 Resource Estimates

Despite historical production and subsequent drilling campaigns by previous owners, GR Silver is the first company to integrate all data into a 3D model and complete NI 43-101 resource estimates. On August 23, 2021, the company released details of initial mineral resource estimates for the Plomosas Mine and San Juan Areas at Plomosas. The major highlights are summarized as follows.

- Indicated Resources: 3.4 Moz Ag, 53 koz Au, 73 Mlbs Zn and 48 Mlbs Pb for 10.3 Moz AgEq*
- Inferred Resources: 8.6 Moz Ag, 85 koz Au, 149 Mlbs Zn and 116 Mlbs Pb for 21.0 Moz AgEq*
- Estimates include 80 new GR Silver drill holes and 476 historical drill holes representing a total of 100,672 m of drilling covering two areas, the former Plomosas Mine and the San Juan Areas (Figure 2).
- The present mineral resource estimates are based on a conservative approach. Sampling of historical drill holes by previous companies was frequently selective, leaving a large amount of drill core unsampled. Missing intervals within mineralized zones were assigned zero values in the resource by GR Silver, including in areas with evidence of precious and base metals mineralization. Further drilling is underway to address these unsampled areas and potentially continue resource growth at the Plomosas Mine and San Juan Areas.
- A 14,000 m drill program is in progress on newly identified, high priority gold-silver targets outside the current resource areas.
- The incorporation of extensive historical data and completion of the initial mineral resource estimates at Plomosas, incremental to the nearby San Marcial NI 43-101 mineral resource estimate of 36.0 Moz AgEq[#] Indicated resources and 11.9 Moz AgEq[#] Inferred resources (see Table 2 below), represents a major milestone for GR Silver.
- See [News Release dated August 23, 2021](#) for detailed definitions of AgEq* and AgEq[#].
- On October 8, 2021, the “Technical Report for the Plomosas Project” was lodged on SEDAR (www.sedar.com).

The following tables summarize the recent NI 43-101 mineral resource estimate for Plomosas as well as the 2019 San Marcial NI 43-101 mineral resource estimate. Further details on the San Marcial resource can be found under the San Marcial section of this report.

Table 2 - Plomosas Project Combined Mineral Resource Statement (Plomosas and San Marcial)

Plomosas Mine Area Mineral Resource Statement ACS - August 23, 2021												
Resource Category	Type	Tonnage MT	Au g/t	Au Koz	Ag g/t	Ag Moz	Pb %	Pb Mlbs	Zn %	Zn Mlbs	AgEq Moz	AgEq* g/t
Indicated	OP	0.3	0.21	2	74	0.6	1.0	5.9	0.9	5.0	1.0	115
Inferred	OP	1.2	0.07	3	75	2.9	0.9	24.3	0.8	20.0	3.9	102
Indicated	UG	1.7	0.84	46	27	1.4	0.9	33.5	1.4	52.9	7.5	137
Inferred	UG	3.4	0.50	55	40	4.3	0.9	68.5	1.1	83.0	12.6	116
Total	Indicated	2.0	0.76	48	33	2.1	0.9	39.4	1.3	57.9	8.5	134
Total	Inferred	4.6	0.39	58	49	7.2	0.9	92.8	1.0	103	16.5	112
San Juan Area Mineral Resource Statement ACS - August 23, 2021												
Indicated	OP	0.1	0.19	0	115	0.3	0.3	0.5	0.6	1.1	0.3	111
Inferred	OP	0.2	0.37	3	92	0.7	0.6	3.0	0.7	3.4	0.8	111
Indicated	UG	0.4	0.35	4	87	1.1	1.0	8.2	1.7	13.8	1.6	132
Inferred	UG	1.0	0.77	24	22	0.7	0.9	19.9	2.0	42.2	3.6	116
Total	Indicated	0.5	0.32	5	92	1.3	0.9	8.7	1.5	14.9	1.9	128
Total	Inferred	1.2	0.70	27	36	1.4	0.9	22.9	1.7	45.6	4.5	115

* AgEq is based on long term silver, zinc and lead prices of US\$20.00 per ounce silver, US\$1,600 per ounce gold, US\$1.10 per pound zinc and US\$0.90 per pound lead. The following average metallurgical recoveries are assumed for Plomosas Mine Area as 74% silver, 86% gold, 75% zinc

and 69% lead and for San Juan as 71% silver, 79% gold, 47% zinc and 58% lead. The mineral resource estimates for the Plomosas Mine and San Juan areas were provided by Dr. Gilles Arseneau, P.Ge. of ARSENEAU Consulting Services Inc. (ACS). OP is amenable for potential open pit development, UG is amenable for potential underground development.

Plomosas Project Total Resources Statement ACS - August 23, 2021												
Resource Category	Type	Tonnage MT	Au g/t	Au Koz	Ag g/t	Ag Moz	Pb %	Pb Mlbs	Zn %	Zn Mlbs	AgEq Moz	AgEq* g/t
Indicated	OP	0.3	0.20	2	83	0.9	0.8	6.4	0.8	6.1	1.3	114
Inferred	OP	1.4	0.12	5	78	3.6	0.9	27.3	0.7	23.5	4.8	103
Indicated	UG	2.1	0.76	50	38	2.5	0.9	41.7	1.5	66.7	9.1	136
Inferred	UG	4.4	0.57	79	36	5.0	0.9	88.4	1.3	125.1	16.2	116
Total	Indicated	2.4	0.68	53	44	3.4	0.9	48.1	1.4	72.8	10.3	133
Total	Inferred	5.8	0.46	85	46	8.6	0.9	115.7	1.2	148.6	21.0	113

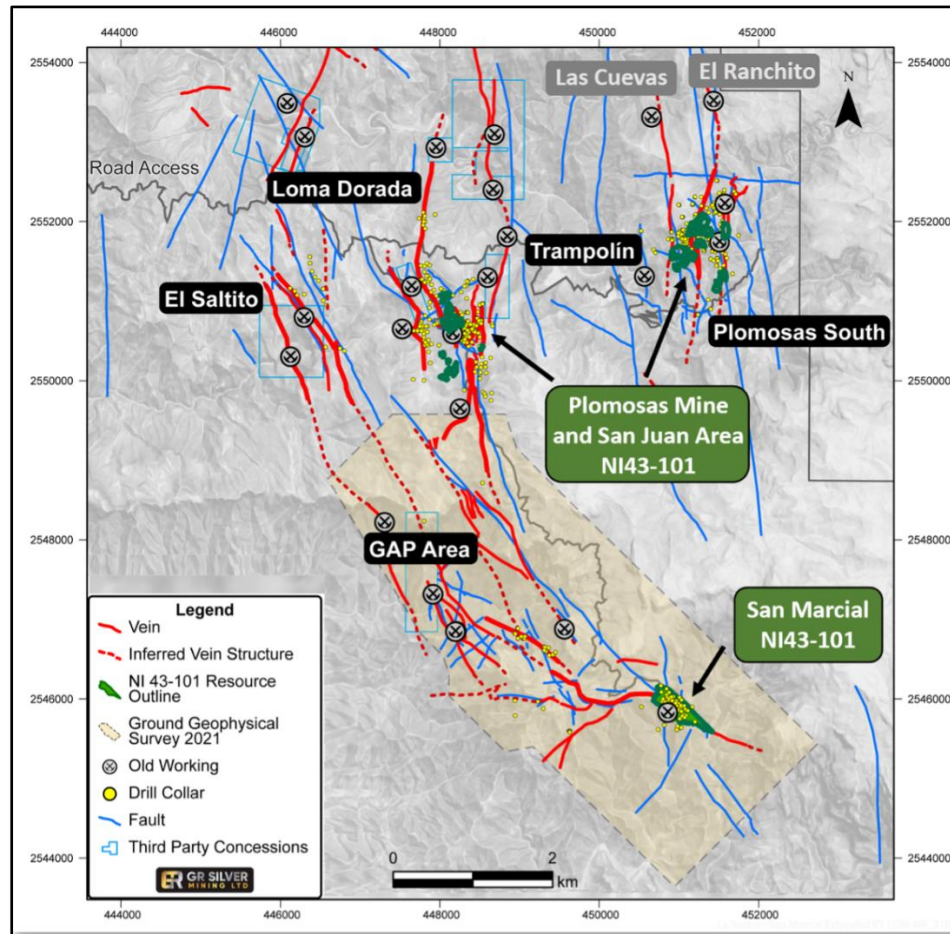
San Marcial Resources Statement - February 7, 2019												
Resource Category	Type	Tonnage MT	Au g/t	Au Koz	Ag g/t	Ag Moz	Pb %	Pb Mlbs	Zn %	Zn Mlbs	AgEq Moz	AgEq# g/t
Indicated (OP+UG)	OP+UG	7.6	na	na	117	29.0	0.3	53.0	0.5	86.0	36.0	147
Inferred (OP+UG)	OP+UG	3.4	na	na	91	10.0	0.1	8.0	0.4	26.0	12.0	108

Numbers may be rounded. # AgEq is based on long term silver, zinc and lead prices of US\$18.50 per ounce silver, US\$1.10 per pound zinc and US\$0.95 per pound lead. The following average metallurgical recoveries are assumed as 85% silver, 85% zinc and 95% lead. A 30 gpt AgEq cut off for open pit and 80 gpt AgEq for underground resource classification completed by WSP Canada Inc. on February 06, 2019. OP is amenable for potential open pit development, UG is amenable for potential underground development. "na" = not estimated

Plomosas includes:

- Two key areas: The Company has completed its initial underground and surface drilling program consisting of over 18,000 m at both the Plomosas Mine Area and the San Juan Area. This data was combined with 563 recent and historical drill holes (Figure 2), comprising over 100,000 m of surface and underground core drilling, to create an integrated 3D model leading to the NI 43-101 compliant mineral resource estimates on each area released in August 2021;
- 11 priority exploration targets and over 30 km of under-explored mineralized veins/structures (Figure 2) in a prolific geological setting with approximately USD\$18.0 million of exploration investment by previous owners. The exploration targets have soil and litho-geochemical sampling data, IP, airborne and ground geophysical data, indicating anomalies and favourable zones for future drilling;
- 20-year surface rights agreement with local ejido in good standing, 20-year water and 5-year land use permits, and exploration and drilling permits for immediate infill and exploration drilling, which collectively de-risk the project for current and future developments;
- Key surface/underground facilities and infrastructure (from the past-producing 600 tpd operation). At the Plomosas Mine Area, this includes an underground mine with eight km of underground development in good condition for use in underground drilling and future mine development, access roads, a fully operational 60 km 33 KV power line, fully equipped offices, a 190-person camp, warehouses and ancillary facilities, and an assay lab, representing approximately US\$30 million of previous capital investment;
- Important land holdings located around the Plomosas mine and camp area; and
- At the San Juan Area, initial underground development was completed by IMMSA in 2001, however no mining activities were carried out on site.

Figure 2 Plomosas Project – Drill Targets (Black) and NI 43-101 Resource Areas (Green)



Plomosas Mine Area

The past-producing Plomosas mine operated from 1986 to 2000, processing a total of 2.5 mt of ore in a 600 tpd crushing-milling flotation circuit (Table 3). During the 14 years of operation, lead (Pb) and zinc (Zn) concentrates were the main products, with reported high-grade silver and gold credits. The historical reports indicate annual average grades for each commodity within the following ranges: zinc (1.85% to 2.66%), lead (1.19% to 3.37%), silver (79 g/t to 338 g/t) and gold (0.76 g/t to 1.74 g/t). The room and pillar underground operation mined only 260 m depth of a polymetallic hydrothermal breccia hosted in a shallow dipping regional fault. Extensive historical and current drilling data show additional continuity down dip and along strike. The drilling data also indicate high-grade silver and gold mineralization, particularly located on unmined hanging wall and footwall zones around the mineralized hydrothermal breccia. The Company has discovered the multi-commodity nature of the mineralization and high-grade silver and gold zones by studying the extensive drilling database, re-logging and resampling, and delineating new mineralized zones outside of the historically mined area with its recently completed >18,000 m surface and underground drilling program (see [News Release dated July 7, 2021](#)).

Table 3 Plomosas Mine – Production History 1986-2000

Plomosas Historic Production Table 1986-2000																
Historic Production. During mining operations, in the Plomosas–La Cruz mine, they extracted lead and zinc minerals with variable silver, gold and copper content, as well as lead and zinc concentrates as shown in the table below.																
		Production Years														
Concept	Unit	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
ORE MILLED	tonne	95,133	164,974	164,239	147,611	194,279	202,976	193,729	188,227	172,983	178,282	185,026	189,611	180,884	187,471	94,381
MILL FEED																
Au	g/t	0	0	0	0	0	0	0.64	1.74	1.61	1.06	0.94	0.63	0.75	0.56	1.17
Ag	g/t	338	334	309	220	204	197	195	177	111	97	116.9	79.77	88.73	96.87	103
Pb	%	2.62	1.19	1.4	1.83	2.47	3.08	3.13	3.37	2.25	2.25	2.15	1.79	1.88	1.96	1.67
Cu	%	0.18	0.11	0.13	0	0.12	0	0.16	0.22	0.15	0.13	0.11	0.16	0.16	0.13	0.19
Zn	%	1.58	0.97	1	1.22	1.4	1.83	2.66	2.28	2.28	2.17	1.85	2.02	2.42	2.08	2.57
METAL CONTENT																
Au	g	0	0	0	0	0	0	124	327	279	189	174	120	135	105	110
Ag	g	32,155	55,101	50,750	32,474	39,633	39,986	37,777	33,316	19,201	17,293	21,608	15,130	16,050	18,161	9,674
Pb	t	2,492	1,963	2,299	2,701	4,799	6,252	6,064	6,343	4,359	4,011	3,976	3,404	3,399	3,670	1,572
Cu	t	171	181	214	-	233	-	310	414	259	232	205	312	291	247	177
Zn	t	1,503	1,600	1,642	1,801	2,720	3,714	4,262	5,007	3,944	3,869	3,425	3,836	4,385	3,907	2,429
RECOVERY																
Au in Pb, Cu, Zn Concentrate		0-0-0	0-0-0	0-0-0	0-0-0	0-0-0	0-0-0	48-0-8	0	48-0-9	36-0-14	40-0-12	36-0-15	40-0-18	55-0-44	0
Ag in Pb, Cu, Zn Concentrate		52-0-0	67-0-0	40-0-0	61-0-0	67-0-0	69-0-0	56-0-9	56-0-3	46-0-12	40-0-16	40-0-32	34-0-19	38-0-29	49-0-18	0
Pb in Pb Concentrate		49.5	62	34.5	70	79	67	58	59	56	54	56	57	58	64	0
Cu in Cu Concentrate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zn in Zn Concentrate		0	0	0	0	0	0	21	15	36	44	50	51	51	52	0
CONCENTRATE PRODUCTION	t															
Pb		2,856	3,269	4,308	4,995	8,886	9,865	6,915	2,407	3,983	3,484	3,650	3,371	3,280	4,138	2,240
Bulk		381	56	56	0	0	0	0	0	0	0	0	0	0	0	0
Zn		0	0	0	0	0	0	2,190	1,629	3,155	3,884	4,116	4,566	5,053	4,300	2,466

Numbers are rounded

*Source: Internal IMMISA reports

The recently drilled high-grade silver-gold mineralization at Plomosas displays the alteration, textures, mineralogy and deposit geometry characteristics of a low to intermediate sulphidation epithermal silver-gold-base metal mineralized vein/breccia system. Previous exploration was focused on polymetallic (lead-zinc) 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. Recent GR Silver drilling results have also unveiled new gold-copper rich structurally controlled mineralized zones.

At the Plomosas Mine Area, drill hole results confirmed continuity of the silver mineralized system for at least 600 m along strike (Figure 3). They also extend the continuity of both mineralization styles: silver-gold low sulphidation epithermal veins and high-grade polymetallic silver-lead-zinc hydrothermal breccias, up to 700 m down dip below the surface. The drill results continue to confirm prospectivity of near surface veins and hydrothermal breccia systems close to existing underground development, which will facilitate access for follow up in our next drill program. Significantly, these drill holes also indicate the discovery of multiple subparallel mineralized systems below the current footwall of previously mined areas. A large epithermal system is evident at the Plomosas Mine Area based on results from our recent drill program.

The Company also advanced underground sampling at the Plomosas Mine Area delineating wide, high-grade polymetallic (gold-copper-silver-lead-zinc) sulphide-rich mineralization on the lower level of the Plomosas Mine. A series of continuous intersections, measuring up to 15.7 m in length, were channel sampled adjacent to the existing “room and pillar” stope on the 775 RL level, and out into the unmined zones. Assays in this interval identified a new style of precious and base metal mineralization represented by disseminated and massive sulphide-rich zones, hosted by a brecciated andesite and rhyolite tuff. The mineralization consists of coarse-grained chalcopyrite, sphalerite and galena, with associated silver and gold. Sampling and exploration to date has not closed off the limits of this new style of mineralization, which remains open to expansion.

Re-interpretation of ground magnetic results from a previous geophysical survey highlighted potential drill targets extending directly to the north of the Plomosas Mine Area mineralization, providing potential areas for further exploration and drilling to the north at Plomositas, El Ranchito, Las Cuevas and El Aguacate (Figures 2, 3 and 4). Drilling has now commenced along strike to the south of the Plomosas Mine Area at Plomosas South (Figure 3), testing a gold discovery zone where epithermal veins have been mapped cutting a dioritic intrusive body or dyke.

The Company has completed the following work from July 1, 2021 to September 30, 2021 on the Plomosas Mine Area.

Table 4 Work Completed - Plomosas Mine Area

Work Completed	Plomosas
Upgrade access road (km)	5.0
Geological surface mapping (km ²)	0
Channel/trench openings (number)	0
Channels/trenches (linear metres)	0
Channel samples analyzed by lab	0
Diamond drill holes (NQ) - surface	9
Diamond drill holes (NQ) - surface (total metres)	2,163.7
DDH samples analyzed by lab (incl. historical)	767

Figure 3 Plomosas Mine Area, Surface Drill Collars and the Plomosas South Drilling Area

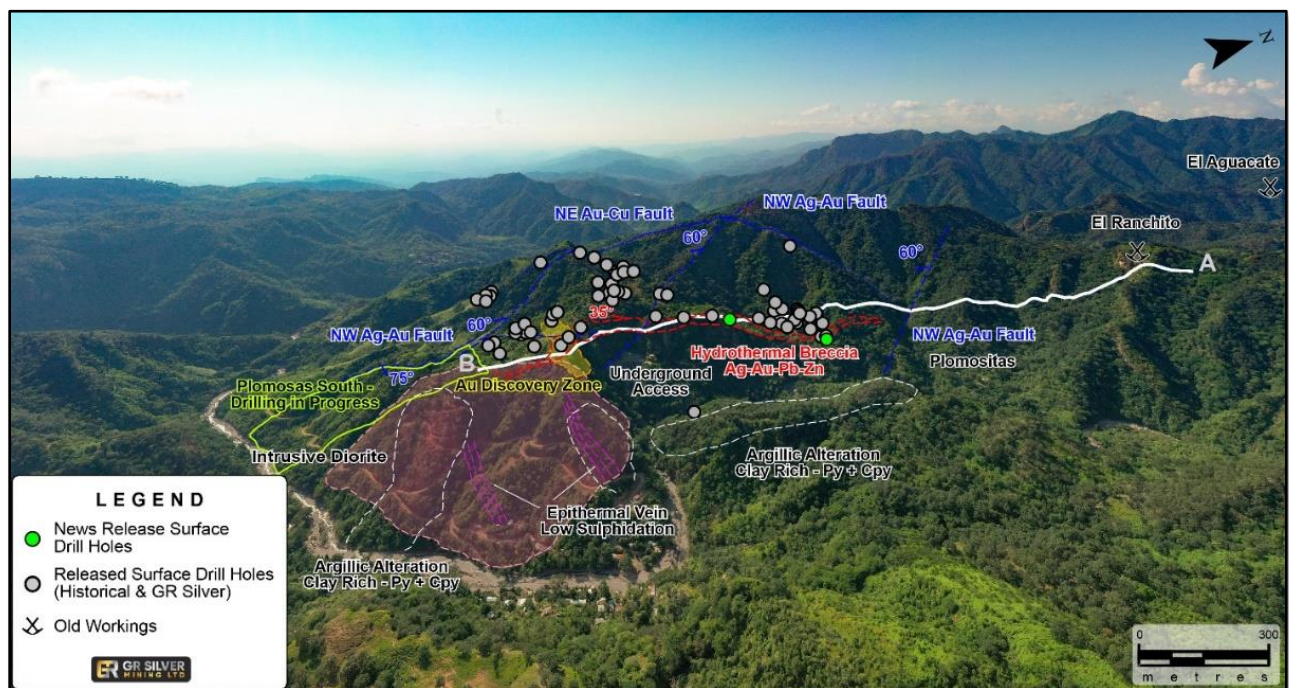
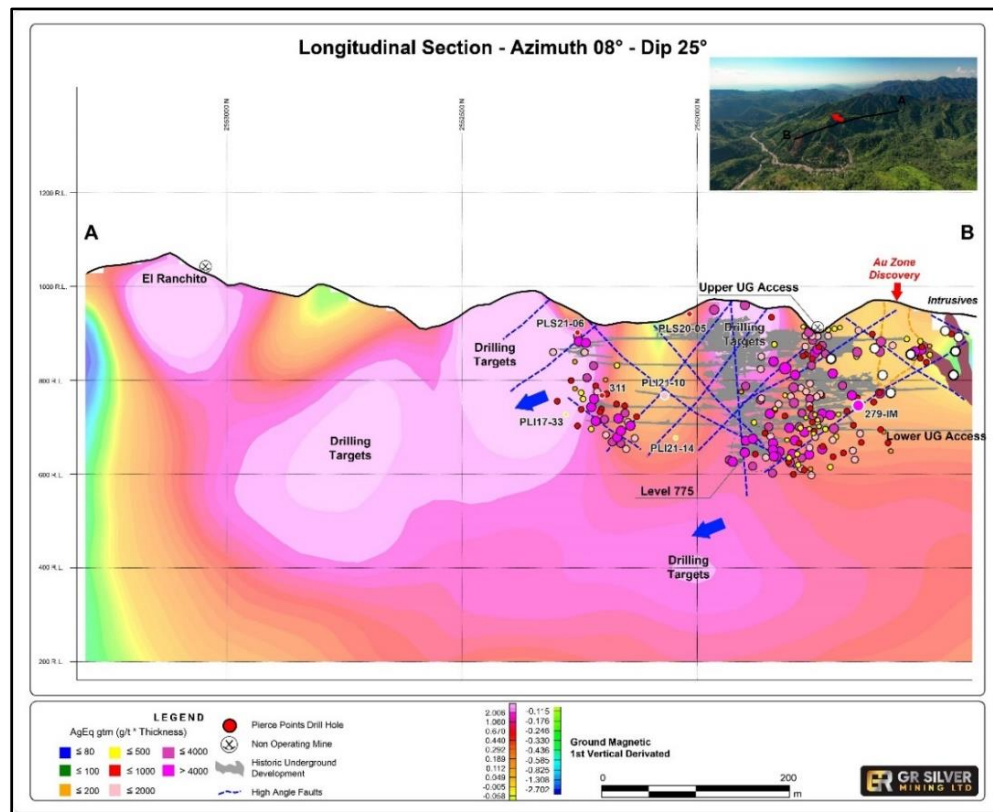


Figure 4 Longitudinal Section: Plomosas Mine Area - Resource Area – Exploration Targets



San Juan Area

Since the March 2020 acquisition of MLR, the Company has expanded the strike length of the San Juan mineralized system from its original 400 m to approximately 2 km and demonstrated the presence of at least six mineralized veins. The ongoing surface drilling program, together with validation of extensive historical drilling data, has provided strong evidence that the mineralized footprint extends beyond the previously drilled areas. The Company selected the San Juan, La Colorada and Yecora veins (Figure 5) for detailed drilling to support the initial mineral resource estimation at the San Juan Area. The other three veins that are part of the same mineralized system - Loma Dorada, San Francisco and El Trampolín (the northern extension of the La Odisea vein) – are the subject of the Company's current drilling and exploration program.

Table 5 Work Completed - San Juan Area

Work Completed	San Juan	Loma Dorada	El Trampolín	El Saltito
Upgrade access road (km)	0	3	0	2
Geological mapping (km ²)	3	2	1	4
Channel/trench openings (number)	3	26	17	5
Channels/trenches (linear metres)	3.5	81.2	47.0	6.5
Portable drill holes (shallow <20m)	0	8	1	0
Portable drill holes (shallow <20m) (total metres)	0	98.9	7.24	0
Portable drill holes samples analyzed by lab	0	87	8	0
Diamond drill holes - surface	0	4	1	0
Diamond drill holes - surface (total metres)	0	543	69	0
DDH samples analyzed by lab (incl. historical)	1,806	0	0	9

At the San Juan Area, the silver and gold mineralization display the alteration, textures, mineralogy and deposit geometry characteristic of a low sulphidation epithermal silver-gold-base metal vein/breccia mineralized system. There are common occurrences of silver-gold-galena-sphalerite-rich metal assemblages associated with more than one phase of mineralization, with overprinting of the sulphide-rich mineralization on previous high-grade gold and silver mineralized zones.

Validation of historical results identified silver and gold mineralized zones in a 600 m step out from the initial San Juan vein (see [News Release dated July 7, 2020](#)). They confirmed continuity of the gold-silver mineralized system for at least 2 km (Figure 5), supporting a geological model where San Juan is part of a single-large epithermal system with occurrences of silver-lead-zinc mineralization hosted in polymetallic hydrothermal breccias, as well as gold-silver enriched quartz epithermal veins in high angle fault zones.

Recent drilling by GR Silver, combined with reinterpretation of historical drill results, identified a new mineralized zone in the San Juan Area, known as the Yecora Vein. The results confirm the presence of wide and high-grade zones of silver-gold-lead-zinc mineralization, close to the surface in a new mineralized structure parallel to the San Juan Vein. In addition to encountering attractive, near surface polymetallic mineralization at Yecora, gold-bearing veins have been identified, indicating new opportunities for shallow drilling (see [News Release dated November 23, 2020](#)). The San Juan Area mineralized trend now extends for more than two km combined strike, consisting of at least six mapped veins: San Juan, La Colorada, Yecora, Loma Dorada, La Odisea/El Trampolín and San Francisco (Figure 5).

The surface drilling intercepts confirm prospective, near-surface, multiple vein systems peripheral to other drilled areas. This creates the potential to delineate a much larger epithermal system for future drilling and resource estimation. The Company believes that the gold-silver bearing structures are part of regional scale fault systems, hosting attractive low sulphidation epithermal mineralization.

Positive preliminary metallurgical test results were achieved by the Company after processing an initial 2,700 t bulk sample excavated from the San Juan Area underground development - San Juan Vein and Breccia. The bulk sample was excavated from a zone representative of the silver-gold-lead-zinc hydrothermal breccia in the upper levels of the underground development and generated 27 t of high-grade silver-gold concentrate. This precious metals concentrate averaged 15,147 g/t silver and 46.2 g/t gold (see [News Release dated December 7, 2020](#)). The historical San Juan underground development has no record of previous production. The Company has completed re-processing of an aeromagnetic and ground geophysical (IP) survey in both the San Juan and Plomosas Mine Areas (Figure 6), with positive results identifying new anomalies in zones outside of the historical underground workings.

Following completion of the resource drilling at the Plomosas Mine and San Juan Areas, the Company initiated a 14,000 m exploration drill program (see [News Release dated June 21, 2021](#)) targeting newly identified and untested silver-gold veins on its concessions within the Rosario Mining District. This program focuses on new target sites on the Company's extensive silver-gold vein systems that extend over structural trends covering a combined 75 km strike length covering Plomosas, San Marcial and La Trinidad.

Among the recently discovered epithermal vein and breccia targets to be tested are the GAP Area system, which connects the San Marcial and San Juan Areas (Figure 2) and gold-rich epithermal mineralization identified to the south of the Plomosas Mine Area ("Plomosas South"). The program at Plomosas South provides step-out extension potential to the current Plomosas Mine Area mineral resource estimate. The GAP Area was covered by the recently completed NW extension of the San Marcial ground geophysical (IP and magnetometry) program (see [News Release dated February 22, 2021](#)), extending from San Marcial northwesterly to the San Juan Area (Figure 2).

Another new area being drilled in the current program is the Loma Dorada structure (Figure 2), an epithermal gold vein target which is on the northern extension of the La Colorada vein system, where the Company recently released high-grade results from LCS21-04 containing 0.65 m at 10,777 g/t AgEq (see [News Release dated June 10, 2021](#)). Geological mapping commenced at Loma Dorada during the June quarter and continued into the September quarter with a number of shallow portable drill holes also completed, testing some of the mapped structures (Table 5). Significant mapping and drill programs have also commenced on the El Saltito and Trampolín vein systems within the Plomosas concessions (Figure 2).

Figure 5 San Juan Area – Geology and Mineralized Trends

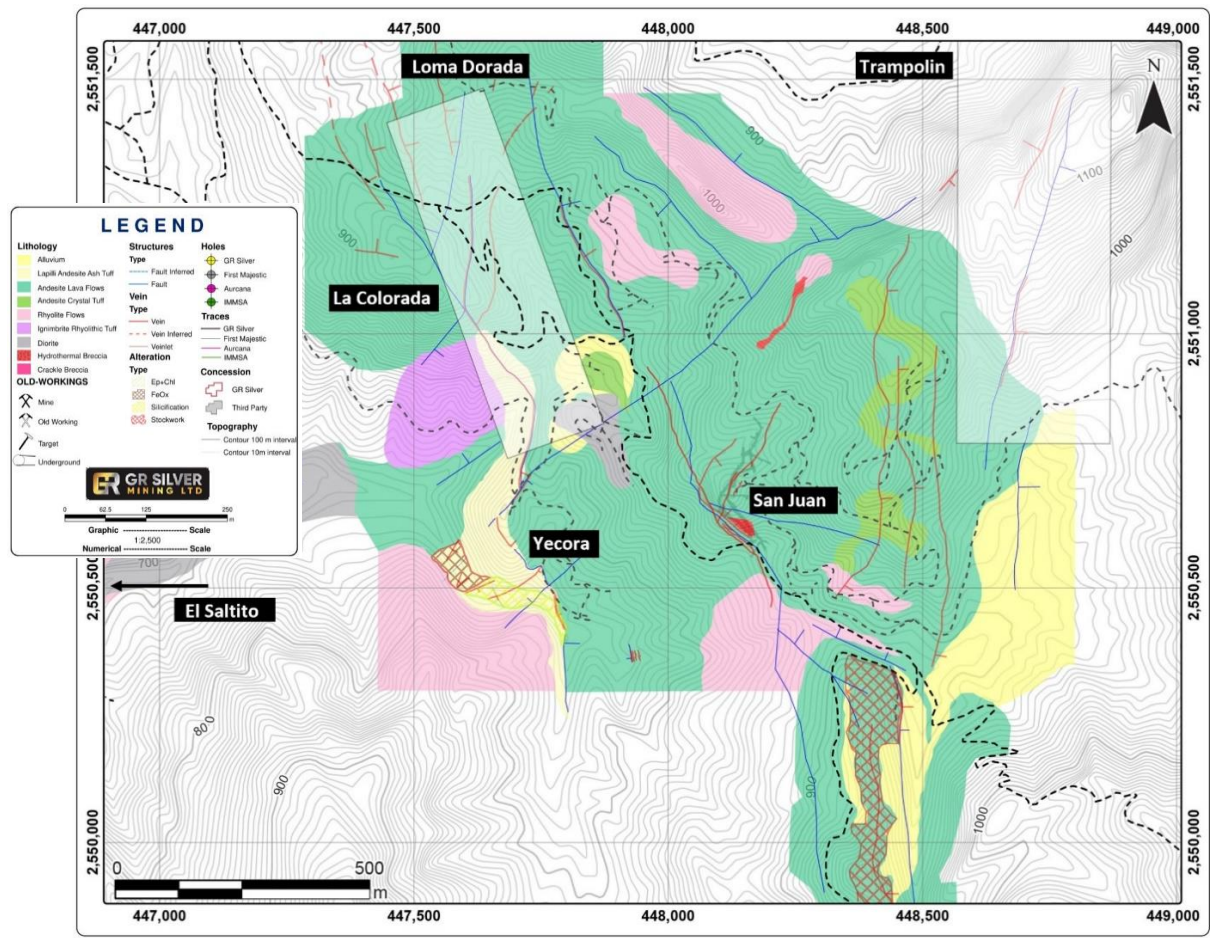
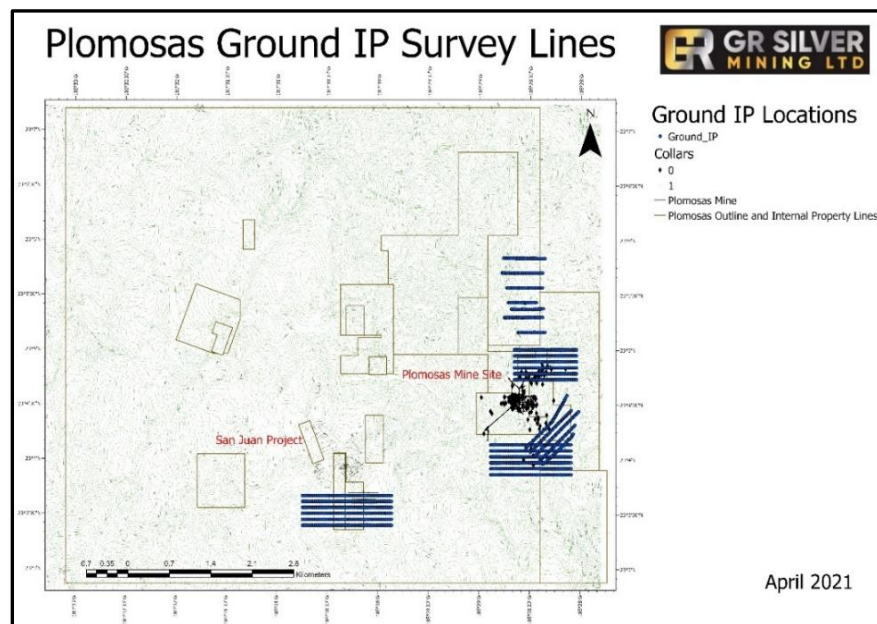


Figure 6 Plomosas – Location of Historical IP Survey Lines



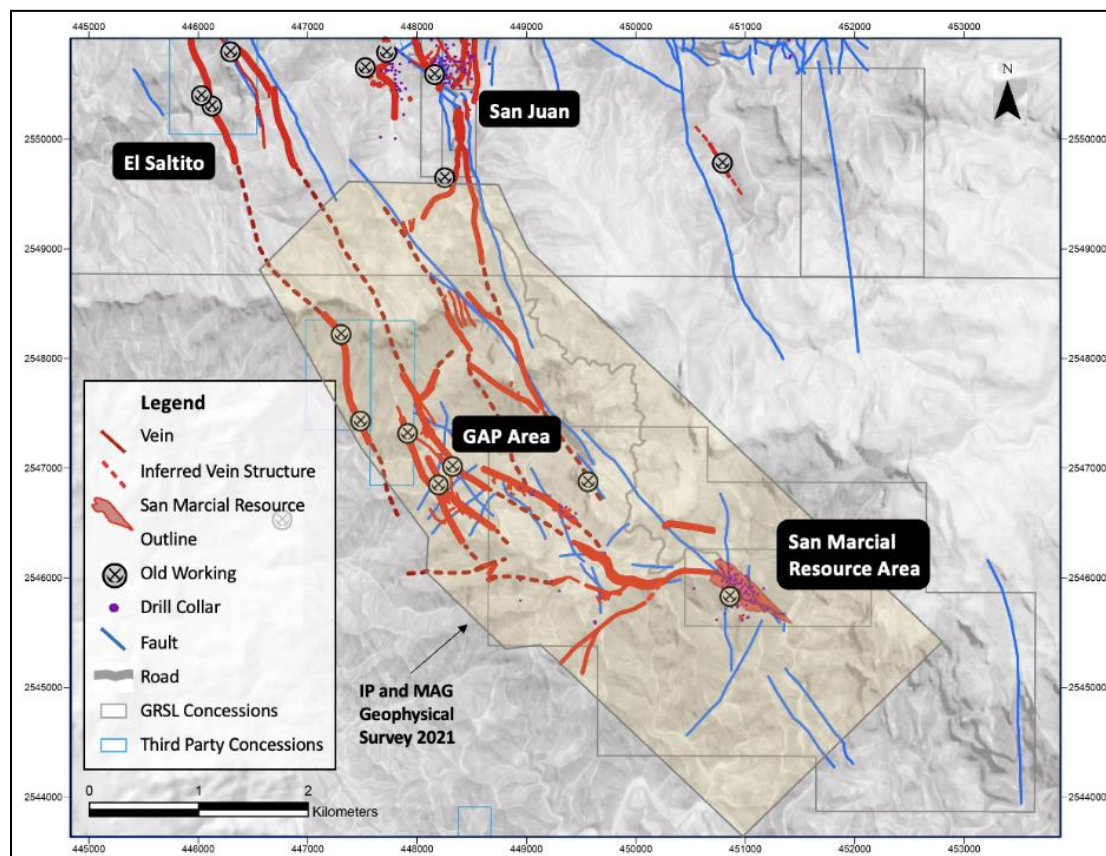
GAP Area

During the 2020 due diligence period for the Oro Gold acquisition, GR Silver identified an area of the La Trinidad concession, wedged between the Company's flagship San Marcial and Plomosas, as a key target to investigate potential structural links (Figure 7). The area, known as the "GAP Area", is a six sq. km section of the La Trinidad concession connecting the NW-SE mineralization trends at both San Marcial and Plomosas. Over 2,000 rock samples were collected on grid lines and analysed by portable hand-held XRF for multi-element geochemistry. Two anomalous NW-SE trending gold-silver mineralized zones, along with several shallow underground workings, were identified which connect with known mineralized vein and breccia structures at both San Marcial and Plomosas.

Preliminary channel and chip sampling was completed, which led to additional field investigations during the June quarter of 2021. A small geological team has been mapping and sampling in the GAP Area over recent months. Numerous quartz-filled vein structures, faults and breccias have been identified throughout the GAP Area. Most of the structures mapped follow the predominant NW-SE regional structural orientation. Channel and trench sampling has been undertaken to test these structures, as well as the drilling of eleven shallow (< 20 m) portable drill holes (Table 6).

As discussed previously, GR Silver extended the recent San Marcial IP and ground magnetic survey into the GAP Area to further investigate the continuity of the mineralized trends and assist with definition of drill targets. As part of the Company's current drill program, the first ever diamond core drilling program in the GAP Area has now commenced testing the NW trending vein systems shown in Figure 7.

Figure 7 San Marcial – Resource Area, Key Structures and Geophysical Survey Area



Work Program – Quarter ended September 30, 2021

The Company has completed the following work from July 1, 2021 to September 30, 2021 on the GAP Area.

Table 6 Work Completed – GAP Area

Work Completed	GAP Area
Upgrade/new access road (km)	0.8
Geological mapping (km ²)	2.0
Channel/trench openings (number)	40
Linear metres channels/trenches (m)	23.6
Samples analyzed by lab	80
Portable drill holes (shallow <20m)	11
Portable drill holes (shallow <20m) (total metres)	94.0
Portable drill holes samples analyzed by lab	109

San Marcial

On May 6, 2021, following a successful three year period of exploration and resource expansion, GR Silver completed the exercise of the three year option and subsequent acquisition of a 100% interest in San Marcial from SSR (see [News Release dated 6 May 2021](#)). San Marcial consists of 1,250 ha of concessions (Table 7) held by wholly owned Minera San Marcial S.A. de C.V. and located five kms south of the historical Plomosas Mine (Figure 2).

Table 7 San Marcial - Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
1	Mina San Marcial	180998	119.0000
2	Ampliación San Marcial	211650	1131.0000

San Marcial has an attractive near-surface high-grade silver-lead-zinc mineralized zone with a current NI 43-101 mineral resource estimate (see [News Release dated June 12, 2020](#)) with an immediate opportunity for resource expansion, not only down dip, but also along an additional six kms of the San Marcial mineral trend (Figure 7).

In February 2019, the Company released an updated NI 43-101 mineral resource estimate, amended on June 10, 2020, (Table 2) which continues to exhibit significant exploration upside. This resource update was an increase on the previous 2008 mineral resource estimate that only consisted of 30 drill holes completed up to November 2008. An additional 22 drill holes were drilled in 2010. A total of 52 drill holes were integrated into the updated NI 43-101 mineral resource estimate by the Company in 2019.

The mineral resource estimate covers 500 m of a mineralized trend, which is open along strike for an additional six km supported by positive surface exploration results in up to 14 additional drill targets. The main deposit is also open down dip as most of the drilling was focused on the first 250 m below the surface in the resource area. Preliminary metallurgical results from oxide, transitional and sulphide samples from San Marcial have indicated excellent column leach test silver recoveries in the range from 82% to 94% over a 96-hour leach period.

Additional surface exploration results in the vicinity of the current resource have delineated drilling targets for resource expansion, including a trench result of 56 m averaging 196 g/t Ag (SMtr-001). As seen at Plomosas, the Company's exploration has shown San Marcial to be highly prospective for gold mineralization. As an example, drilling by GR Silver in 2019 intersected an interval containing 1 m at 204.6 g/t gold near the San Marcial Resource Area.

Channel sampling by GR Silver along an access track (SMtr-049) discovered new gold and silver mineralization in the footwall adjacent to the NI 43-101 resource (Figure 8), supporting the potential for future resource expansion (see [News Release dated November 12, 2020](#)). While the area was previously defined as non-mineralized, the Company discovered evidence of pervasively altered rocks with intense silicification, veining and associated wide, silver and gold mineralized zones. This mineralization has been confirmed with shallow diamond drill holes. Deeper holes are included in the current drill program to test the depth continuity and potential resource expansion down-dip.

Figure 9 3D Cross-section of the San Marcial Mineralized Breccia, Existing and Proposed Drill Holes

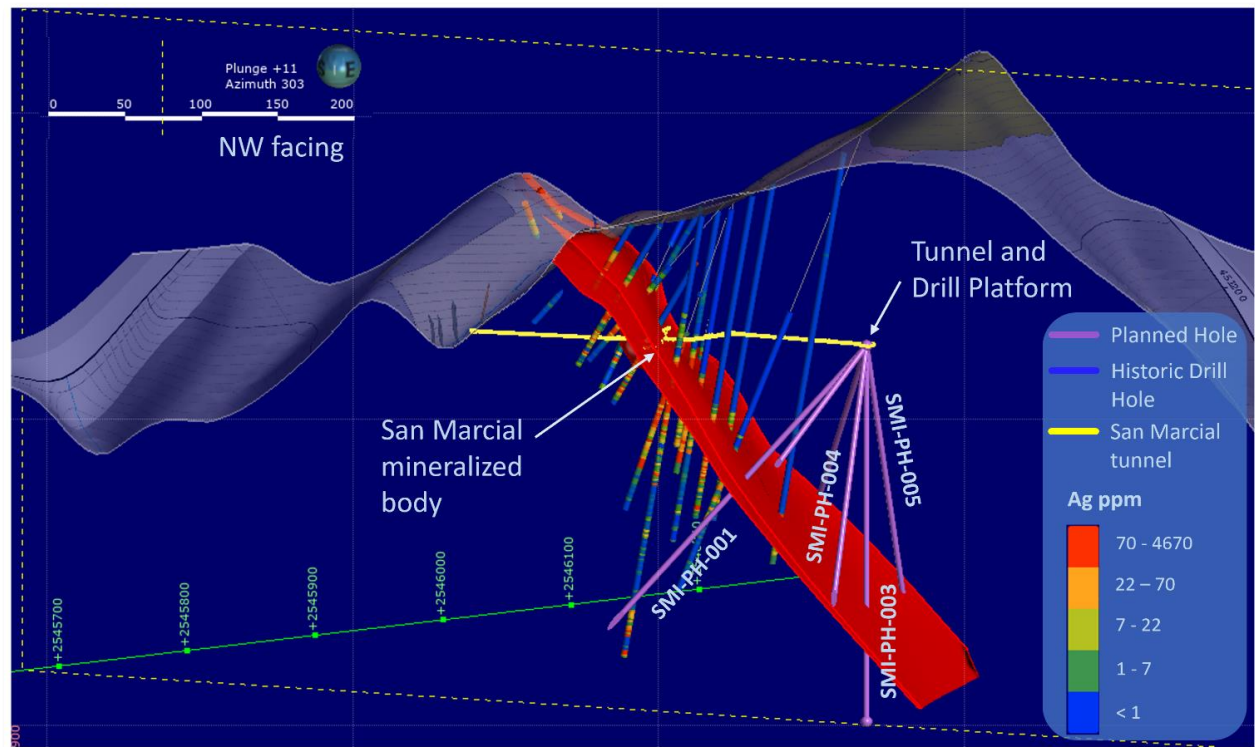
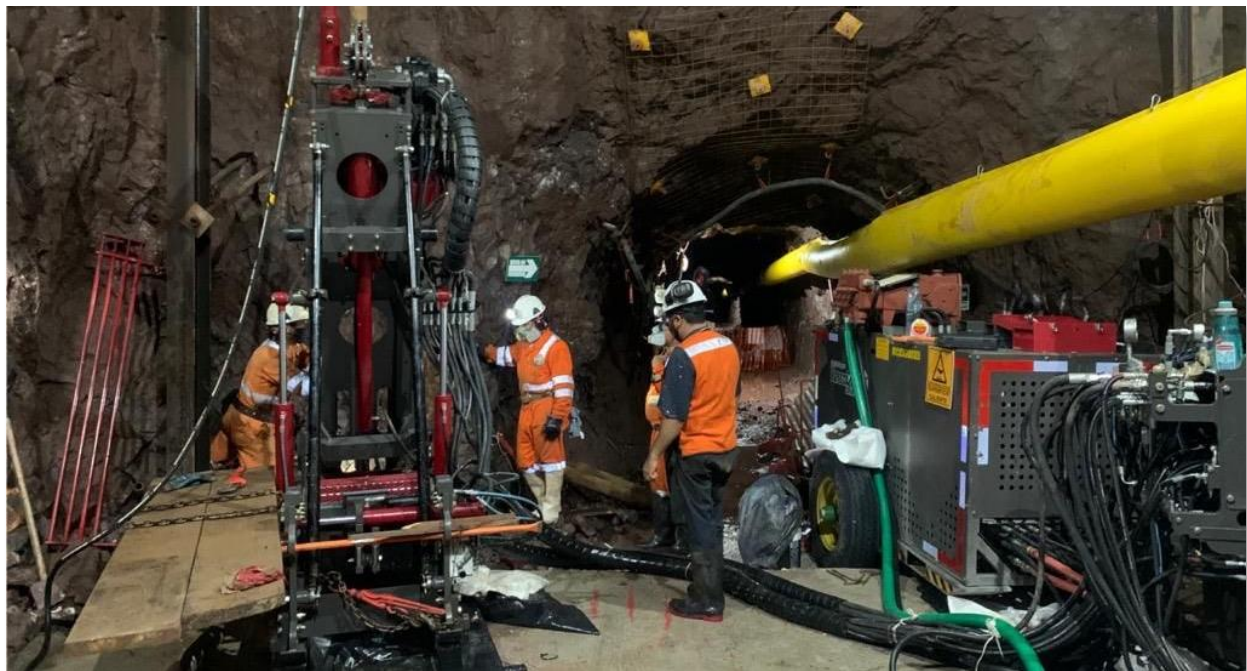


Figure 10 San Marcial Tunnel – Expanded and Extended for Underground Resource Drilling



The Company completed a detailed litho-geochemical sampling program covering over 60% of the San Marcial Project area with a 25 m x 25 m grid. All samples in this program were analyzed by hand-held portable XRF equipment on-site, providing an extensive multi-element geochemical database of over 14,000 sample points. The data is being used by our exploration team to identify new targets for follow up in the current drill program.

During the September quarter of 2021, the Company completed an initial ground geophysical survey involving both magnetometry and 3D Induced Polarization (IP), covering key areas of prospectivity at the San Marcial Project (Figure 6). Within the concessions, the program is centered on the San Marcial Resource Area and covers approximately 8.1 km² or 64% of the concession area. As the key structures and mineralization on the concession are oriented NW-SE, the geophysical survey lines are perpendicular to these structures, in a SW-NE orientation (Figure 6). This process ensures that the best geological information is obtained from the geophysical results (see [News Release dated February 22, 2021](#)).

The survey commenced on the Resource Area to characterize the known silver-lead-zinc mineralization therein, which hosts the NI 43-101 resource. A higher line density was implemented over the Resource Area, allowing higher resolution of geophysical data and geological information to be obtained. Following interpretation and review of the geophysical data, in combination with the Company's extensive geochemical database and geological mapping, new drill targets are being prioritized for testing. The geophysical response over the Resource Area has been an important factor in creating targets for the current underground drill program testing depth extensions to the mineralization (Table 8). Following on from the Resource Area, the survey expanded to cover many of the targets already highlighted by previous GR Silver exploration campaigns within the San Marcial concessions, such as: Guacamayo and Limoncillos to the south, and Faisanes, Mariposa, Nava, Micuines and Chachalaca in the west and northwest.

Following the acquisition of the adjacent La Trinidad concession at the end of March (see [News Release dated April 1, 2021](#)), the Company extended the San Marcial ground geophysical program to the northwest to include the portion of the La Trinidad concession designated the GAP Area, between the San Marcial and Plomosas Projects (Figure 6). The survey was also extended into the Plomosas Project, to the south of the San Juan Area and was completed during the June quarter, 2021. The ground geophysical program extension has provided important structural and lithological modeling for the continuity of mineralization linking the San Juan, GAP and San Marcial areas. The GAP Area is another key target being tested by the Company's current drill program.

Work Program – Quarter ended September 30, 2021

The Company has completed the following work from July 1, 2021 to September 30, 2021 at San Marcial.

Table 8 Work Completed - San Marcial

Work Completed	San Marcial
Upgrade access road (km)	5.0
Geological mapping (km ²)	3.0
Channel/trench openings (number)	1
Channels/trenches (linear metres)	37.9
Channel samples	40
Samples analyzed by lab	42
Diamond drill holes - underground	2
Diamond drill holes - underground (total metres)	390
DDH samples analyzed by lab (incl. historical)	89

La Trinidad

GR Silver completed the acquisition of 100% of Marlin Gold Mining Ltd. ("Marlin") from Mako Mining Corp. ("Mako"), in March 2021. Marlin owns 100% of Oro Gold de Mexico, S.A. de C.V. ("Oro Gold"), a Mexican company, that owns the past producing La Trinidad open pit gold mine ("La Trinidad"), that ceased operating in 2019, and 12 highly prospective concessions located in the Rosario Mining District. These acquisitions, together with the existing portfolio, totalling 77,823.4 ha, have placed the Company in a leading position controlling key silver-gold assets in the Rosario Mining District. This gives the Company control of 75 km of prospective trend with known mineralization including three structural trends and over 24 shallow gold-silver old workings (Figure 11), which are all strategically located on the western edge of the prolific Sierra Madre Occidental gold-silver belt in Sinaloa, Mexico.

The acquisition of Oro Gold is the third significant transaction completed by GR Silver since listing on the TSX-V in March 2018. In accordance with the Company's long-term strategy, GR Silver now controls two past-producing mines (Plomosas and La Trinidad) that are fully permitted for future production, two current resources at the San Marcial

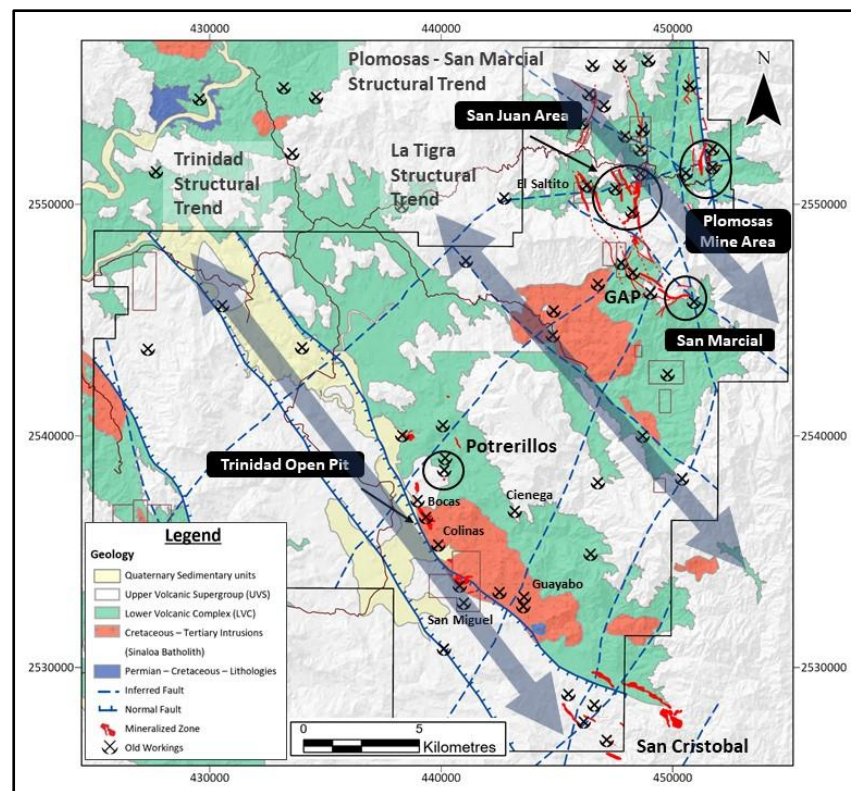
and Plomosas Projects, as well as the most prospective silver-gold exploration ground in the Rosario Mining District. This is the first time in modern history that one company has held all these key assets.

Following a thorough review of the acquired portfolio and associated expenditure obligations following the acquisition in March 2021, the Company has employed a strategy to decrease expenditure obligations by submitting reductions to the size of some of the larger concessions (Tables 1 and 12). In addition, the Company submitted cancellation requests for three small concessions located close to the current construction of the Santa Maria Dam in June 2021.

Advanced Targets

The main exploration focus for the 12 concessions acquired from Oro Gold has historically been on La Trinidad (Taunus Pit), which produced over 164,000 oz of gold^{1,2,3}, until its closure in 2019. Another advanced stage project within the acquired portfolio is the Cimarron Project, located to the northwest of La Trinidad (Figure 1). Several additional targets have been identified at Cimarron. The Calerita gold-(copper) deposit at Cimarron, is the only target to have been drilled to date and remains open for future extension drilling. Cimarron is an intrusive related gold deposit for which there is a historical gold resource estimated in 2011⁴. The Company is integrating existing data for further definition of additional work at Cimarron.

Figure 11 District-scale Mineralized System Incorporating San Marcial, the San Juan and Plomosas Mine Areas



Exploration Prospectivity

Since finalizing the acquisition of the La Trinidad group of four concessions, including a large associated dataset, GR Silver has been systematically cleaning and organizing the data generated from the historical regional datasets, as well as specific targets that were previously drilled. Extensive regional geochemical datasets were completed by Oro Gold covering a large portion of the concessions with over 700 stream sediment samples, 500 rock and channel samples⁵,

1 Refer to Marlin NI 43-101 News Release dated February 1, 2013

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 MD&A Releases dated 28 August 2019, 29 April 2020

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

5 Refer to Marlin News Release dated August 14, 2017

and over 9,000 soil samples¹. Key exploration targets that were generated are aligned along one of three highly prospective NW-SE trending corridors, with a section 12 kms in length connecting the Taunus Pit with the San Carlos, Colinas, San Miguel, Guayabo and San Cristobal targets (Figure 11).

A total of 40,500 m of diamond, RC and sonic drilling were completed by Oro Gold, however the majority was focused on depth extensions below the Taunus Pit. This extensive drill database will be incorporated into GR Silver's growing regional database to further advance the Company's exploration model. The La Trinidad concessions together with the Cimarron concession represent areas for future exploration in the Rosario Mining District.

The Company believes that there is significant gold and silver exploration potential in the Oro Gold portfolio with more than 24 known and under-explored mineral occurrences, as well as historic workings, just in the La Trinidad concession alone (Figure 11). A team of geologists and support staff have been allocated to the La Trinidad Project and have commenced prioritizing targets for further follow-up and eventual drill target definition.

Exploration History

The historical focus of exploration activities on the Oro Gold concessions has been on the La Trinidad mine. Anaconda Minerals Corp. was the 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 processed via a heap leach operation. The mine operated until 1998, producing approximately 52,000 oz of gold¹.

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}. Historical exploration has been sporadic on most of the areas being acquired. Regional geochemical datasets have been collected across many of the concessions, however, only limited follow up and drilling has occurred, given the key objective of gold production from Taunus. Several highly prospective targets have been identified in the past and GR Silver plans to further investigate them with additional surface drilling if results support the potential for attractive near-surface mineral deposits.

Exploration targets - Historical

Numerous exploration targets with precious metal focus have been identified on the La Trinidad concessions, of which some have been previously drilled. Historical exploration has been completed at the Cerro Colorado, Tequila and Las Palmas targets. Other notable exploration targets are listed below:

- **Colinas and Bocas:** The Colinas and Bocas targets are the southern and northern extensions, respectively, of the Taunus open pit. Several RC and core drilling campaigns (over 120 drill holes) outline a one km trend from the open pit in a southeast direction to the Colinas target. Due to the shallow extent of drilling the target remains underexplored.
- **San Carlos:** Located approximately three kms northwest of the Trinidad mine, the San Carlos target is covered by a ground magnetic survey, with trenching, sampling and mapping programs. Drill results include 1.87 g/t Au over 36 m and 4.6 g/t Au over 13 m ⁶.
- **Guayabo:** The Guayabo target is located about eight kms southeast of the Trinidad mine and includes a small historic tungsten mine (tungsten-molybdenum veins). Gold-silver drill targets were identified following a soil sampling program, and an intercept of 2.3 g/t Au and 94 g/t Ag over 10 m is reported¹.
- **San Cristobal:** Located in the southern-most section of the NW-SE corridor, the San Cristobal target is approximately 12 kms southeast of the historic Trinidad gold mine. A grid of 4,841 soil samples covers an area of 30 km² and outlines a 500 m wide zone of gold-bearing quartz veins and stockwork structures that extends for 1.5 km. Over 1,600 chip and channel samples were taken, complementing geologic mapping and identifying five individual prospects. Initial RC and diamond drilling (1,200 m) tested the area confirming gold mineralisation with reported intercepts of 1.19 g/t Au over 17.65 m, including 3.44 g/t Au over 4.35 m⁵. Significant exploration upside remains at San Cristobal, representing one of the most attractive areas for potential drilling.

⁶ Refer to Marlin News Release dated February 2, 2016

- **Potrerillos:** Located approximately two kms northeast of the Trinidad mine, Potrerillos is a prospect that was identified by mapping and chip/channel sampling (700 samples), with 7.8 g/t Au over 5 m reported from channel sampling¹.

OTHER (NON-CORE) PROJECTS, SINALOA, MEXICO

Cimarron

Cimarron is an advanced stage project situated within a single concession (Table 11) that was acquired along with La Trinidad in March 2021 and is located 40 kms to the northwest of La Trinidad (Figure 1). Several 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 gold⁴, which is considered to be open along strike and down dip.

While the 2011 resource is considered by GR Silver to be a historical resource, the Company considers the resource estimate to be 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 in the pit shell assessment for resource reporting 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 is in the process of re-assessing the work completed by previous owners, to define the feasibility of additional drilling, aiming at identifying additional near-surface mineralization.

Rosario

The historical multi-million ounce Rosario gold-silver mine is reported to have closed in 1941 after an operating life spanning over 250 years. The mine exploited precious metals from numerous veins up to 30 m in width, located below the current town of Rosario.

As part of the March 2020 acquisition of MLR from First Majestic, the Company also acquired a package of three concessions (Rosario I, Rosario II and Rosario 4) strategically located adjacent to the Rosario town and prospective for gold-silver mineralization (Figure 1). These concessions, totalling 1,383 ha (Table 9), may host extensions to the historical Rosario gold-silver mineralization. The key regional structural features are oriented in a NW-SE direction, parallel to the regional graben basin development, which is often the focus of precious metals mineralization.

During the September quarter, the Company commenced field activities at the Rosario I and Rosario II concessions which lie along strike from, and sub-parallel to, these potential structural extensions. Considering their proximity to the multi-million ounce historical Rosario mine, the concessions making up the Company's Rosario Project are substantially under-explored and highly prospective. Reconnaissance mapping and sampling has already identified a number of promising structural targets which may be suitable for shallow drilling.

Table 9 Rosario - Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
MINERA LA RASTRA, S.A. DE C.V.			
1	Rosario 4	212656	239.78
2	Rosario I	221093	406.69
3	Rosario II	228255	736.18

Work Program – Quarter ended September 30, 2021

The Company has completed the following work from July 1, 2021 to September 30, 2021 at Rosario.

Table 10 Work Completed – Rosario

Work Completed	Rosario
Geological mapping (km ²)	2.0
Channel/trench openings (number)	6
Linear metres channels/trenches (m)	64
Samples analyzed by lab	86

El Habal

The El Habal Project is the most advanced within this group and comprises 3,773.7 ha in a group of six exploration concessions (El Habal, El Habal Sur, San Pablo, San Pablo 2, Baluarte 2 and Las Dos Chiquitas) located ten kms to the east of the multi-million ounce historic high-grade gold-silver Rosario Mine. Two additional concessions (La Chispera and La Chispera II) acquired from First Majestic are also located in the El Habal area (Table 11).

Mineralization on the El Habal Project consists of low sulphidation epithermal, stockwork systems, gold-rich stockwork/veining and breccia exhibiting lateral zonation with higher concentrations close to intersections of major structures. The mineralization occurs mainly within a NNW-striking tectonic corridor hosted not only by the Upper Volcanic Group but also the Lower Volcanic Group. There is evidence of multi-phased mineralizing events with common overprints of many stockwork systems over brecciated host rocks. The event has produced several phases of silica with a predominance of gold mineralization over most of the El Habal Project. Sulphide occurrence is limited (<2%) in some zones with no evidence of copper, zinc and lead mineralization.

Oxidation of host rocks and mineralized zones extends at least 80 m from surface as supported by geological mapping and sampling of well exposed mineralized zones in historical underground workings. Successive surface exploration programs and surveys were completed on the property between 2015 and 2018. Most of the work consisted of channel sampling for analysis of precious and base metals, topographic and old working surveys, followed up by a drilling campaign in 2018.

Additionally, Goldplay de Mexico S.A. de C.V. holds applications over the following adjacent concessions in the vicinity of the Rosario Mining District:

Table 11 El Habal - Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
GOLDPLAY DE MEXICO, S.A. DE C.V.			
1	Habal	246381	1738.99
2	San Pablo	236078	80.00
3	San Pablo 2	226963	220.00
4	Las Dos Chiquitas	232406	278.16
5	Baluarte 2	226962	50.00
6	Habal Sur	243620	1406.57
MINERA LA RASTRA, S.A. DE C.V.			
7	La Chispera	213510	10.00
8	La Chispera II	225866	226.07

Other Properties

GR Silver holds title to the following mining concessions (Table 12) and mining concession applications (Table 13) in the Rosario Mining District:

Table 12 Other Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
ORO GOLD DE MÉXICO, S.A. DE C.V.			
1	El Salto Sur *	236801	1,200.00
2	El Salto *	234460	3,210.12
3	Cimarron	245380	2873.98
4	El Porvenir	226701	200.00
5	San Isidro	226704	200.00
6	La Poderosa *	219186	0
7	Santa Cesilia *	223000	0
8	La Patilla II *	238360	0
MINERA LA RASTRA, S.A. DE C.V.			
9	Potrero No. 2	195916	221.00
10	El Potrero	203534	100.00
GOLDPLAY DE MEXICO, S.A. DE C.V.			
11	Tigra Negra Fracc. II	228755	2.70
12	Tigra Negra Fracc. III	228756	1.35
13	Tigra Negra Fracc. IV	228757	1.35
14	Tigra Negra Fracc. V	228758	1.35
15	Placer II	246149	11107.24
16	Yauco	246808	4518.99

* June 2021 reductions and cancellations subject to confirmation by Mexican authorities

Table 13 Other Mining Concession Applications

No.	MINING CONCESSION APPLICATIONS	TITLE	SURFACE AREA (ha)
GOLDPLAY DE MEXICO, S.A. DE C.V. (Applications)			
1	Indio Fracc. I	59/7706	32.77
2	Indio Fracc. II	59/7706	0.38
3	Indio Fracc. III	59/7706	3.89
4	La Union 2 Fracc. 1	95/13335	5549.91
5	La Union 2 Fracc. 2	95/13335	18.86

Qualified Person and Quality Control/Quality Assurance

Marcio Fonseca, M.Sc., D.I.C, P.Geo., the Company's President and Chief Executive Officer and a director and a qualified person as defined by NI 43-101, has supervised the preparation of the scientific and technical information that forms the basis for the mineral property disclosure in this MDA and has approved the disclosure herein. Mr. Fonseca is not independent of the Company, as he is an officer and director of the Company.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. The following is a summary of selected financial data for the Company for its eight completed financial quarters ended September 30, 2021.

Quarter Ended Amounts in 000's	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 30, 2019
Net income (loss)	(4,734)	(4,377)	(4,559)	(3,496)	(2,757)	(1,524)	(967)	(910)
Earnings (loss) per share – basic and diluted	(0.03)	(0.03)	(0.03)	(0.04)	(0.02)	(0.02)	(0.01)	(0.01)
Total assets	34,259	38,571	25,912	10,844	12,558	14,216	5,959	3,664
Working capital	(7,131)	(2,339)	(11,582)	4,069	6,013	7,656	348	1,787

During the quarter ended September 30, 2021 the Company incurred expenses of \$4,733,871, which included \$3,549,096 in exploration expenditures, salaries of \$559,610 and professional fees of \$110,037.

During the quarter ended June 30, 2021, the Company completed a bought deal financing and received gross proceeds of \$11,534,500, received \$5,550 on the exercise of options and \$5,540,333 on the exercise of warrants. The Company incurred expenses of \$4,377,280, which included \$2,622,629 in exploration expenditures, salaries of \$308,886 and share-based compensation of \$483,816.

During the quarter ended March 31, 2021, the Company received \$145,247 on the exercise of options and \$724,827 on the exercise of warrants. The Company incurred expenses of \$4,558,876, which included \$2,714,636 in exploration expenses, salaries of \$210,334 and share-based compensation of \$1,015,093. The Company also completed the acquisition of Marlin from Mako which increased the exploration and evaluation assets by \$12,170,479 and working capital decreased due to the addition of Mexican concession taxes of \$12,601,178.

During the quarter ended December 31, 2020, the Company received \$1,359,660 on the exercise of warrants and \$38,500 on the exercise of options. The Company incurred expenses of \$3,496,302, which included \$1,906,601 in exploration expenses, \$560,268 in impairment on exploration and evaluation assets, \$249,158 in consulting and \$165,778 in investor relations.

During the quarter ended September 30, 2020, the Company received \$166,870 on the exercise of warrants and \$92,250 on the exercise of options. The Company incurred expenses of \$2,756,943 which included \$1,131,310 in exploration expenses, \$834,807 in share-based compensation, \$227,095 in consulting and \$271,355 in investor relations.

During the quarter ended June 30, 2020, the Company completed a bought deal private placement for gross proceeds of \$9,153,000 and received \$533,730 on the exercise of warrants and \$100,975 on the exercise of options. The Company incurred expenses of \$1,523,741 which included \$842,945 in exploration expenditures, \$152,968 in consulting, \$154,317 in investor relations and \$212,202 in share-based compensation.

During the quarter ended March 31, 2020, the Company completed the acquisition of the Plomosas property in Mexico and for accounting purposes treated the acquisition as an asset acquisition. The Company received \$21,470 on the exercise of warrants. The Company incurred expenses of \$966,685 which included \$474,334 in exploration expenditures, \$141,220 in investor relations, \$32,505 in professional fees and \$139,163 in consulting.

During the quarter ended December 31, 2019, the Company completed a private placement and received net proceeds of \$2,828,400. The Company incurred expenses of \$910,418 which included \$383,315 in exploration expenditures, \$112,488 in investor relations, \$58,610 in professional fees and \$132,937 in consulting.

Nine Months ended September 30, 2021, compared to nine months ended September 30, 2020

The Company's expenses were \$13,777,088 (2020 - \$5,256,069) including general and administrative of \$4,890,727 (2020 - \$2,807,580) and exploration expenditures of \$8,886,361 (2020 - \$2,448,489), and reviews of the major items are as follows:

- Exploration expenditures of \$8,886,361 (2020 - \$2,448,489) of which \$1,834,794 (2020 - \$1,583,612) was spent on the San Marcial property, \$4,991,906 (2020 - \$731,075) on the Plomosas property, \$1,975,649 (2020 - \$Nil) on the La Trinidad property, \$84,012 (2020 - \$82,043) on the El Habal property and \$Nil (2020 - \$51,759) on the Nevada property. The expenditures increased as the Company received funding and the Company became more active;
- Consulting of \$253,526 (2020 - \$519,226) consisting of fees paid or accrued to the CEO of \$Nil (2020 - \$116,250), the CFO of \$Nil (2020 - \$58,500), business development of \$Nil (2020 - \$79,600), financing strategy of \$105,000 (2020 - \$52,500), employment recruitment of \$36,000 (2020 - \$Nil), Mexican subsidiaries of \$39,412 (2020 - \$Nil) and other of \$73,114 (2020 - \$212,376). Commencing in 2021 the CEO, CFO and business development were moved to salaries;
- Professional fees of \$426,183 (2020 - \$183,902) consists of legal of \$282,732 (2020 - \$104,226), audit and accounting of \$143,451 (2020 - \$72,652,) and other of \$Nil (2020 - \$7,024);
- Salaries of \$1,078,830 (2020 - \$Nil) consisting of salaries and benefits in Canada and Mexico of \$979,080 (2020 - \$Nil) and directors' fees of \$99,750 (2020 - \$Nil);
- Share-based compensation of \$1,498,909 (2020 - \$1,049,075) for options issued;
- Regulatory and transfer agent of \$89,726 (2020-\$69,202) consists of transfer agent of \$40,461 (2020 - \$21,470), regulatory of \$36,230 (2020 - \$35,333) and OTCQB listing of \$13,035 (2020 - \$12,399); and
- Investor relations of \$431,095 (2020 - \$556,892) consisting of trade show and conferences of \$55,095 (2020 - \$53,051), promotion and advertising of \$203,107 (2020 - \$312,729) contract investor relations of \$75,010 (2020 - \$123,712) and other of \$97,882 (2020 - \$67,400).

Other items:

- Recovery of exploration and evaluation assets of \$72,366 (2020 - \$Nil) on the sale of the property option agreement on the Golconda property.

Three Months ended September 30, 2021 compared to three months ended September 30, 2020

The Company's expenses were \$4,737,217 (2020 - \$2,760,453) including general and administrative of \$1,188,121 (2020 - \$1,629,143) and exploration expenditures of \$3,549,096 (2020 - \$1,131,310), and reviews of the major items are as follows:

- Exploration expenditures of \$3,549,096 (2020 - \$1,131,310) of which \$579,985 (2020 - \$440,467) was spent on the San Marcial property and \$1,675,798 (2020 - \$563,874) on the Plomosas property, \$1,251,924 (2020 - \$Nil) on the La Trinidad property, \$41,389 (2020 - \$77,591) on the El Habal property and \$Nil (2020 - \$49,378) on the Nevada property. The expenditures increased as the Company received funding and the Company became more active;
- Consulting of \$61,788 (2020 - \$227,095) consisting of fees paid or accrued to the CEO of \$Nil (2020 - \$56,250), the CFO of \$Nil (2020 - \$31,500), business development of \$Nil (2020 - \$24,600), strategic business planning of \$45,000 (2020 - \$20,000) and other of \$16,788 (2020 - \$94,745);
- Salaries of \$559,610 (2020 - \$Nil) consisting of salaries and benefits in Canada and Mexico of \$526,360 (2020 - \$Nil) and directors' fees of \$33,250 (2020 - \$Nil);
- Professional fees of \$110,037 (2020 - \$102,355) consisting of legal of \$76,893 (2020 - \$69,010), audit and

accounting of \$33,144 (2020 - \$26,321) and other of \$Nil (2020 - \$7,024);

- Share-based compensation of \$Nil (2020 – \$834,807) for options issued; and
- Regulatory and transfer agent of \$21,803 (2020 - \$10,118) consisting of transfer agent of \$16,827 (2020 - \$2,942), regulatory of \$500 (2020 - \$3,357) and OTCQB listing of \$4,476 (2020 - \$3,819).

LIQUIDITY AND CAPITAL RESOURCES

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector will have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to finance its fiscal 2022 operating overhead and acquisition and exploration expenditures through private placements.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

As at September 30, 2021, the Company reported cash of \$6,750,637 compared to \$4,893,578 as at December 31, 2020. The increase in cash on hand and change in working capital was the result of cash from financing activities of \$17,168,290 and cash used in operating activities of \$12,421,258 and investing activities of \$2,889,973.

During the period ended September 30, 2021.

The Company issued 16,153,000 common shares on the exercise of warrants for proceeds of \$6,265,160.

The Company issued 799,644 common shares on the exercise of options for proceeds of \$219,794.

Issued 187,096 common shares valued at \$142,714 as debt settlement including \$32,659 to a related party.

Share issue costs of \$10,083 were incurred in connection with the exercise of options and warrants and shares issued for debt settlement, and was recorded as an offset to share capital, as share issue costs.

Issued 1,500,000 common shares for acquisition of exploration and evaluation assets at a value of \$933,000.

Completed a bought deal private placement of 19,550,000 units at a price of \$0.59 per unit for gross proceeds of \$11,534,500. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant ("Warrant") and each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.74 per warrant to April 27, 2023. The Company paid cash finders fees of \$617,369, issued 1,301,388 agent warrants and issued 255,000 units valued at \$150,450. The Company also paid a corporate finance fee of \$22,000 and 37,000 agent warrants. Each agent warrant is exercisable at an exercise price of \$0.59 per agent warrant to April 23, 2023. The agent warrants were valued at \$431,714 and the warrants on the units at \$39,479. Additional share issue costs of \$223,714 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

Subsequent to September 30, 2021.

Issued 50,000 common shares on the exercise of options for proceeds of \$16,750.

During the year ended December 31, 2020.

The Company completed a bought deal private placement. The Company issued 33,900,000 units at a price of \$0.27 per unit for gross proceeds of \$9,153,000. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.40 to June 18, 2021. The Company paid a cash finders fee of \$636,660 and issued 2,358,000 finder warrants exercisable at \$0.27 per warrant to June 18, 2021.

The Company issued 7,148,149 common shares on the exercise of warrants for proceeds of \$2,081,730.

The Company issued 925,000 common shares on the exercise of options for proceeds of \$231,725.

The Company issued 17,847,500 common shares for the acquisition of exploration and evaluation assets at a fair value of \$3,131,575.

The Company issued 427,375 common shares to settle an aggregate debt of \$203,003.

The Company has no long-term debt obligations.

SHARE CAPITAL

(a) As of the date of the MDA the Company has 167,442,155 issued and outstanding common shares. The authorized share capital is unlimited no par value common shares.

(b) As at the date of the MDA the Company has 10,083,534 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 12,535,875 share purchase warrants.

RELATED PARTY TRANSACTIONS

Key management personnel compensation for the period ended June 30, were:

	2021	2020
Short-term benefits paid or accrued:		
Consulting fees	\$ -	\$ 218,750
Salaries	592,096	-
Director fees	99,750	-
Share-based compensation	834,034	720,023
Exploration expenditures	-	117,920
Professional fees	137,246	-
Total remuneration	\$ 1,663,126	\$ 1,056,693

Included in accounts payable and accrued liabilities as at September 30, 2021 was \$96,327 (December 31, 2020 – \$132,422) owed to a company controlled by officer. During the period ended September 30, 2021, the Company issued 45,999 common shares valued at \$32,659 with a director of the Company.

During the year ended December 31, 2020, the Company issued 60,396 (December 31, 2019 - 480,000) common shares valued at \$50,733 (December 31, 2019 - \$76,800) as debt settlement with officers and a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

INVESTOR RELATIONS

The Company has no investor relations contracts and Marcio Fonseca, CEO and President and Brenda Dayton, VP Corporate Communications of the Company, handle any matters in regard to investor relations.

PROPOSED TRANSACTIONS

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new Properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements, and the reported amounts of revenues and expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company's condensed interim consolidated financial statements the carrying value and the recoverability of the exploration and evaluation assets included in the Condensed Interim Consolidated Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Condensed Interim Consolidated Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended September 30, 2021 that had a material effect on its consolidated financial statements. The Company's significant accounting policies are disclosed in Note 2 to its consolidated financial statements for the year ended December 31, 2020.

New standards and interpretations

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. There were no new standards adopted by the Company.

RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political and economical.

The Company will take steps to verify the title to any Properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such Properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few Properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified

personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Resource exploration and development is a highly speculative business, characterized by several significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its Properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former Properties that may result in material liabilities to the Company.

The COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce resource prices, share prices and financial liquidity and thereby severely limit the financing capital available in the mineral exploration sector.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, receivables and value added tax. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions. Credit risk with respect to value added taxes is considered to be low as they are due from a government agency. Value added taxes are subject to review and potential adjustment by taxation authorities.

Liquidity risk

As of September 30, 2021, the Company had cash balance of \$6,750,637 to settle current liabilities of \$14,194,603 and has significant expenditure requirements pursuant to Mexican concession taxes. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currency. Amounts exposed to foreign currency risk include cash of MX\$3,057,816 as of September 30, 2021 and accounts payable of MX\$225,563,065. A 10% change in foreign exchange rates will affect profit or loss by less than \$1,385,000.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' deficiency, consisting of issued common shares, stock options and warrants included in reserves, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new Properties and seek to acquire an interest in additional Properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.

FORWARD-LOOKING STATEMENTS

This MDA contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking

statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral Properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral Properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its Properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its Properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risks and Uncertainties".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MDA. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking

statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the period ended September 30, 2021, the Company did not enter any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under "Related Party Transactions".
2. During the period ended September 30, 2021, officers of the Company were paid for their services as officers by the Company as noted above under "Related Party Transactions".
3. During the period ended September 30, 2021, the Company did not enter any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its most recent, financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com or on the Company's website at www.grsilvermining.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.