



TSX-V: GRSL
OTCQB: GRSF

ANNUAL INFORMATION FORM

FOR

GR SILVER MINING LTD.

For the financial year ended December 31, 2021

Dated April 26, 2022

Suite 900 - 999 West Hastings Street, Vancouver, British Columbia V6C 2W2
www.grsilvermining.com

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PRELIMINARY NOTES

This annual information form (“**AIF**”) of GR Silver Mining Ltd. (the “**Company**”) is prepared in the form prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators. All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

All information in this AIF is as of December 31, 2021, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This AIF and the documents incorporated into this AIF contain forward looking statements and forward-looking information within the meaning of applicable Canadian securities laws (such forward looking statements and forward-looking information being collectively hereinafter referred to as “**forward-looking statements**”). Such forward-looking statements are based on expectations, estimates and projections as at the date of this AIF or the dates of the documents incorporated by reference herein, as applicable.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “*anticipates*”, “*believes*”, “*budget(s)*”, “*forecasts*”, “*estimates*”, “*expects*”, “*is expected*”, “*intends*”, “*objectives*”, “*plans*”, “*scheduled*”, or “*targets*”, or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results “*could*”, “*may*”, “*might*”, “*should*”, “*will*” or “*would*” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

- ♦ risks related to the timing and amount of funding required to execute the Company’s business plans;
- ♦ risks related to failure to obtain adequate financing on a timely basis and on acceptable terms;
- ♦ the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations;
- ♦ risks and uncertainties relating to the interpretation of drill results, the geology, grade, and continuity of mineral deposits and conclusions of economic evaluations;
- ♦ risks relating to possible variations in resources, grade, planned mining dilution, and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- ♦ the potential for delays in exploration or development activities;
- ♦ mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- ♦ risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- ♦ risks relating to the acquisition and maintenance of the necessary licenses and permits;
- ♦ risks related to delays in obtaining governmental approvals or in the completion of development or construction activities;

- ♦ risks related to environmental regulation and liability;
- ♦ risks of disruptions at the third-party plants milling and refining the Company's ore and concentrate;
- ♦ risks related to title to properties, property interests, and title claims and rights;
- ♦ changes in mining legislation adversely affecting operations;
- ♦ political and regulatory risks associated with mining and exploration;
- ♦ risk associated with foreign operations in other countries;
- ♦ risks relating to the availability of and ability to retain skilled labour;
- ♦ loss of key personnel, conflict of interest, and dependence on management;
- ♦ risks related to limitations on insurance coverage;
- ♦ risks related to commodity price and foreign exchange rate fluctuations; and
- ♦ risks relating to current global financial conditions.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which management of the Company believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Some of these risks, uncertainties, and other factors are described herein under the heading "*Risk Factors*". When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

The list of risk factors set out in this AIF is not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results, performance or achievements could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this AIF generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements which are contained in this AIF and the documents incorporated into this AIF.

CLASSIFICATION OF MINERAL RESOURCES

The terms "*Measured*", "*Indicated*" and "*Inferred*" Mineral Resources used or referenced in this AIF are defined in accordance with National Instrument 43-101 ("**NI 43-101**") under the guidelines set out in the CIM Standards on Mineral Resources and Mineral Reserves.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. “*Inferred Mineral Resources*” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than a Preliminary Economic Study.

United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable or that an Indicated Mineral Resource is economically or legally mineable.

METRIC CONVERSION TABLE

For ease of reference, the following conversion factors are provided:

| <u>Metric Unit</u> | <u>U.S. Measure</u> | <u>U.S. Measure</u> | <u>Metric Unit</u> |
|-------------------------------|-----------------------|---------------------|--------------------|
| 1 hectare (“ ha ”) | 2.471 acres | 1 acre | 0.4047 hectares |
| 1 meter (“ m ”) | 3.281 feet | 1 foot | 0.3048 meters |
| 1 kilometer (“ km ”) | 0.621 miles | 1 mile | 1.609 kilometers |
| 1 gram (“ g ”) | 0.032 troy ounces | 1 troy ounce | 31.1 grams |
| 1 kilogram (“ kg ”) | 2.205 pounds | 1 pound | 0.454 kilograms |
| 1 tonne (“ t ”) | 1.102 short tons | 1 short ton | 0.907 tonnes |
| 1 gram/tonne (“ g/t ”) | 0.029 troy ounces/ton | 1 troy ounce/ton | 34.286 grams/tonne |

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “\$”, “CAD\$” or “Canadian dollars” in this AIF refer to the Canadian dollar. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

The Company reports its financial results and prepares its financial statements in Canadian dollars. All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated.

**GR SILVER MINING LTD.
ANNUAL INFORMATION FORM**

For its financial year ended December 31, 2021

CORPORATE STRUCTURE

Name, Address and Incorporation

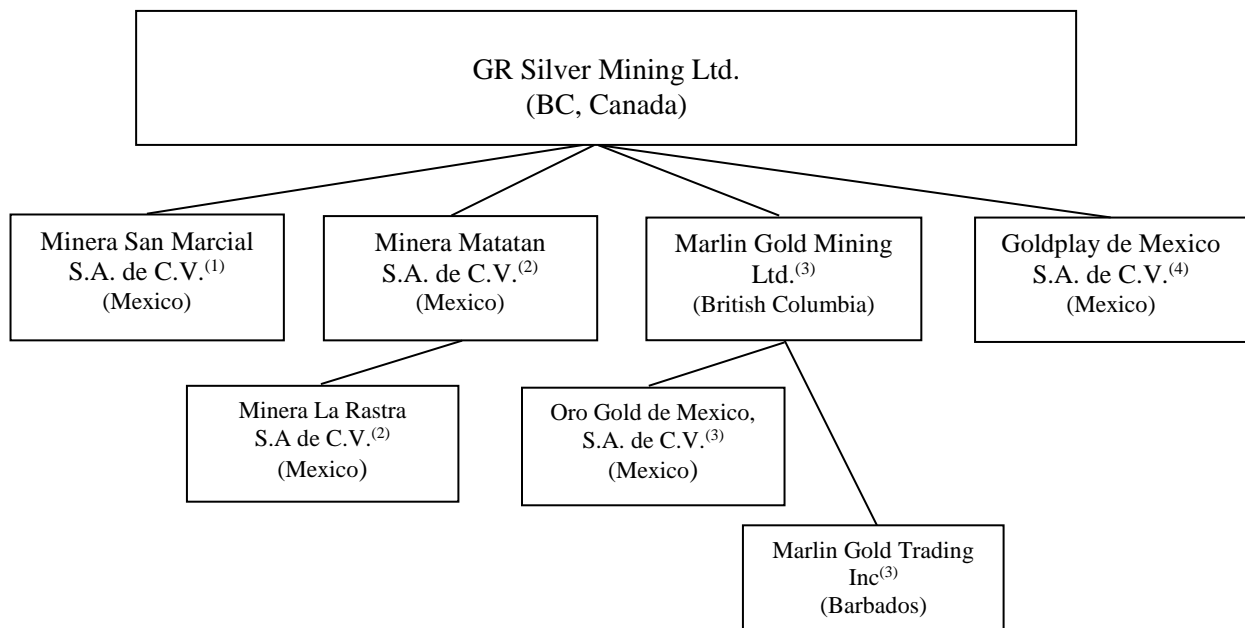
The Company is a company resulting from the amalgamation under the British Columbia *Business Corporations Act* (“**BCBCA**”) on March 1, 2018, of Soleil Capital Corporation, then a public British Columbia company, and Goldplay Exploration Ltd., then a private British Columbia company. The Company was amalgamated under the name Goldplay Exploration Ltd. and thereafter changed its name to GR Silver Mining Ltd. on January 13, 2020. The Company is governed by the laws of the Province of British Columbia (“**BC**”).

The Company’s registered office is located at Suite 600 – 890 West Pender Street, Vancouver, BC V6C 1J9 and its head office is located at Suite 900 – 999 West Hastings Street, Vancouver, BC V6C 2W2.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario. The Company’s common shares are listed for trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “**GRSL**” and are quoted on the OTCQB Venture Market in the United States under the symbol “**GRSLF**” and the Frankfurt Stock Exchange under the symbol “**GPE**”.

Inter-corporate Relationships

Set out below is the corporate structure of the Company and its subsidiaries, including the corporate jurisdiction and the percentage of shares of each subsidiary owned, controlled or directed by the Company.



Notes:

- (1) Minera San Marcial S.A. de C.V. is beneficially owned 100% by the Company and holds the concessions comprising the San Marcial Property (refer to “*General Development of the Business – Acquisitions*” and “*Description of the Business*” below).
- (2) Minera Matatan S.A. de C.V. is beneficially owned 100% by the Company and beneficially owns 100% of Minera La Rastra S.A. de C.V. which holds the concessions comprising the Plomosas Property, as well as seven other concessions in the district (refer to “*General Development of the Business – Acquisitions*” and “*Description of the Business*” below).

- (3) Marlin Gold Mining Ltd. is beneficially owned 100% by the Company and beneficially owns Oro Gold de Mexico, S.A. de C.V. which holds the concessions comprising the La Trinidad Property, as well as four other concessions in the district. Marlin Gold Mining Ltd. also owns 100% of Marlin Gold Trading Inc, a company with no active business. (Refer to “*General Development of the Business – Acquisitions*” below).
- (4) Goldplay de Mexico S.A. de C.V. is beneficially owned 100% by the Company and holds the concessions comprising the El Habal Property (refer to “*General Development of the Business – Acquisitions*” below), as well as the El Placer II, Tigra Negra Fracc. II-III-IV-V and Yauco concessions. In addition, it has filed applications with the General Bureau of Mines (Mexico) for three concessions located near the municipality of Huajicori, Nayarit, Mexico and two concessions located near the municipality of Rosario, Sinaloa, Mexico.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

GR Silver is a mineral exploration and resource expansion company. It controls 100% of approximately 734 sq. km of highly prospective exploration concessions within the historic Rosario Mining District, in Sinaloa State, Mexico, and includes two mineral resource estimates as well as two past-producer mines. The two key assets of the Company, which both include National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”) mineral resource estimates, are:

- (1) the **Plomosas Property** - located approximately 100 km east-southeast of Mazatlán. This property includes a past-producing underground lead-zinc-silver-gold mine where the Company recently released the first ever NI 43-101 resource estimates on the Plomosas Mine Area and the San Juan Area (refer to “*Description of the Business – Plomosas Property, Sinaloa, Mexico*” below). The Plomosas Property is comprised of 6,573.5 ha of land and includes at least 16 additional exploration targets of which 11 are prioritized for further review and assessment; and
- (2) the **San Marcial Property** – a resource expansion stage asset. This property consists of a 1,250 ha land package located 5 km south of the Plomosas historic mine. The San Marcial Property contains a near-surface, high-grade silver, lead, and zinc open pit amenable project for which a NI 43-101 resource estimate was completed by the Company in early 2019 and amended in June 2020 (refer to “*Description of the Business – San Marcial Property, Sinaloa, Mexico*” below).

In addition to the two NI 43-101 resource assets (above), the Company holds approximately 700 sq. km of highly prospective assets which include:

- (a) the **El Habal Property** - located 30 km west of the San Marcial Property. This property is comprised of 4,009.8 ha of land and is located 75 km southeast of the modern coastal port of Mazatlán, and 10 km from the historic mining town of El Rosario, with paved road access. The El Habal Property is a drill-stage project (refer to “*Other Properties, Sinaloa, Mexico - (1) El Habal Property, Sinaloa, Mexico*” below);
- (b) the **La Trinidad Property** - located to the south-southwest of the San Marcial and Plomosas properties. This property includes the past-producer La Trinidad open pit, heap leach gold mine that ceased operating in 2019 within a group of four concessions totaling 35,363.5 ha. The La Trinidad Property was acquired by the Company in March 2021 for its exploration potential, and includes at least 24 targets that are currently being prioritized for follow-up exploration (refer to “*Other Properties, Sinaloa, Mexico - (2) La Trinidad Property and Cimarron Property, Sinaloa, Mexico*” below); and
- (c) the **Cimarron Property** - located 20 km north-northeast of the town of El Rosario. This property is comprised of 2,874 ha of land. A historical gold resource was estimated for Cimarron in 2012 (refer to “*Other Properties, Sinaloa, Mexico - (2) La Trinidad Property and Cimarron Property, Sinaloa, Mexico*” below).

The other assets of the Company include exploration concessions and applications close to the El Rosario historical multi-million ounce gold-silver mine, named **Rosario, Union II, El Habal Sur and Yauco**, as well as **El Placer II**, located in the Concordia District to the north.

Note: The NI 43-101 resource reports for the Plomosas, San Marcial and El Habal Properties are available under the Company's profile on SEDAR (www.sedar.com) or on the Company's website (www.grsilvermining.com).

Three Year History

Fiscal year ended December 31, 2019

Non-Brokered Private Placement Offering

On June 24, 2019, the Company completed a private placement of 11,010,000 common shares at a price of \$0.125 per common share for gross proceeds of \$1,376,250. The Company paid cash finders' fees of \$28,500 and issued 228,000 compensation warrants in connection therewith. Each compensation warrant is exercisable into one common share of the Company for a period of three years at an exercise price of \$0.15 per share.

Brokered Private Placement Offering

On November 6, 2019, the Company completed a brokered private placement of 15,000,000 common shares at a price of \$0.20 per common share for gross proceeds of \$3,000,000. The Company paid a cash commission totaling \$171,600 and issued an aggregate of 891,000 broker warrants in connection therewith. Each broker warrant is exercisable into one common share of the Company for a period of three years at an exercise price of \$0.25 per share.

Issuance of Shares for Debt Settlements/Services

On June 24, 2019, the Company issued a total of 600,000 common shares at a deemed value of \$0.125 per share (total: \$75,000) as debt settlements with various creditors.

On September 20, 2019, the Company issued 824,376 common shares at a deemed value of \$0.20 per share (total: \$164,875) to a contractor engaged under a shares for services drilling contract.

On December 20, 2019, the Company issued a final tranche of 259,443 common shares at a deemed value of \$0.185 per share (total: \$47,997) to a contractor engaged under a shares for services drilling contract.

Issuance of Stock Options

On January 16, 2019, the Company granted 250,000 stock options to an eligible person, each of which option is exercisable into one common share of the Company at an exercise price of \$0.20 per share for a period of five years. These options vest as to 25% every 3 months after their date of grant.

On August 8, 2019, the Company granted 710,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.21 per share for a period of five years. 100,000 of these options vest as to 25% every 3 months after their date of grant.

On November 27, 2019, the Company granted an aggregate of 1,370,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.185 per share for a period of five years.

Fiscal year ended December 31, 2020Minera La Rastra Transaction

On March 26, 2020, the Company issued 17,097,500 common shares to First Majestic Silver Corp. for the acquisition of Minera La Rastra S.A. de C.V.

San Marcial Transaction

On May 1, 2020, the Company issued to SSR Mining Inc. 750,000 common shares having a deemed value of \$225,000 for a property option payment relating to the acquisition of the San Marcial Property.

Bought Deal Private Placement Offering

On June 18, 2020, the Company closed a bought deal private placement pursuant to which it sold and issued an aggregate of 33,900,000 units at a price of \$0.27 per unit for gross proceeds of \$9,153,000. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant, with each whole warrant being exercisable into one common share of the Company for a period of one year at an exercise price of \$0.40 per share. The Company paid aggregate cash finders' fees of \$636,660 and issued a total of 2,358,000 agent warrants in connection therewith. Each agent warrant was exercisable for one common share of the Company for a period of one year at an exercise price of \$0.27 per share.

Issuance of Shares for Debt Settlements

On August 17, 2020, the Company issued a total of 427,375 common shares at a deemed value of \$0.475 per share (total: \$358,995) as debt settlements with various creditors.

Issuance of Stock Options

On April 16, 2020, the Company granted 300,000 stock options to an eligible person, each of which option is exercisable into one common share of the Company at an exercise price of \$0.20 per share for a period of 5 years.

On May 13, 2020, the Company granted an aggregate of 1,385,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.335 per share for a period of five years.

On September 14, 2020, the Company granted an aggregate of 1,145,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.78 per share for a period of five years.

Issuance of Shares on Exercise of Warrants and Stock Options

During fiscal 2020, the Company issued an aggregate of 7,148,149 common shares in conjunction with the exercise of warrants for total proceeds of \$2,081,729.

During fiscal 2020, the Company issued an aggregate of 925,000 common shares in conjunction with the exercise of stock options for total proceeds of \$231,725.

Fiscal year ended December 31, 2021*Bought Deal Private Placement Offering*

On April 27, 2021, the Company closed a bought deal private placement pursuant to which it sold and issued an aggregate 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, with each whole warrant being exercisable into one common share of the Company for a period of two years at an exercise price of \$0.74 per share. The Company paid aggregate cash finders' fees of \$617,369 and issued an aggregate of 255,000 agent units and 1,338,388 agent warrants. In conjunction with this financing the Company also paid a corporate finance fee of \$22,000. The agent units have the same terms as the private placement units. Each agent warrant is exercisable into one common share of the Company for a period of two years at an exercise price of \$0.59 per share.

San Marcial Transaction

On May 5, 2021, the Company issued to SSR Mining Inc. 1,500,000 common shares valued at \$933,000 for the final option payment to acquire 100% of the San Marcial Property.

Issuance of Shares for Debt Settlements

On February 5, 2021, the Company issued 141,097 common shares at a deemed value of \$0.74 per share (total: \$104,411.78) as debt settlement under a drilling rig acquisition agreement.

On May 31, 2021, the Company issued 45,999 common shares at a deemed value of \$0.71 per share (total: \$32,659) as debt settlement.

Issuance of Stock Options

On January 21, 2021, the Company granted an aggregate of 2,405,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.74 per share for a period of five years. 1,450,000 of these options vest 1/3 on granting and 1/3 on the first and second anniversary of the date of grant.

On February 24, 2021, the Company granted an aggregate of 300,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.74 per share for a period of five years. 200,000 of these options vest 1/3 on granting and 1/3 on the first and second anniversary of the date of grant.

On May 13, 2021, the Company granted an aggregate of 800,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.71 per share for a period of five years. 300,000 of these options vest 1/3 on granting and 1/3 on the first and second anniversary of the date of grant.

On October 5, 2021, the Company granted an aggregate of 155,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.29 per share for a period of five years.

Issuance of Shares on Exercise of Warrants and Stock Options

During fiscal 2021, the Company issued an aggregate of 16,153,000 common shares in conjunction with the exercise of warrants for total proceeds of \$6,265,160.

During fiscal 2021, the Company issued an aggregate of 849,644 common shares in conjunction with the exercise of stock options for total proceeds of \$236,544.

Subsequent to the year ended December 31, 2021

Special Warrant Brokered Private Placement

On March 29, 2022, the Company completed a brokered private placement offering (the “**Special Warrant Offering**”) pursuant to which it sold and issued an aggregate of 27,236,755 special warrants (each a “**Special Warrant**”) at a price of \$0.27 per Special Warrant for gross proceeds of \$7,353,924. Each Special Warrant is automatically exercisable into one unit of the Company (a “**Unit**”), with each Unit being comprised of one common share in the capital of the Company (each a “**Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.37 per share until March 29, 2025.

All Special Warrants shall be automatically exercisable, for no additional consideration and without any further action on the part of the holder thereof, into Units on the date that is the earlier of: (i) the fifth business day on which a final receipt is obtained from the British Columbia Securities Commission, on behalf of the securities regulatory authorities in each of the applicable Provinces of Canada (collectively, the “**Securities Commissions**”), for the filing of the final short form prospectus (the “**Final Prospectus**”) pursuant to National Instrument 44-101 - Short Form Prospectus Distributions, qualifying the distribution of the securities to be issued upon exercise or deemed exercise of the Special Warrants; and (ii) 4:59 pm (Toronto time) on July 30, 2022.

The Company covenanted to use its commercially reasonable efforts to obtain a receipt from the Securities Commissions for the Final Prospectus by June 7, 2022, provided, however, that there is no assurance that the Final Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period. Notwithstanding the foregoing, in the event the Company has not received a receipt from the Securities Commissions for the Final Prospectus by June 7, 2022, each unexercised Special Warrant will thereafter entitle the holder to receive, upon the exercise thereof, for no additional consideration, instead of a Unit, a penalty unit (a “**Penalty Unit**”), with each Penalty Unit being comprised of one Common Share and one full Warrant (in place of one-half of one Warrant).

The Company paid to the agents of the Special Warrant Offering an aggregate cash commission of \$442,931 and issued to the agents an aggregate of 1,566,410 special broker warrants (the “**Special Broker Warrants**”), each of which is exercisable at no additional cost to the holder thereof for one broker warrant (the “**Broker Warrants**”). Each Broker Warrant shall be exercisable for one common share of the Company until March 29, 2025, at an exercise price of \$0.27 per share.

Issuance of Stock Options

On March 8, 2022, the Company issued 304,987 common shares in conjunction with the exercise of warrants for proceeds of \$67,097.

On April 6, 2022, the Company granted an aggregate of 920,000 stock options to eligible persons, each of which option is exercisable into one common share of the Company at an exercise price of \$0.25 per share for a period of five years. 100,000 of these options vest 1/3 on granting and 1/3 on the first and second anniversary of the date of grant.

Issuance of Shares for Debt Settlements

On April 25, 2022, the Company issued 136,909 common shares at a deemed value of \$0.245 per share (total: \$33,542.87) as debt settlement.

Acquisitions

Mexico

La Trinidad Property and Cimarron Property, Mexico

On March 31, 2021, the Company completed the acquisition of all of the issued and outstanding shares of Marlin Gold Mining Ltd., a British Columbia company that, through a wholly-owned subsidiary, owns the past-producer La Trinidad Mine and the La Trinidad concessions, which properties are located in the Rosario Mining District, Sinaloa, Mexico. Marlin Gold Mining Ltd. also owns 100% of Marlin Gold Trading Inc., a company with no active business. Included within this acquisition is Cimarron – an advanced stage project with a historical gold resource, located to the north-northwest of El Rosario town. In consideration for all of the shares of Marlin Gold Mining Ltd., the Company paid the vendor \$50,000 and granted the vendor a 1% net smelter royalty which the Company may buy-back for US\$2,000,000 at any time.

For accounting purposes, the La Trinidad acquisition was treated as an asset acquisition. As such, effective as of the date of closing, the fair value assigned to the identifiable assets and liabilities purchased are presented below:

| | |
|--|-------------------|
| Purchase Price | |
| Cash payment | \$ 50,000 |
| Legal, regulatory, and other costs | 282,516 |
| Total purchase price | \$ 332,516 |
| Net assets acquired and allocation | |
| Assets | |
| Cash | \$ 5,467 |
| Receivables and prepaids | 39,084 |
| Value added tax | 82,568 |
| Buildings | 747,225 |
| Indemnification asset | 1,246,610 |
| Exploration and evaluation assets | 12,638,084 |
| Liabilities | |
| Accounts payable | \$ (31,533) |
| Mexico mining concession taxes | (11,963,059) |
| Reclamation provision | (2,431,930) |
| Total net assets acquired and allocated | \$ 332,516 |

Plomosas Property, Mexico

In March 2020, the Company, through a Mexican subsidiary, acquired a 100% interest in the Plomosas Property, as part of a suite of 18 concessions located in the Rosario Mining District, Sinaloa, Mexico through the acquisition of all of the issued and outstanding shares of Minera La Rastra S.A de C.V. The purchase price paid for this acquisition was \$100,000 and 17,097,500 common shares of the Company. In addition, the vendor was granted a 2% net smelter returns royalty, half of which (i.e., 1% NSR) is subject to a buy-back right and may be purchased for US\$1,000,000.

For accounting purposes, the Plomosas acquisition was treated as an asset acquisition and any excess of consideration paid over net monetary assets acquired was attributed to exploration and evaluation assets. As such, effective as of the date of closing, the fair value assigned to the identifiable assets and liabilities purchased are presented below:

| | |
|--|---------------------|
| Purchase Price | |
| Cash payment | \$ 100,000 |
| Common shares issued | 2,906,575 |
| Legal, regulatory, and other costs | 161,268 |
| Total purchase price | \$ 3,167,843 |
| Net assets acquired and allocation | |
| Assets | |
| Cash | \$ 2,379 |
| Receivables | 11,095 |
| Equipment | 276,965 |
| Exploration and evaluation assets | 3,094,180 |
| Liabilities | |
| Accounts payable | \$ (6,085) |
| Reclamation provision | (210,691) |
| Total net assets acquired and allocated | \$ 3,167,843 |

San Marcial Property, Mexico

In April 2018, the Company entered into a three year option agreement (the “**San Marcial Option Agreement**”) to acquire a 100% interest in the San Marcial concessions located in the Rosario Mining District, Sinaloa, Mexico. On May 6, 2021, the Company paid the last option payment and consequently acquired 100% of the San Marcial Property. The total purchase price paid for San Marcial in tranches over a three-year period was \$2,575,000, 3,500,000 common shares of the Company and the incurring of \$3,000,000 in exploration expenditures on San Marcial. In addition, at closing, the optionor was granted a 0.75% net smelter return royalty, which royalty is subject to a buy-back right and may be purchased for CAD\$1,250,000.

Under the San Marcial Option Agreement, the Company was required to complete an updated resource estimate report conforming to the standards of NI 43-101. On February 7, 2019, the Company issued a compliant resource estimate report, which was subsequently updated on June 12, 2020. This updated resource estimate formed the basis for the amount of the net smelter return royalty to be granted at closing, as well as the purchase price related to the buy-back rights. Refer to “*Description of the Business – San Marcial Property, Sinaloa, Mexico*” below for details on the San Marcial Technical Report (defined below).

The San Marcial concessions are held by the Company’s wholly-owned subsidiary, Minera San Marcial S.A. de C.V.

Refer to “*Description of the Business – San Marcial Property, Sinaloa, Mexico*” below for further information on San Marcial.

El Habal Property, Mexico

In May 2013, the Company entered into an agreement, subsequently amended, whereby it acquired 100% of the rights, title and interests in the concessions comprising the El Habal Property in consideration for which it issued 474,423 common shares for a total deemed value of \$35,000. The property is subject to net smelter return (“**NSR**”) royalties aggregating between 1.0% - 1.5%, the exact sums of which will be based on gold prices at the time they are due. This property is held by the Company’s wholly-owned subsidiary, Goldplay de Mexico S.A. de C.V.

On March 5, 2018, the Company entered into an arm’s length option agreement and royalty agreement for total sale proceeds of up to US\$2,000,000 + CAD\$100,000. Pursuant to these agreements, the Company received \$100,000 for the option to purchase a 1% net smelter return royalty on the El Habal Property and four concessions adjacent to the El Habal Property. Under the terms of the option agreement, the optionee can exercise an option to purchase up to a total 1% net smelter return royalty on the property by paying the Company up to US\$2,000,000, by paying the Company US\$1,000,000 per 0.5% NSR.

Refer to “*Description of the Business – El Habal Property, Sinaloa, Mexico*” below for further information on the El Habal Property.

Other Properties, Mexico

On April 20, 2017, the Company entered into an assignment of rights agreement by virtue of which 100% interest and title to five concessions and four applications adjacent to the El Habal Property were assigned to a wholly-owned subsidiary of the Company.

Dispositions

Nevada

During fiscal 2021, the Company held optioned interests in the three Nevada properties, the Stone Cabin Property, the Boldt Property and the Golconda Summit Property. In January 2021, the Company terminated the Stone Cabin Property and Boldt Property option agreements. Effective May 21, 2021, the Company sold and assigned its interest under the Golconda Summit Property option agreement to a third party in consideration for which it received \$70,796 (US\$60,000).

Mexico

La Poderosa, Santa Cesilia and La Patilla II

In June 2021, the Company submitted documents to the Mexican authorities to proceed with the cancellation of the La Poderosa, Santa Cesilia and La Patilla II concessions due to their proximity to a large federal infrastructure project - the Santa Maria Dam and associated infrastructure, currently under construction. These three concessions were originally acquired as part of the Marlin Gold Mining Ltd. (La Trinidad Property) transaction described above.

El Salto and El Salto Sur

The Company entered into an arm’s length transaction on December 20, 2021 pursuant to which it sold a 100% interest in two of its non-core concessions – known as the “El Salto” and “El Salto Sur” properties – located in the Rosario Mining District of Sinaloa and crossing into the State of Nayarit. The sale resulted in the Company receiving US\$1,000 and a 0.5% net smelter royalty (NSR) from the acquiring company, Grupo Minero Venturex S.A. de C.V. These two concessions had been acquired as part of the Marlin Gold Mining Ltd. (La Trinidad Property) transaction described above.

DESCRIPTION OF THE BUSINESS

General

The Company is engaged in the business of the acquisition, exploration and development of mineral resource properties, with a focus on silver and gold properties in Mexico. The two key assets of the Company, which both include NI 43-101 mineral resource estimates, are the San Marcial Property and the nearby Plomosas Property, which incorporates the key assets of the Plomosas Mine Area and the San Juan Area, located within the Rosario Mining District of Sinaloa, Mexico. As such, the Company’s business is dependent on foreign operations in Mexico.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. In the event that the Company intends to acquire additional properties in connection with its exploration and

development activities, it will be in competition with other mining companies. Competitors for these interests may have greater financial resources and technical facilities than the Company. As a result, the Company may not be able to acquire desired properties in the future on acceptable terms. The Company also competes with other mining companies to attract and retain qualified employees.

Employees

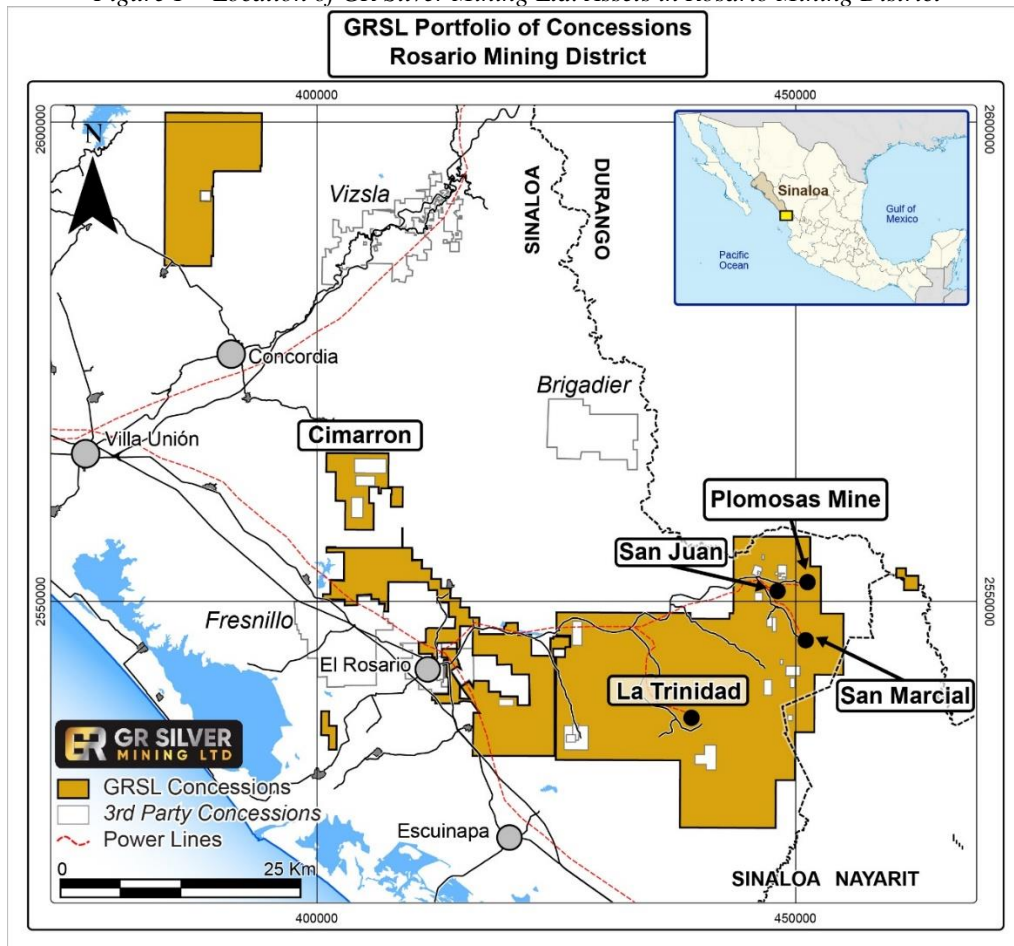
As of the date of this AIF, the Company has 5 employees based in its Canadian office and the Company's 100% owned subsidiaries in Mexico have approximately 137 employees. In addition, the Company frequently uses consultants and contractors in connection with its administration, operational, exploration and development activities.

Mineral Properties

The two key assets of the Company, which both include NI 43-101 mineral resource estimates, are the San Marcial Property and the nearby Plomosas Property, and as such, are both material to the Company's business. The Company also holds a number of other assets within the same district (Figure 1).

The following map indicates the location of the Company's projects in Mexico:

Figure 1 – Location of GR Silver Mining Ltd. Assets in Rosario Mining District



Note: Map obtained from the GR Silver Mining Ltd Management Discussion and Analysis – December Quarter 2021

Technical reports have previously been prepared in respect of the Company's material properties as follows:

1. A technical report entitled "*San Marcial Project, Resource Estimation and Technical Report*" dated March 26, 2019, with an effective date of February 7, 2019, and an amended date of June 10, 2020 and prepared by Todd McCracken, P.Geo. and Marcelo Filipov, P.Geo. (the "**San Marcial Technical Report**").
2. A technical report entitled "*Technical Report for the Plomosas Project, Sinaloa, Mexico*" dated October 7, 2021, with an effective date of March 15, 2021, prepared by Dr. Gilles Arseneau, P. Geo. and Shane Tad Cowie, P. Eng. (the "**Plomosas Project Technical Report**").

San Marcial Property, Sinaloa, Mexico

The following italicized information regarding San Marcial is the Section 1 - Summary contained in and extracted from the San Marcial Technical Report. All defined terms used in this section entitled "*San Marcial, Sinaloa, Mexico*" shall have the meaning ascribed to them in the San Marcial Technical Report. For clarity, the Company is sometimes referred to as "Goldplay" in the below excerpt.

A copy of the San Marcial Technical Report is available under the Company's profile on SEDAR at www.sedar.com (initially filed March 26, 2019, with an amended report filed on June 12, 2020). The San Marcial Technical Report is incorporated by reference into this AIF. **Readers are encouraged to review the San Marcial Technical Report in its entirety.**

SUMMARY

*The San Marcial Project (the "**Project**") is situated within a land package of approximately 1,250 ha. The resource area comprises an internal target located in the center of the concession area defined by mineralization outcropping on surface along a 500 m long mineralized hydrothermal breccia. The Project is situated along the western edge of the Sierra Madre Occidental geological province, at lower elevations and is accessible by road with favorable infrastructure and logistics for future project development. The Project contains a low sulphidation silver-lead-zinc-(copper-gold) epithermal deposit, which hosts a near-surface, relatively high-grade silver, zinc, lead resource, with potential for bulk tonnage-open pit development. The host rock is a wide 10 to 50 m wide hydrothermal breccia, continuous along 500 m in the resource area and open along the strike. The Project hosts the San Marcial Deposit, which is currently defined by surface diamond drilling, underground development and surface and underground channel samples.*

WSP was commissioned by Goldplay in 2018 to issue the mineral resource and complete a technical report for the San Marcial Deposit. This report has been prepared in accordance with National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects, Companion Policy 43-101CP to NI 43-101, and Form 43-101F of NI 43-101 and current 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.

1.1 GEOLOGY

The historic regional aeromagnetic data over the Rosario Mining District clearly shows a major terrain boundary running SSE some 38 km east of Mazatlán and then forming an arc which runs E-W some 32 km north of Mazatlán. The Rosario District is characterized by a number of major structures which dissipate into second and third order structures within the district. The San Marcial prospects lie in an area of structural complexity generated by the intersection of a major crustal E-W structure with the NNW trending structures within the district.

The geology at San Marcial can be sub-divided into two distinct underlying rock types: the first being the Upper Volcanic Group of basal conglomerates, rhyolites and dacites occurring in the higher and more mountainous portions of the Project. This unit lies on the erosional surface above the Lower Volcanic Group. The Lower Volcanic Group consists of an epiclastic sequence of lapilli tuff and volcanic ash, with intercalated dacites and trachyandesites. The known silver prospects at San Marcial are hosted along what appears to be a narrow set of NW trending fault structures with a 60° NE dip, near the prospective unconformity.

The San Marcial resource area is a low sulphidation epithermal system with four multiphase mineralizing events, as identified by minerographic studies rich in silver, lead, and zinc.

1.2 HISTORY

This district is known historically as a significant area for silver, gold, lead, and zinc production by the Spaniards as early as the 1600s. From 1985 to 2010, intermittent exploration has been conducted on the Project by a variety of operators.

In the late 1930s, a 54-m shaft was sunk, and approximately 277 m of drifting was developed for exploration and production purposes. From 2000 to 2010, 52 drillholes, totalling 8,592 m, and trenches totalling 1,532 m were completed.

1.3 METALLURGY

Three metallurgical studies have been completed on samples from the Project and were reviewed by the author. The results indicate metallurgical recoveries of silver in the range of 85 to 92% are possible. However, these results are considered preliminary due to the small number of samples taken.

1.4 RESOURCE ESTIMATION

The surface drilling, trenches and underground development completed on the Project by various operators was considered as part of the resource estimation. Drill logs, assay summaries, and assay certificates for most of these historic drillholes are available. Historic data has been compiled into digital format and combined with the Goldplay data to support the Mineral Resource Estimate. In addition, Goldplay has supplied the wireframes which were used for the estimation. WSP reviewed and validated the wireframes provided.

The database includes 95 drillholes / trench sampling cuts. All (geologically and geographically relevant) samples were included in the resource estimation.

To date, three domains have been identified.

The quality assurance/quality control (QA/QC) programs undertaken by Goldplay confirm the reliability of the assay data for resource estimation on the zones.

The current drillhole density is sufficient to support the resource estimate generated.

Samples within each domain were composited to 3 m and grade capping was applied to the composited samples.

1.5 CONCLUSION

A pit shell analysis using a base case of US\$18.50 silver price and a cutoff value of 30 g/t, provided a pit constrained Indicated resource estimate of 7.5 Mt with an average grade of 118 g/t silver, 0.51% zinc and 0.32% lead, and additional pit constrained Inferred resource of 2.5 Mt with an average grade of 77 g/t silver, 0.27% zinc and 0.11% lead. The pit has a 3:1 strip ratio.

Under the pit there is an Indicated resource estimate of 0.1 Mt with an average grade of 79 g/t silver, 0.54% zinc, and 0.26% lead, and additional Inferred resource of 0.9 Mt with an average grade of 131 g/t silver, 0.59% zinc, and 0.09% lead. Table 1.1 summarizes the mineral resource.

The San Marcial deposit remains open along strike and at depth.

Table 1.1 – San Marcial Resource Summary

| Class | | Type | Cutoff AgEq g/t | Tonnage (000s) | Ag (g/t) | AgEq (g/t) | Zn (%) | Pb (%) | Ag (Moz.) | AgEq (Moz.) | Zn ('000 lbs) | Pb ('000 lbs) |
|-----------------|-----------|-------------------|-----------------------|-------------------|-------------|---------------|-----------|-----------|--------------|----------------|----------------------|----------------------|
| Indicated | Breccia | Breccia (OP) | 30 | 2,909 | 202 | 241 | 0.66 | 0.44 | 18.9 | 23 | 42,227 | 28,504 |
| | | Breccia (UG) | 80 | 55 | 90 | 124 | 0.64 | 0.25 | 0.2 | 0.2 | 770 | 307 |
| | | Breccia (Total) | | 2,963 | 200 | 239 | 0.66 | 0.44 | 19.0 | 22.8 | 42,997 | 28,811 |
| | Stockwork | Stockwork (OP) | 30 | 4,551 | 64 | 88 | 0.42 | 0.23 | 9.3 | 13 | 42,256 | 23,470 |
| | | Stockwork (UG) | 80 | 95 | 72 | 103 | 0.49 | 0.26 | 0.2 | 0.3 | 1,018 | 548 |
| | | Stockwork (Total) | | 4,646 | 64 | 89 | 0.4 | 0.23 | 9.5 | 13.2 | 43,274 | 24,018 |
| Indicated Total | | | 30 | 7,460 | 118 | 148 | 0.51 | 0.32 | 28.2 | 35 | 84,483 | 51,975 |
| | | | 80 | 149 | 79 | 111 | 0.54 | 0.26 | 0.4 | 0.5 | 1,788 | 855 |
| | | | Total | 7,609 | 117 | 147 | 0.51 | 0.31 | 28.6 | 36.02 | 86,271 | 52,830 |
| Inferred | Breccia | Breccia (OP) | 30 | 792 | 131 | 153 | 0.48 | 0.15 | 3.3 | 3.9 | 8,352 | 2,568 |
| | | Breccia (UG) | 80 | 638 | 135 | 165 | 0.80 | 0.06 | 2.8 | 3.4 | 11,216 | 787 |
| | | Breccia (Total) | | 1,430 | 133 | 158 | 0.62 | 0.11 | 6.1 | 7.3 | 19,568 | 3,355 |
| | Stockwork | Stockwork (OP) | 30 | 1,727 | 52 | 62 | 0.17 | 0.09 | 2.9 | 3.4 | 6,615 | 3,540 |
| | | Stockwork (UG) | 80 | 233 | 121 | 140 | 0.03 | 0.17 | 0.9 | 1.2 | 141 | 891 |
| | | Stockwork (Total) | | 1,960 | 60 | 71 | 0.16 | 0.10 | 3.8 | 4.6 | 6,756 | 4,431 |
| Inferred Total | | | 30 | 2,519 | 77 | 90 | 0.27 | 0.11 | 6.2 | 7.3 | 14,967 | 6,107 |
| | | | 80 | 871 | 131 | 158 | 0.59 | 0.09 | 3.7 | 4.6 | 11,357 | 1,678 |
| | | | Total | 3,390 | 91 | 108 | 0.35 | 0.10 | 9.9 | 11.9 | 26,324 | 7,786 |

[Management Note: Readers are encouraged to review the San Marcial Technical Report for parameters used in the calculation of “AgEq” silver equivalent grades.]

1.6 RECOMMENDATIONS

There is potential to increase the resources of the San Marcial Project down dip and along strike in the resource area, as well as upgrading the classification of the Inferred resource status. This expansion potential is based on field observations and recent surface exploration in the vicinity of the resource area and within the remainder of the San Marcial Project.

The Project therefore warrants additional investment in exploration aiming to:

- Expand the resource along strike in the vicinity of the existing resources, in areas with field evidence of high-grade silver mineralization amenable to potential open-pit development;
- Test the high-grade breccia potential at depth with oriented core drilling, using structural controls defined during recent underground structural mapping;
- Optimize metallurgical program with advancement of test work to complete definition of most attractive leaching flow sheet;
- Expand exploration on other targets within the San Marcial Project, defining new drill targets; and
- Implement Goldplay’s first drill program on new targets to define additional resources within the 3.5 km mineralized trend outside of the resource area.

[Management Note: Subsequent to the June 2020 amended Technical Report on the San Marcial Property, the following advances were made in preparation for the 2022 resource expansion drilling, which is currently underway:

- Expansion and extension of the San Marcial Tunnel (T-001) by more than 100 m to the NE, to allow for underground drilling below the current resource.
- In the first half of 2021, a surface geophysical survey was completed covering the majority of the San Marcial concessions and extending further to the NW into the GAP Area and the Plomosas concessions. The ground

geophysical survey incorporated 3D induced polarization (IP) as well as a magnetic survey, and is being reviewed in the context of recent geological mapping and sampling to identify new drill targets.

- An underground drilling program from the San Marcial Tunnel was undertaken in the second half of 2021, with eight diamond drill holes completed for 2,436 m. The program was successful in expanding the high-grade breccia down plunge/dip and along strike, below the current resource extent. Best results are shown in the following table. Readers are encouraged to review News Releases by the Company dated January 17, 2022, January 31, 2022 and April 5, 2022 which were used to compile the following results table.

| Drill Hole | From (m) | To (m) | Apparent width (m) | True width (m) | Ag g/t | Au g/t | Pb % | Zn % |
|------------|----------|---------|--------------------|----------------|--------|--------|------|------|
| SMI21-01 | 109.5 | 135.6 | 26.1 | 24.5 | 97 | 0.02 | 0.2 | 0.2 |
| includes | 118.0 | 120.0 | 2.0 | 1.9 | 881 | 0.05 | 0.2 | 0.4 |
| SMI21-02 | 140.0 | 157.8 | 17.8 | 17.5 | 53 | 0.02 | 0.3 | 0.5 |
| includes | 140.0 | 142.3 | 2.3 | 2.3 | 157 | 0.06 | 1.3 | 2.5 |
| SMI21-03 | 179.4 | 197.9 | 18.5 | 13.5 | 773 | 0.02 | 0.3 | 0.4 |
| includes | 184.5 | 190.0 | 5.6 | 4.1 | 1,792 | 0.04 | 0.6 | 0.8 |
| and | 190.0 | 197.9 | 7.9 | 5.8 | 516 | 0.02 | 0.1 | 0.1 |
| SMI21-04 | 154.0 | 192.0 | 38.0 | 29.1 | 299 | 0.04 | 0.2 | 0.4 |
| includes | 154.0 | 160.5 | 6.5 | 5.0 | 614 | 0.02 | 0.2 | 0.2 |
| includes | 157.0 | 160.5 | 3.5 | 2.7 | 1,002 | 0.03 | 0.2 | 0.2 |
| | 188.7 | 190.8 | 2.1 | 1.6 | 1,091 | 0.06 | 1.4 | 1.8 |
| SMI21-05 | 137.4 | 141.7 | 4.3 | 2.5 | 5 | 0.83 | 0.3 | 0.1 |
| | 199.2 | 203.1 | 3.9 | 2.2 | 2 | 1.52 | na | 0.1 |
| includes | 202.0 | 203.1 | 1.1 | 0.6 | 3 | 5.32 | na | 0.1 |
| SMI21-06 | 213.7 | 233.0 | 19.3 | 17.5 | 40 | 0.07 | 0.1 | 0.4 |
| SMI21-07 | 239.6 | 247.0 | 7.4 | 3.7 | 201 | 0.02 | 0.2 | 0.3 |
| includes | 239.6 | 240.0 | 0.4 | 0.2 | 1,413 | 0.11 | 0.9 | 1.3 |
| | 270.0 | 287.0 | 17.0 | 8.5 | 124 | 0.01 | 0.1 | 0.1 |
| includes | 277.0 | 281.8 | 4.8 | 2.4 | 223 | 0.01 | 0.1 | 0.1 |
| SMI21-08 | Results | Pending | | | | | | |

“na” = no significant result. Numbers may be rounded. Results are uncut and undiluted. True sample widths are approximate due to complexity of structural orientations.

- Following the successful 2021 underground drill program, a follow up drill program has been planned by the Company for 2022. The initial drill proposal for the San Marcial Property in 2022 consists of 4,500 m of drilling from both surface and underground collar locations, aimed at extension of the mineralized zone down dip and along strike, and associated resource expansion.]

Plomosas Property, Sinaloa, Mexico

The following italicized information regarding the Plomosas Property is the Section 1 - Summary contained in and extracted from the Plomosas Project Technical Report. All defined terms used in this section entitled “*Plomosas Property, Sinaloa, Mexico*” shall have the meaning ascribed to them in the Plomosas Project Technical Report.

Note that in the Plomosas Project Technical Report, the terminology of “Plomosas Project” refers to the eleven contiguous concessions surrounding, and including, the Plomosas Mine Area and the San Juan Area, acquired through the acquisition of Minera La Rastra S.A. de C.V.

A copy of the Plomosas Project Technical Report is available under the Company’s profile on SEDAR at www.sedar.com (filed October 8, 2021). The Plomosas Project Technical Report is incorporated by reference into this AIF. **Readers are encouraged to review the Plomosas Project Technical Report in its entirety.**

SUMMARY

Arseneau Consulting Services Inc. (ACS) was contracted by GR Silver Mining Ltd. (GR Silver) to prepare a mineral resource estimate and technical report (the “**Report**”) in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) for the Plomosas Project (the “**Plomosas Project**”, the “**Project**” or “**Plomosas**”) located near the village of La Rastra in Sinaloa, Mexico.

The Report was prepared to support a first-time disclosure of mineral resources by GR Silver for the Plomosas Project.

Access and Location

The Plomosas Project consists of eleven mining concessions totalling 6,573.5 hectares (ha) and is located in the western Mexican state of Sinaloa about 100 kilometres (km) east-southeast of Mazatlán. Specifically, the Project is located within the southeastern corner of Sinaloa, stretching from near the historic mining town of La Rastra and another 5 km to the east, within the Rosario Mining District.

The Project is accessed from Mazatlán travelling along highway 15 or the modern toll road for approximately 70 km southeast to the town of El Rosario, then continuing on a local sealed road through the villages of Las Habitas and Matatán, then east along the local road for 11 km before veering left at a fork and continue 22 km along the unsealed local road to the village of La Rastra and continuing for 11 km past La Rastra to reach the Plomosas mine site and camp.

History

Mineralization in the Plomosas area was first discovered in the middle of the 16th century. Limited mining activities were conducted intermittently from 1950 through the 1990s when the La Cruz Vein (in the Plomosas Mine Area) was discovered by Minera Nacional and became the center of exploration.

Grupo Mexico S.A. de C.V. (Grupo Mexico)’s subsidiary, Industrial Minera Mexico, S.A. de C.V. (“**IMMSA**”) explored the Plomosas Project from the early 1970s to 2001, with a focus on Pb-Zn-Ag-Au polymetallic mineralization, hosted in the vicinity of the Plomosas mine. In 1986, IMMSA initiated underground operations (room and pillar) at the Plomosas mine, building a 600 tpd crushing-milling plant and large infrastructure for operation from 1986 to 2001. It completed a total of 7,400 m of underground development by the time it ceased operations in 2001 producing a total of 2.5 M (M) tonnes averaging 190 g/t Ag, 0.92 g/t Au, 2.02% Zn and 2.38% Pb. Historical documentation indicates historic sales of commercial grade Pb-Zn concentrates with Ag-Au credits to Traftura throughout the entire period of the historical operations.

Aurcana Corporation (“**Aurcana**”) acquired 100% of the Project from IMMSA on February 22, 2007. Aurcana carried out limited exploration that included eight diamond drill holes totalling 2,269 m, as well as limited surface and underground mapping and sampling.

Silvermex Resources Ltd. completed the acquisition of all outstanding shares of Aurcana de Mexico S.A. de C.V. from Aurcana, thereby acquiring the Project, on December 4, 2009.

First Majestic Silver Corp. (“**First Majestic**”) completed the acquisition of all shares of Silvermex Resources Ltd, thereby acquiring 100% of the Project, on April 3, 2012. First Majestic carried out exploration from 2012 to 2019 including a diamond drilling program comprising 115 drill holes, 58 on surface and 58 underground drill holes, totalling 32,130 m, from 2016 to 2018.

None of the previous owners had completed a NI 43-101 report for the Project.

GR Silver and Minera Matatán S.A. de C.V., its 100% owned Mexican subsidiary, acquired all of the shares of Minera La Rastra S.A. de C.V. (“**Minera La Rastra**”) from First Majestic Silver, thereby acquiring 100% of the Project, on March 30, 2020. As consideration, GR Silver and its Mexican subsidiary paid CAD\$100,000; granted a subsidiary of

First Majestic a 2% net smelter return (“NSR”) royalty on the Project, with half of the NSR being subject to a buy-back option for US\$1.0M; and issued to First Majestic 17,097,500 common shares of GR Silver.

GR Silver carried out exploration including a diamond drilling program in 2020 and 2021. It has drilled 55 diamond core drill holes to date, on surface and underground, for a total of 10,877 m.

Mineralization

Mineralization on the Project can be described as intermediate to low-sulphidation epithermal and occurs in multiple sites at the Project. The Plomosas Mine Area and the San Juan Area are the two main areas and the object of this report. Several episodes of mineralization have been identified and are intricately connected to the tectonic and structural evolution of the Sierra Madre Occidental during the Tertiary. At the Plomosas mine, a hydrothermal polymetallic breccia (Pb-Zn-Au-Ag) mineralization mainly occurs as massive to close-spaced disseminated sulphides, with veins, stockworks and sulphide stringers hosted in brecciated sequences of rhyolite and andesite tuffs. The breccia is hosted in a main NW-SE oriented shallow-angle fault dipping to the west. Quartz and calcite are the main gangue minerals on the Breccia. Sulphide mineral assemblages include galena, sphalerite, pyrite, chalcopyrite and bornite. There is a common presence of silver rich minerals such as acanthite and argentite. Late-stage quartz Ag-Au epithermal veining in high-angle faults is commonly observed overprinting Pb-Zn-Ag mineralization in the hydrothermal breccias and enriching the mineral body with Ag-Au or defining precious metals only mineralized zones.

At San Juan, about 3.5 km southwest of the Plomosas Mine Area, a large epithermal system has been identified. The intermediate to low-sulphidation epithermal Au-Ag system is hosted predominantly high angle faults whereas the Pb-Zn-Ag mineralization is preferentially in NW-SE oriented, east dipping, shallow-angle faults. The combination of these structures, together with favourable (permeability and porosity) host rocks, have generated numerous alteration halos (argillic, propylitic, oxidation and silicification. These halos have extensive surface exposure defining exploration targets.

Exploration

Following the acquisition of the Plomosas Project, the Company completed a detailed data review and compilation of all available exploration data related to the geological, geochemical and geophysical exploration programs completed by previous owners in the last 40 years of exploration activity in the Project. This work was integrated in a GIS platform to prioritize the initial 11 exploration targets delineated outside of the drilled areas (Dunkley, 2020).

Field work has since defined multiple veins and a large epithermal system in the Plomosas Mine-San Juan areas, where the footprint of the intermediate to low-sulphidation epithermal system has been continuously expanded.

The extensive exploration data set, geophysical, geochemical and geological have allowed the company to advance priority drilling throughout the two areas and redefine geological concepts generating new exploration targets and geological models supporting a prolific geological setting for future exploration.

Geology

The Project is situated in the Sierra Madre Occidental which formed as the result of Cretaceous-Cenozoic magmatic and tectonic episodes related to the subduction of the Farallón plate beneath North America, and to the opening of the Gulf of California. The province is divided into two main Tertiary volcanic units referred to as the Upper Volcanic Supergroup (UVS) and the Lower Volcanic Complex (LVC), both of which are separated unconformably by a period of erosion and associated local felsic intrusive activity.

The local geology at the Project can be sub-divided into two distinct underlying rock types: (1) bi-modal volcanic rock units assigned to the LVC, dominated by andesitic pyroclastic units, tuffs and extrusive flows. The LVC is underlain by a basal volcanoclastic-sedimentary rock unit that is possibly of older age. Separated in places by a basal conglomerate the LVC is overlain by (2) thick layers of Oligocene to Miocene aged felsic ignimbrites and rhyolites, and minor mafic units. Rock units are generally tilted 30-50 degrees to the W as a result of extensional faulting. More details are available in section 7.2.

Drilling

Earlier drill programs were carried out by Grupo Mexico (IMMSA) between 1976 and 2000, by Aurcana between 2007 and 2008 and First Majestic between 2016 and 2018. From 1976 to 2000, IMMSA drilled 485 core holes totalling 85,989 m. From these, 280 holes totalling 42,607 m were drilled in the immediate area of the Plomosas Mine Area – 37,240 m from surface and 5,367 m from underground platforms. There were 129 holes drilled at the San Juan Area, 115 from surface totalling 21,566 m and seven from underground holes totalling 466 m. For the holes drilled by IMMSA at the Plomosas Mine Area and the San Juan Area, only 357 holes (66,755.2 m) were used in the resource estimation.

Aurcana drilled eight holes in the Plomosas Mine Area, four from underground and four from surface platforms, for a total of 2,269 m.

First Majestic drilled a total of 131 core holes on the Plomosas Project, 73 from surface and 58 from underground. Of these, 68 holes were in the immediate Plomosas Mine Area and 47 in the San Juan Area.

GR Silver had five drill rigs working at Plomosas during 2020-2021. Three in the immediate area of the Plomosas Mine Area and two in the San Juan Area. Three drill rigs were owned by GR Silver and operated by contract employees, and one surface rig was owned and operated by Maza Drilling of Mazatlán, Mexico and one underground drill rig was owned and operated by Intercore Drilling. In total, GR Silver drilled 56 drill holes totalling 11,028.7 m.

Mineral Resource Estimate

The mineral resource model presented herein represents the initial resource evaluation on the Plomosas Project by GR Silver. The resource evaluation incorporates all drilling completed by GR Silver, recent drilling completed by First Majestic and Aurcana and validated historical drilling completed by IMMSA. In the opinion of the QP, the block model resource estimates reported herein offer a reasonable representation of the initial mineral resources found in the Plomosas Mine and San Juan Areas at the current level of drilling and sampling. Mineral resources for the Plomosas Project are reported in accordance with the guidelines of the Canadian Securities Administrators National Instrument 43-101; and have been estimated in conformity with generally accepted CIM “Estimation and Mineral Resource and Mineral Reserve Best Practices” guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The database used to estimate the Plomosas Mine Area and San Juan Area mineral resources was reviewed and audited by the QP. Mineralization boundaries were modelled by the QP using a geological interpretation assisted by GR Silver geological staff. The QP is of the opinion that the drilling information is sufficiently reliable to interpret, with confidence, the boundaries of the mineralization domains, and that the assaying data is sufficiently reliable to support estimation of mineral resources.

Within the Plomosas Mine model area, there a total of 70,635.9 m of drilling resulting from 353 validated drill holes. The San Juan model area includes 35,754.33 m of drilling from a total of 167 holes. Other areas have historical drilling that have not been incorporated in this report.

Mineral resources for the Plomosas Project were estimated in two separate three-dimensional block models using Geovia Gems version 6.8.4 software. One model covers the Plomosas Mine Area while the second model covers the San Juan Area. The Plomosas Mine Area was estimated by ordinary kriging into 5 m cube blocks and the San Juan Area was estimated by inverse distance squared. Unsampled historical intervals inside the mineralization domains were assigned zero values prior to compositing. Grades were capped prior to compositing to 1.0 m. Block grades were estimated in three successive passes for the Plomosas Mine Area and four passes for the San Juan Area. The IMMSA drill holes were only used for passes two and three at Plomosas and for passes three and four at San Juan. Blocks estimated with IMMSA drill holes were all classified as Inferred mineral resources. Blocks estimated during pass one with at least two drill holes or pass two at San Jan with at least four drill holes were classified as Indicated. Mineral resources are reported using a dollar equivalent based on the following metal prices and recoveries determined from recent metallurgical testwork (Table 1.1). Copper is not included in the dollar equivalent formula because of the preliminary knowledge of mineralization distribution.

Table 1-1: Recoveries for The Plomosas Mine and San Juan Areas

| Metal | Price | Recoveries (%) | |
|---------------|--------------|-----------------------|-----------------|
| | | Plomosas | San Juan |
| Gold | US\$1,600/oz | 86 | 79 |
| Silver | US\$20/oz | 74 | 71 |
| Lead | US\$0.90/lb | 69 | 58 |
| Zinc | US\$1.10/lb | 75 | 47 |

The reasonable prospect of eventual extraction was defined by generating a Whittle optimized pit shell based on the above metal prices and recoveries, and assuming a total open pit mining cost and processing cost of US\$36/t supported by data collected from similar deposit and operations in the Sinaloa state, Mexico. Underground resources were restricted to shapes defined by stope optimiser software and assuming combined underground mining and processing costs of US\$50/t supported by data collected from similar deposit and operations. In the Sinaloa state, Mexico.

ACS estimated that the Plomosas Project contained combined Indicated mineral resources totalling 2.4 M tonnes grading 0.68 g/t gold, 44 g/t silver, 0.9% lead and 1.4% zinc, and 5.8 M tonnes of Inferred mineral resources grading 0.46 g/t gold, 85 g/t silver, 0.9% lead and 1.2% zinc. The mineral resources as estimated by ACS are summarized in Table 1.2.

Table 1-2: Mineral Resource Estimate

| Plomosas Mine Area | | | | | | | | | |
|---------------------------|-----------------------|-----------------------|---------------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|
| Type | Classification | Cut-off (US\$) | Tonnage (MT) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | AgEq (Moz) | AgEq (g/t) |
| OP | Indicated | 35 | 0.3 | 0.21 | 74 | 1.0 | 0.9 | 1.0 | 115 |
| OP | Inferred | 35 | 1.2 | 0.07 | 75 | 0.9 | 0.8 | 3.9 | 102 |
| UG | Indicated | 50 | 1.7 | 0.84 | 27 | 0.9 | 1.4 | 7.5 | 137 |
| UG | Inferred | 50 | 3.4 | 0.50 | 40 | 0.9 | 1.1 | 12.6 | 116 |
| Total | Indicated | | 2.0 | 0.76 | 33 | 0.9 | 1.3 | 8.5 | 134 |
| Total | Inferred | | 4.6 | 0.39 | 49 | 0.9 | 1.0 | 16.5 | 112 |

| San Juan Area | | | | | | | | | |
|----------------------|-----------------------|-----------------------|---------------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|
| Type | Classification | Cut-off (US\$) | Tonnage (MT) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | AgEq (Moz) | AgEq (g/t) |
| OP | Indicated | 35 | 0.1 | 0.19 | 115 | 0.3 | 0.6 | 0.3 | 111 |
| OP | Inferred | 35 | 0.2 | 0.37 | 92 | 0.6 | 0.7 | 0.8 | 111 |
| UG | Indicated | 50 | 0.4 | 0.35 | 87 | 1.0 | 1.7 | 1.6 | 132 |
| UG | Inferred | 50 | 1.0 | 0.77 | 22 | 0.9 | 2.0 | 3.6 | 116 |
| Total | Indicated | | 0.5 | 0.32 | 92 | 0.9 | 1.5 | 1.9 | 128 |
| Total | Inferred | | 1.2 | 0.7 | 36 | 0.9 | 1.7 | 4.5 | 115 |

| Plomosas Project Total Resource | | | | | | | | | |
|--|-----------------------|-----------------------|---------------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|
| Type | Classification | Cut-off (US\$) | Tonnage (MT) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | AgEq (Moz) | AgEq (g/t) |
| OP | Indicated | 35 | 0.3 | 0.20 | 83 | 0.8 | 0.8 | 1.3 | 114 |
| OP | Inferred | 35 | 1.4 | 0.12 | 78 | 0.9 | 0.7 | 4.8 | 103 |
| UG | Indicated | 50 | 2.1 | 0.76 | 38 | 0.9 | 1.5 | 9.1 | 136 |
| UG | Inferred | 50 | 4.4 | 0.57 | 36 | 0.9 | 1.3 | 16.2 | 116 |
| Total | Indicated | | 2.4 | 0.68 | 44 | 0.9 | 1.4 | 10.3 | 133 |
| Total | Inferred | | 5.8 | 0.46 | 46 | 0.9 | 1.2 | 21.0 | 113 |

Notes:

- (1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
- (2) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (3) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

- (4) *The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*
- (5) *Numbers may not add up due to rounding.*
- (6) *Silver equivalent is calculated by dividing the US\$ value by the silver price. Dollar equivalent is estimated using the information in Tables 14.11 and 14.12.*
- (7) *Mineral Resources for the La Colorada deposit were clipped against the GR Silver property boundary to exclude material outside of the GR Silver property.*

Conclusions and Recommendations

The Plomosas Project is in the western Mexican state of Sinaloa about 100 km east-southeast of Mazatlán. Specifically, the Project is located within the southeastern corner of Sinaloa, stretching from near the historic mining village of La Rastra and another 5 km to the east within the Rosario Mining District.

Grupo Mexico's subsidiary ("IMMSA") explored the Plomosas Project from the early 1970s to the mid-80s, with a focus on Pb-Zn polymetallic shallow mineralization, hosted in north-south structures in the vicinity of historical workings known as the La Cruz mine (now the Plomosas mine). IMMSA operated an underground mine at the Plomosas Project between 1986 to 2000. During this period, a total of 2.5M tonnes averaging 190 g/t Ag, 0.92 g/t Au, 2.02% Zn and 2.38% Pb were extracted. The operations ceased in 2001, due to unfavourable commodity prices preventing feasible economic returns at the time.

Mineralization on the Plomosas Mine Area has been identified as belonging to intermediate to low-sulphidation epithermal polymetallic deposits, with multiple overprinting mineralized events resulting in precious metal-rich zones. Mineralization occurs in multiple areas within the Plomosas Project. The Plomosas Mine and San Juan Areas represent the areas of most advanced exploration. Mineralization is polymetallic (Au-Ag-Cu-Pb-Zn) and mainly occurs as massive to close-spaced disseminated sulphides, with veins, stockworks and sulphide stringers hosted in brecciated sequences of rhyolite and andesite tuffs. Quartz and calcite are the main gangue minerals. Sulphide mineral assemblages include chalcopyrite, galena, sphalerite, pyrite and bornite. Recent exploration and drilling results suggests presence of high-grade precious metals only mineralized systems hosted with high angle faults.

GR Silver acquired the Project in 2020 and carried out a 10,877 m core drilling program until March 2021. The GR Silver drill program along with the historical drilling on the Project were compiled to prepare the mineral resources presented in this report.

The QP recommends that GR Silver continue to explore the Plomosas Project. Specifically, the QP recommends that GR Silver continue to expand the drill program to further define the mineralization at Plomosas and San Juan. The QP also recommends that in conjunction with the drill program, that GR Silver carry out infill core drilling in both areas to address opportunities for resource expansion.

The QP also recommends additional metallurgical testwork. The QP estimates that the recommended programs will cost in the order of US\$2.71 M.

[Management Note: It should be noted that the resource estimate described above included sampling of historical drill holes completed by previous companies that was frequently selective, with sampling only performed on specific core intervals, leaving many unsampled intervals within mineralized zones. Nearby underground geological investigations and channel sampling demonstrated that many of these unsampled intervals feature precious and base metal mineralization. For the purposes of the resource estimate, these unsampled intervals between mineralized zones have been conservatively assigned zero values by the Company, which likely results in underestimation of grade for portions of the resource model. Further drilling will address this situation to potentially continue resource growth at the Plomosas Mine and San Juan areas.]

[Management Note: Subsequent to the cut-off date for the Plomosas Project Technical Report, the Company initiated a 14,000 m diamond drill program completed during 2021. The drill program included testing of:

- Recently discovered Au-rich epithermal mineralization identified at Loma Dorada (2,879 m), El Salto (1,100 m) and Trampolín (1,002 m). Readers are encouraged to review initial results from the 2021 drill

program, which can be found in the Company's news releases dated November 29, 2021, February 10, 2022 and February 17, 2022, filed on SEDAR (www.sedar.com)

- Resource infill and extensions at the Plomosas Mine Area (3,754 m)
- Surface targets at the GAP Area and underground targets at San Marcial (see relevant sections for details)]

OTHER PROPERTIES, SINALOA, MEXICO

(1) El Habal Property, Sinaloa, Mexico

In May 2013, the Company, through its wholly-owned subsidiary, Goldplay de Mexico S.A. de C.V. ("**Goldplay Mexico**"), acquired 100% of six concessions making up the El Habal Property. Following the acquisition of Minera La Rastra S.A de C.V. in 2020, the Company also controls 100% of two additional concessions adjacent to, and now considered to be part of, the El Habal Property. As a result of other acquisitions and growth of GR Silver since early 2018, the El Habal Property is not considered by the Company to be a material project.

The El Habal Property is located 30 km west of the San Marcial Property. It is comprised of 4,009.8 ha of land and is 75 km southeast of the modern coastal port of Mazatlán, and 10 km from the historic mining town of El Rosario, with paved road access. El Habal is a drill-stage project.

The gold mineralization on the El Habal Property is interpreted to be spatially associated with the regional extensional fault system, particularly the north–northwest oriented faults and their related structural offshoots. The gold mineralization is mainly close to major faults, being characterized by the absence of silver and base metals, and a predominant multi-phase quartz stockwork system, localized hydrothermal breccia, and quartz veining. Banded veining is common, as well as other epithermal features in some localized sectors of the mineralized zone. Major structures hosting stockworks, veins and breccias occur in propylitically altered andesites and rhyolites. The development of wider mineralized zones at surface is common, related to the intersection of northeast and northwest trending structures.

The Company has completed detailed 1:2,000 scale geological and structural mapping on the El Habal Property, defining the geological/structural setting and gold mineralization controls. A successful sampling program comprised of 12 surface trenches, sampled by chip samples and additional channel samples, exposed the mineralized zone over a strike length of 2 km. The surface mapping and sampling programs by the Company were followed up by additional trenching as well as a CSAMT geophysical survey. A round of diamond drill holes was also instigated in 2018, testing the root system beneath the surface trench results. The El Habal Property continues to be an area with good potential for a discovery, as evidenced by the broad mineralized zones identified with surface trenching and sampling.

(2) La Trinidad Property and Cimarron Property, Sinaloa, Mexico

In March 2021, GR Silver completed the acquisition of 100% of Marlin Gold Mining Ltd. ("**Marlin Gold**") (refer to "*General Development of the Business – Acquisitions*" above). Marlin Gold 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, the Cimarron gold resource and 12 highly prospective concessions located in the Rosario Mining District.

La Trinidad

Anaconda Minerals Corp. was the first to drill the La Trinidad project in the mid-late 1980s. After initially taking up an option on the property 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

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

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}.

Regional geochemical datasets have been collected across many of the concessions, however, only limited follow up and drilling has occurred, given the previous focus on gold production from Taunus. Several highly prospective targets have been identified and GR Silver plans to further investigate them with additional surface drilling if results support the potential for attractive near-surface mineral deposits.

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 include: the GAP Area (see below), Colinas and Bocas, San Carlos, Guayabo, San Cristobal, and Potrerillos.

GAP Area

The GAP Area is a new target area identified by the Company, located in the same concession that hosts La Trinidad, but between the San Marcial and Plomosas Properties. A surface exploration program commenced during 2021, culminating in an initial drill program. Two diamond drill holes were completed in 2021 for a total of 441 m and three additional drill holes for a total of 640 m were completed in early 2022, for which assay results are pending.

Cimarron

Cimarron is an advanced stage property situated within a single concession that was acquired along with La Trinidad in March 2021 and is located 40 kms to the northwest of La Trinidad. 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 March 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.

(3) Rosario, Sinaloa, Mexico

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. The Company's Rosario concessions are located immediately to the north and east of the historical Rosario mine.

As part of the March 2020 acquisition of Minera La Rastra S.A de C.V. (refer to "*General Development of the Business – Acquisitions*" above), 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. These concessions total 1,383 ha and may host extensions to the historical Rosario gold-silver mineralization. The

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

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

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

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 third quarter of 2021, 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 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.

(4) Other Properties

GR Silver holds title to another ten mining concessions and five mining concession applications located as follows:

- Rosario Mining District, Sinaloa
 - El Porvenir and San Isidro are located to the west of El Rosario
 - Yauco is located to the southeast of El Rosario
 - La Union 2 Fracc. 1 and Fracc. 2 (applications) to the north and northwest of El Rosario
- Concordia Mining District, Sinaloa
 - El Placer II located to the north of Concordia
- Nayarit, Mexico
 - El Potrero and Potrero No. 2 located to the east of the Plomosas Mine
 - Tigra Negra Fracc. II, Fracc. III, Fracc. IV and Fracc. V located to the southeast of La Trinidad
 - El Indio Fracc. I, Fracc. II and Fracc. III (applications) located to the southeast of the Tigra Negra concessions

RISK FACTORS

AN INVESTMENT IN SECURITIES OF A NATURAL RESOURCE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE. AS SUCH, AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

The risks and uncertainties identified and described below are not necessarily the only ones that could be faced by the Company. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified, actually occur, the Company's business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected.

Liquidity and Financing Risks

The Company has limited financial resources. There is no assurance given by the Company that it will be able to secure the financing necessary to explore, develop and produce its mineral properties. The Company does not presently have sufficient financial resources or operating cash-flow to undertake by itself all of its planned exploration and development programs. The development of the Company's properties may therefore depend on the Company's ability to obtain additional required financing. There is no assurance the Company will be successful in obtaining the required financing on terms acceptable to it, or at all, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its properties. The Company's ability to continue as a going concern is dependent on its ability to raise equity capital financings, exploration success, the attainment of profitable operations and the completion of further share issuances to satisfy working capital and operating needs. The Company, as of December 31, 2021, had a working capital deficiency of \$11,143,720, and a financing of special warrants of \$7,353,924 was not sufficient to cover the deficiency and fund ongoing obligations. The Company will need to raise further funds to complete additional exploration programs at the San Marcial Property Plomosas Property and the La Trinidad Property, as well as to retain key personnel, finance general and administration costs and maintain

its listing on the TSXV. In addition, the Company will also need to raise additional funds to complete exploration programs on any of its other properties, should it determine to advance such properties in future.

COVID-19 Pandemic

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the current outbreak of the coronavirus (COVID-19). To date, there have been many temporary business closures, quarantines and a general reduction in consumer activity in Canada, Mexico and worldwide. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these restrictions are expected to be temporary, and in many locations have started to be lifted, there is no guarantee that they will not be reinstated and consequently the duration of the various disruptions to the Company's business cannot be reasonably estimated at this time.

The COVID-19 and numerous variants outbreak could persist for a prolonged period. The global COVID-19 pandemic could result in adverse development results due to workforce reductions, supply and/or demand interruptions, travel restrictions and downturn in new equity and debt financings for mining projects. The Company's employees, contractors and suppliers could be affected by contagious diseases, including COVID-19, that could result in a reduction in the Company's workforce due to illness or quarantine, critical supply disruptions, transportation and travel restrictions, and other factors beyond the Company's control. These and other factors could negatively affect the Company's business in complex ways, which are difficult or impossible to predict. While the Company's operating activities have not been materially impacted by the COVID-19 pandemic to date, the pandemic may create uncertainty around the timing of exploration activities at any of its properties and available financing opportunities. The Company continues to closely monitor and assess the impact of COVID-19 on its planned exploration activities and available financing opportunities. The Company has and will continue to take measures recommended by local health authorities and applicable regulatory bodies, as appropriate. The extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control. It is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Exploration and Development Risks

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable deposit or ore body. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of bodies of commercial ore. The economics of developing mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating metal prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Substantial expenditures are required to establish resources or reserves through drilling and other work, to develop metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for exploration and/or development can be obtained on a timely basis. The marketability of any metals or minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of required processing facilities, mineral markets and required processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

Estimates of Mineral Deposits

The Company provides no assurance that any estimates of mineral deposits or resources will materialize on any of its properties. No assurance can be given that any identified mineralization will be developed into a coherent mineralization deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can

be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Commodity Prices

The Company provides no assurance that commodity prices will not change.

The mining industry is competitive and commodity prices fluctuate so that there is no assurance, even if commercial quantities of a mineral resource are discovered, that a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of precious and base metals fluctuate on a daily basis, have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates, central bank transactions, world supply for precious and base metals, international investments, monetary systems, and global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to improved mining and production methods. The supply of and demand for precious and base metals are affected by various factors, including political events, economic conditions and production costs in major producing regions, and governmental policies with respect to precious metal holdings by a nation or its citizens. The exact effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. There is no assurance that the prices of gold, silver and other precious and base metals will be such that the Company properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of silver and gold. Declining market prices for silver and/or gold could have a material effect on the Company's profitability.

Cost Estimates May not be Accurate

The Company prepares budgets and estimates of cash costs and capital costs for our operations and our main costs relate to material costs, workforce and contractor costs, and energy costs. As a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects may be prone to material cost overruns. Our actual costs may vary from estimates for a variety of reasons, including short-term operating factors; revisions to development plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability and unexpected labour issues, labour shortages, strikes or community blockades and quality of existing infrastructure being less than expected. Many of these factors are beyond our control and the inaccuracy of any estimates may result in the Company requiring additional capital and time to execute on its development and exploration plans.

Operating Hazards and Other Uncertainties

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risk, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;

- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Company's financial position and results of operations.

Competition

The Company competes with larger, better capitalized competitors in the mining industry and the Company provides no assurance that it can compete for mineral properties, future financings, technical expertise, the recruitment and retention of qualified employees and the purchase or lease of equipment and third-party servicing companies.

Title Matters

The Company provides no assurance given that it owns legal title to its mineral properties. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to any of its mining concessions, claims and/or leases may come under dispute. While the Company has diligently investigated title considerations to its mineral properties, in certain circumstances, the Company has only relied upon representations of property partners and government agencies. There is no guarantee of title to any of its properties. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by unidentified and undetected defects. Native land claims or claims of aboriginal or indigenous title may be asserted over areas in which the Company's properties are located. The Company provides no assurances that the concessions under application will be granted to it.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the jurisdictions in which it owns properties, NGOs or local community organizations could direct adverse publicity and/or disrupt the Company's operations in respect of one or more of its properties due to political factors, activities of unrelated third parties on lands in which it has an interest or its operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the Company's reputation and financial condition or its relationships with the communities in which it operates, which could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

Permits and Licenses Risks

The operations of the Company will require licenses and permits from various governmental authorities. The Company believes it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct and intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all licenses and permits required to undertake its proposed exploration or to place its properties into commercial production and to operate mining facilities if its exploration programs are successful. Amendments to current laws and regulations governing the operating and activities of the Company and the more stringent implementation thereof could have a

substantial adverse impact on the business, financial condition and the results of operations of the Company. Obtaining necessary permits, leases and licenses can be a complex, time consuming process and the Company cannot be certain that it will be able to obtain necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits, leases and licenses and complying with these permits and applicable laws and regulations could stop, delay or restrict the Company from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, or fines, penalties or other liabilities. The Company could also lose its licenses or permits under the terms of its existing agreements.

Environmental and Other Regulatory Requirements

The Company provides no assurance that it has met all environmental or regulatory requirements. The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various foreign, federal, state and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required in order for the Company to commence exploration, development or production on its various properties will be obtained. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, are necessary prior to operation of the other properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence exploration, construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration, development and mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. New laws or regulations or amendments to current laws, regulations and permits governing operations and activities of exploration and mining companies, or more stringent implementation of current laws, regulations or permits, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Reclamation

Land reclamation requirements for the Company's properties may be burdensome.

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of any potential waste rock and/or tailings and/or revisions to government regulations. Therefore additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the Company's properties to cover potential risks. These additional costs may have material adverse impact on the financial condition and results of the Company.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and

the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Geopolitical Risk

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Company and may adversely affect its business.

Foreign Countries and Regulatory Requirements

The Company's mineral property interests are located in countries outside of Canada, and mineral exploration and mining activities may be affected in varying degrees by political stability, changes in foreign policy, and government regulations relating to the mining industry. Any changes in regulations, foreign policy, or shifts in political attitudes may vary from country to country and are beyond the control of the Company and may adversely affect its business and its ability to operate in foreign jurisdictions. Such changes have, in the past, included nationalization of foreign owned businesses and properties. The Company's ability to operate its business may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, income and other taxes and duties, tariffs, trade, expropriation of property, environmental legislation and mine safety. These uncertainties may make it more difficult for the Company to obtain any required production financing for its mineral properties.

Litigation affecting Mineral Properties

Potential litigation may arise on a mineral property on which the Company has an interest (for example, litigation with the original property owners or neighbouring property owners). The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of the Company to carry out its business plan.

Changes in Tax Laws Impacting the Company

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions where the Company has interests that could have a material adverse effect on the Company. Any such change or implementation of new tax laws or regulations could adversely affect the Company's ability to conduct its business. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the profits of the Company being subject to additional taxation or which could otherwise have a material adverse effect on the profitability of the Company, the Company's results of operations, financial condition and the trading price of the Company's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties or other investments and dispositions by the Company less attractive to counterparties. Such changes could adversely affect the ability of the Company to acquire new assets or make future investments and dispositions.

The Canadian Extractive Sector Transparency Measures Act (Canada) (“**ESTMA**”), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments and including Indigenous groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines. If the Company becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation.

Uninsured Risks

The Company provides no assurance that it is adequately insured against all risks. The Company maintains insurance in such amounts as it considers to be reasonable, however, such insurance may not cover all the potential risks associated with its activities, including any future mining operations. The Company may not be able to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it does not insure against or in future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on Company’s business, financial condition, results of operations or prospects.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Currency Fluctuation and Foreign Exchange Controls

The Company maintains a portion of its funds in U.S. dollar and Mexican pesos denominated accounts. Certain of its property and related contracts are denominated in U.S. dollars and Mexican Pesos. The Company’s operations in countries other than Canada are normally carried out in the currency of that country and make the Company subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. In addition, future contracts may not be denominated in Canadian dollars and may expose the Company to foreign currency fluctuations and such fluctuations may materially affect its financial position and results.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on it.

The Company maintains key-person insurance on the life of its President and COO, Marcio Fonseca but does not maintain key-person insurance on the life of any of its other personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of common shares which may be issued by the Company's Board without further action or approval of the Company's shareholders. While the Company's Board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Conflicts of Interest

The Company provides no assurance that its directors and officers will not have conflicts of interest from time to time. The Company's directors and officers may serve as directors or officers of other mineral exploration and development companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Company's directors and management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether the Company will participate in any particular exploration or mining project at any given time, the directors will primarily consider the upside potential for the project to be accretive to shareholders, the degree of risk to which the Company may be exposed and its financial position at that time.

DIVIDENDS AND DISTRIBUTIONS

The Company has never paid any dividends or distributions on any of its securities. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance exploration and development programs on its mineral properties as well as the potential acquisition of additional mineral properties. The Company is limited in its ability to pay dividends on its common shares by generally applicable restrictions under corporate law relating to solvency. The directors of the Company will determine if and when dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at December 31, 2021, there were 167,442,155 common shares issued and outstanding, and as of the date hereof there are 167,884,051 common shares issued and outstanding.

All of the issued common shares are fully paid for and none are subject to any future call or assessment. The holders of all issued common shares are entitled to receive notice of and to attend and vote at all meetings of holders of common shares, and to receive all notices and other documents required to be sent to holders of common shares in accordance with the Company's articles and corporate law. On a poll, every holder of common shares is entitled to one vote for each common share held. The holders of the common shares are entitled to receive dividends, if, as and when declared by the Company's Board of Directors. The holders of common shares have the right to share equally in the remaining property and assets of the Company upon liquidation, dissolution or winding-up. The common shares contain no pre-emptive, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provisions.

Warrants

The Company currently has the following warrants outstanding, each such warrant exercisable for one common share, on the terms set out below:

| Number of Warrants | Exercise Price | Expiry Date |
|--------------------------|----------------|---|
| 99,000 | \$0.15 | June 24, 2022 (subject to acceleration if the common share closing price on the TSXV is at least \$0.40 for 10 consecutive trading days) |
| 891,000 | \$0.25 | November 6, 2022 |
| 9,902,500 | \$0.74 | April 27, 2023 (subject to acceleration if the common shares closing price on the TSXV is at least \$1.30 for 60 consecutive trading days.) |
| 1,338,388 | \$0.59 | April 27, 2023 |
| 1,566,410 ⁽¹⁾ | \$0.27 | March 29, 2025 |

Notes:

- (1) Special Broker Warrants issued as partial compensation for the service rendered by the agents in connection with the Special Warrant Offering. Each Special Broker Warrant is exercisable at no additional cost for a Broker Warrant. Each Broker Warrant is exercisable for one common share of the Company.

Special Warrants

As of the date of this AIF, the Company has an aggregate of 27,236,755 Special Warrants outstanding. Each Special Warrant entitles the holder thereof to receive, for no additional consideration, one Unit on the exercise or deemed exercise of the Special Warrant. Each Unit is comprised of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.37 until March 29, 2025, subject to adjustment in certain events set out in the indenture governing the Warrants.

The Special Warrants will be deemed to be exercised, without any further action or payment of additional consideration by the holder thereof, on the date that is the earlier of: (i) the date that is five (5) business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities for a (final) short form prospectus qualifying distribution of the Common Shares and Warrants underlying the Special Warrants, and (ii) July 30, 2022.

If the Company has not received a receipt from the applicable securities regulatory authorities for the Final Prospectus by June 7, 2022, each unexercised Special Warrant will thereafter be exercisable for one Penalty Unit, with each Penalty Unit being comprised of one Common Share and one full Warrant (in place of one-half of one Warrant).

Stock Options

The Company currently has the following stock options outstanding, each such stock option exercisable for one common share, on the terms set out below:

| Number of Stock Option | Exercise Price | Expiry Date |
|--------------------------|----------------|--------------------|
| 217,000 | \$0.20 | January 26, 2027 |
| 1,186,534 | \$0.30 | March 1, 2023 |
| 450,000 | \$0.31 | May 7, 2023 |
| 1,090,000 | \$0.22 | December 19, 2023 |
| 370,000 | \$0.21 | August 8, 2024 |
| 1,040,000 | \$0.185 | November 27, 2024 |
| 300,000 | \$0.20 | April 16, 2025 |
| 985,000 | \$0.335 | May 13, 2025 |
| 960,000 | \$0.78 | September 14, 2025 |
| 2,275,000 ⁽¹⁾ | \$0.74 | January 21, 2026 |
| 200,000 ⁽²⁾ | \$0.75 | February 24, 2026 |
| 500,000 ⁽³⁾ | \$0.71 | May 13, 2026 |
| 155,000 | \$0.29 | October 5, 2026 |
| 920,000 ⁽⁴⁾ | \$0.25 | April 6, 2027 |

Notes:

- (1) 1,450,000 of these options vest 1/3 on each of January 21, 2021, January 21, 2022 and January 21, 2023.
(2) These options vest 1/3 on each of February 24, 2021, February 24, 2022 and February 24, 2023.
(3) 300,000 of these options vest 1/3 on each of May 13, 2021, May 13, 2022 and May 13, 2023.
(4) 100,000 of these options vest 1/3 on each of April 6, 2022, April 6, 2023 and April 6, 2024.

Stock Option Plan

Options outstanding were issued pursuant to the Company's stock option plan (the "**Stock Option Plan**"). The Stock Option Plan permits the reservation of a maximum of 10% of the issued and outstanding common shares at any given time. The number of common shares reserved for issue shall not exceed (i) 5% of the issued and outstanding common shares to any one individual in any 12 month period; (ii) 2% of the issued and outstanding common shares to any one consultant retained by the Company in any 12 month period; or (iii) 2% of the issued and outstanding common shares to any one employee of the Company conducting "Investor Relations Activities" in any 12 month period. The Board determines the price per common share and the number of common shares which may be allotted to each director, officer, employee and consultant and all of other terms and conditions of the stock options, subject to the rules of the TSXV. The exercise price per common share set by the Board shall not be less than the discounted market price of the common shares trading on the TSXV or such other principal market on which the common shares are traded at the applicable time. Stock options under the Stock Option Plan are non-assignable. Stock options must be exercised within a reasonable period of time as determined by the Board after termination of employment or cessation of position with the Company, provided that if no determination is specified by the Board, then 90 days after such termination or cessation and further provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the stock options must be exercised within 12 months after such death, subject to the expiry of such stock options.

MARKET FOR SECURITIES**Trading Price and Volume**

The common shares are listed and posted for trading on the TSXV under the trading symbol "GRSL". The table set out below presents the high and low sale prices for the common shares and trading volume, on a monthly basis on the TSXV for each month of the financial year ended December 31, 2021:

| Period | Price Range and Trading Volume | | |
|----------------|--------------------------------|-------------|-----------|
| | High (\$) | Low (\$) | Volume |
| December 2021 | 0.295 | 0.24 | 5,317,217 |
| November 2021 | 0.39 | 0.285 | 3,813,288 |
| October 2021 | 0.385 | 0.27 | 4,297,121 |
| September 2021 | 0.37 | 0.25 | 7,246,899 |
| August 2021 | 0.51 | 0.34 | 5,328,981 |
| July 2021 | 0.63 | 0.45 | 4,752,346 |
| June 2021 | 0.73 | 0.58 | 3,342,437 |
| May 2021 | 0.82 | 0.59 | 7,781,965 |
| April 2021 | 0.72 | 0.60 | 4,621,453 |
| March 2021 | 0.75 | 0.58 | 3,485,141 |
| February 2021 | 0.86 | 0.69 | 5,686,539 |
| January 2021 | 0.92 | 0.63 | 7,057,940 |

Prior Sales

The following table summarizes details of all issuances of securities of the Company, other than common shares, in the year ended December 31, 2021, being the most recently completed financial year of the Company, and subsequent thereto:

| Security | Number of Securities | Issue/Exercise Price per Security (\$) | Date of Issue |
|--------------------------------------|----------------------|--|-------------------|
| Stock Options ⁽¹⁾ | 2,405,000 | \$0.74 | January 21, 2021 |
| Stock Options ⁽²⁾ | 300,000 | \$0.75 | February 24, 2021 |
| Compensation Warrants ⁽³⁾ | 1,338,388 | \$0.69 | April 27, 2021 |
| Warrants ⁽⁴⁾ | 9,902,500 | \$0.74 | April 27, 2021 |
| Stock options ⁽⁵⁾ | 800,000 | \$0.71 | May 13, 2021 |
| Stock options ⁽⁶⁾ | 155,000 | \$0.29 | October 5, 2021 |

Notes:

- (1) The stock options expire January 21, 2026, and 1,450,000 vest 1/3 on granting and 1/3 on each of January 21, 2022 and January 21, 2023.
- (2) The stock options expire February 24, 2026, and 200,000 vest 1/3 on granting and 1/3 on each of February 24, 2022 and February 24, 2023.
- (3) The compensation warrants were issued to eligible finders in connection to a bought deal financing that closed on April 27, 2021. The compensation warrants expire April 27, 2023.
- (4) The warrants were issued in connection with a bought deal financing that closed on April 27, 2021. The warrants expire on April 27, 2023, subject to acceleration if the common shares closing price on the TSXV is at least \$1.30 for 60 consecutive trading days.
- (5) The stock options expire May 13, 2026, and 300,000 vest 1/3 on each of May 13, 2021, May 13, 2022 and May 13, 2023.
- (6) The stock options expire October 5, 2026.

ESCROWED SECURITIES

There are no securities of the Company in held in escrow or subject to a contractual restriction on transfer as at the date of this AIF, except that the directors and executive officers of the Company entered into lock-up agreements with the agents under the Special Warrant Offering pursuant to which the directors and executive officers of the Company agreed not to sell or transfer any securities of the Company held by them until July 30, 2022.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The name, province/state and country of residence, position and offices held with the Company and the principal occupation within the five preceding years of the current directors and executive officers of the Company are set out in the following table:

| Name, Province/State and Country of Residence and Position Held | Director or Officer Since | Principal Occupation for the Past Five (5) Years ⁽¹⁾ |
|---|--|--|
| MARCIO FONSECA Vancouver, BC Canada <i>President, COO & Director</i> | Director since Mar 1, 2018 (Director of predecessor company since Jun 18, 2014) President since Mar 1, 2018 (President of predecessor company since Jan 1, 2017) COO since Mar 1, 2022 | President of the Company/its predecessor (since Jan 2017), COO of the Company (since Mar 2022), CEO of the Company/its predecessor (Jan 2017 – Mar 2022) and a director of the Company/its predecessor (since Jun 2014) |
| ERIC ZAUNSCHERB⁽²⁾⁽³⁾ Napanee, ON <i>Chairman, CEO & Director</i> | Director since April 16, 2020 Chairman since Jul 1, 2021 CEO since Mar 1, 2022 | CEO of the Company since March 1, 2022; President and founder of Lee, Zaunscherb & Associates Inc., a metals and mining capital markets consulting and advisory company; Chairman of Critical Elements Lithium Corp. (since Sep 2020); Independent Director of Outback Goldfields Corp. (since Nov 2020); Independent Director of TriStar Gold Inc. (since Dec 2020); and Managing Director, Research – Metals & Mining Analyst at Canaccord Genuity (2014 – 2019) |
| BLAINE BAILEY Burnaby, BC Canada <i>CFO & Corporate Secretary</i> | Mar 1, 2018 (CFO of predecessor company since Nov 8, 2012) | CFO of the Company/its predecessor (since Nov, 2012); Principal of Promaid Services Ltd., a private company that provides accounting and CFO services to public companies (since 2002); and CFO of various TSXV-listed companies |
| TREVOR WOOLFE Vancouver, B.C. <i>Vice-President Corporate Development & Vice-President Exploration</i> | VP Corporate Development since Jul 31, 2018 VP Exploration since Mar 1, 2022 (formerly Jul 31, 2018 – Jan 18, 2021) | Vice-President Exploration of the Company (since Mar 2022 and July 2018 – Jan 2021); Vice-President of Corporate Development of the Company (since July 2018); Managing Director and CEO of Australian (ASX) listed Oro Verde Limited (2014 – 2017) and founder of his private consultancy company. |
| BRENDA DAYTON Vancouver, BC <i>Vice-President Corporate Communications</i> | Feb 19, 2021 | The Company's Vice-President Corporate Communications (since Feb 2021); and Senior Vice President, Corporate Affairs & Corporate Secretary at Golden Queen Mining Consolidated Ltd. (2014 – 2020). |

| | | |
|---|---|---|
| GINO DEMICHELE⁽²⁾⁽³⁾ Calgary, AB Canada <i>Director</i> | Mar 1, 2018 (director of predecessor company since Apr 20, 2017) | CEO of A2 Capital Management Inc. (since 2013), a private merchant bank; former CEO of Vogogo Inc. (2016 - 2018), a risk management and payment services company listed on the TSXV; and former investment advisor with Macquarie Private Wealth (Oct 2009 – Jul 2013) |
| LAURA DIAZ NIEVES Mexico City, Mexico <i>Director</i> | Sep 11, 2020 (Former director from March 2013 – November 2018) | Partner of the law firm DBR Abogados S.C., in Mexico City, Mexico, serving as a Mining Project Advisor in the areas of production, exploration and development. Independent Director of the Company from March 2013 – November 2018. Thereafter, Ms. Diaz Nieves held the position of General Director of Mines, within the Ministry of the Economy (Mexico) (Dec 2018 to June 2019) |
| JONATHAN RUBENSTEIN⁽³⁾ Vancouver, BC <i>Director</i> | Sep 11, 2020 | Mr. Rubenstein is a professional director, currently serving on the board of one other publicly listed companies, Sable Resources Ltd. (since Jan 2020). Mr. Rubenstein is a former director (2007 – 2020) and Chairman (2008 – 2020) of MAG Silver Corp., and former director of Roxgold Inc. (2012 - 2021), Eldorado Gold Corporation (2009 to 2018), Dalradian Resources Inc. (2013 to 2018) and Detour Gold Corporation (2009 to 2018). |
| MICHAEL THOMSON⁽²⁾ Calgary, AB <i>Director</i> | Mar 1, 2018 (director of predecessor company since Oct 19, 2016) | President and principal of Independent Capital Partners Inc., a corporate financing consulting and advisory company. Mr. Thomson is also currently a director of Panorama Capital Corp. (TSXV: PANO.P), goodnatured Products Inc. (TSXV: GDNP), VR Resources Ltd. (TSXV: VRR) and Regency Silver Corp. |

Notes:

- (1) This information has been furnished by the respective directors or executive officers.
(2) Denotes member of Audit Committee.
(3) Denotes member of Compensation Committee.

Each elected director will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is vacated earlier in accordance with the articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

Based on the disclosure available on the System for Electronic Disclosure by Insiders (SEDI), the directors and executive officers of the Company and its subsidiaries, as a group, beneficially own, or control or direct, directly or indirectly, 13,439,627 common shares, representing 6.9% of the issued and outstanding common shares; and options to acquire 7,599,157 common shares and warrants to acquire 404,500 common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

For the purposes of this section, “**Order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or

- (c) an order that endured the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

To the best of the Company's knowledge, other than as set forth below, no director or executive officer of the Company is, as at the date of this AIF, or was, within 10 years before the date of this AIF:

- (a) a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

except that Blaine Bailey was the CFO of Arrowstar Resources Ltd. (formerly Gulfside Minerals Ltd.) when it was cease traded by the BC Securities Commission on May 8, 2014 for failure to file financial statements and a Form 51-102F1 within the required time period. The company subsequently filed the financial statements and Form 51-102F1 and the BCSC issued a revocation order September 15, 2014.

Bankruptcies

To the best of the Company's knowledge, other than as set forth below, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential conflicts of interest among the Company, its directors, officers or other members of management of the Company except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All conflicts must be disclosed by such directors and officers and treated in accordance with the applicable laws of British Columbia and the Company's constating documents.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings as at the date of this AIF, and no such proceedings are known to be contemplated.

Regulatory Actions

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

To the knowledge of the management of the Company, no director or executive officer of the Company, person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the common shares, or any associate or affiliate of any such persons, has or had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries other than as set out herein.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company is TSX Trust Company, having an address located at 2700 – 650 West Georgia Street, Vancouver, BC V6B 4N9.

MATERIAL CONTRACTS

The Company did not enter into any material contracts during the year ended December 31, 2021 or before the year ended December 31, 2021 that is still in effect as at the date of this AIF.

EXPERTS AND INTERESTS OF EXPERTS

The following are names of persons or companies (i) that have prepared or certified a report, valuation statement or opinion described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during, or relating to the Company's most recently completed financial year; and (ii) whose profession or business gives authority to the report, valuation statement or opinion made by the person or company:

- (a) Mr. Todd McCracken, P.Geo., and Mr. Marcelo Filipov, P.Geo, authors of the San Marcial Technical Report; and
- (b) Dr. Gilles Arseneau, P. Geo. and Mr. Shane Tad Cowie, P.Eng, authors of the Plomosas Project Technical Report;

Based on information provided by the experts, none of the experts named above, when or after they prepared the statement, report or valuation, has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by such experts). As at the date hereof, the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships beneficially own, directly or indirectly, in total less than one (1%) percent of the securities of the Company.

The auditor of the Company, Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia, has informed the Company that it is independent with respect to the Company within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of British Columbia.

Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found through a database search at SEDAR at www.sedar.com.

Additional information on the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issue under equity compensation plans and audit committee disclosure, is contained in the Company's management information circular dated July 30, 2021, which may be found on SEDAR.

Additional financial information regarding the Company is provided in the Company's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2021, which may be found on SEDAR.