



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

REPORT DATE: November 20, 2023

INTRODUCTION

This Management Discussion and Analysis (the “MDA”) provides relevant information on the operations of GR Silver Mining Ltd. (the “Company” or “GR Silver”) to the Report Date and the financial condition of the Company for the nine-month period ended September 30, 2023.

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

The common shares of the Company trade on the TSX Venture Exchange under the ticker symbol “GRSL” and on the OTCQX under the ticker symbol “GRSLF”. The Company is a reporting issuer in provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

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

The MDA should be read in conjunction with the Company’s condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, and its consolidated audited financial statements and notes thereto for the year ended December 31, 2022.

Forward-Looking Statements

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

Qualified Person and Quality Control/Quality Assurance

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

The Company has implemented QA/QC procedures which include insertion of blank, duplicate, and standard samples in all sample lots sent to SGS de México, S.A. de C.V. laboratory facilities in Durango, Mexico, for sample preparation and assaying. For every sample with results above Ag >100 ppm (over limits), these samples are submitted directly by SGS de Mexico to SGS Canada Inc. at Burnaby, BC. The analytical methods are Four Acid Digest and Inductively Coupled Plasma Optical Emission Spectrometry with Lead Fusion Fire Assay with gravimetric finish for silver above over limits. For gold assays the analytical methods are Lead Fusion and Atomic Absorption Spectrometry Lead Fusion Fire Assay with gravimetric finish for gold above over limits (>10 ppm).

DESCRIPTION OF BUSINESS

The Company is in the business of mineral exploration in Mexico. Consistent with the Company’s business plan, a land consolidation phase has been completed and the focus shifted to the San Marcial Property and the Plomosas Property, which, together with the La Trinidad Property, are collectively known as the “Plomosas Project”. Together these properties comprise a continuous land package, with numerous mineralized zones, past producing mine sites and old workings, located approximately 90 to 100

kilometres east-southeast of Mazatlán, Sinaloa, Mexico (Figure 1). The Plomosas Project is in a prolific mining area, the Rosario Mining District, with nearby historical precious metal producers. The Company has now identified multiple epithermal veins and hydrothermal breccias on the Plomosas Project, which hosts a mineral resource estimate as outlined below (see Table 1).

Figure 1 – Location Plomosas Project – Sinaloa - Mexico



The main business activities include the evaluation and exploration of mineral exploration properties to define economic mineral deposits aiming for potential development. The Company is currently focused on resource expansion at the San Marcial Area, as well as exploring new discoveries elsewhere on the Plomosas Project. The carrying values of the Company's exploration and evaluation assets are dependent upon the continued exploration of the property, and the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. These carrying values do not necessarily reflect their present or future values.

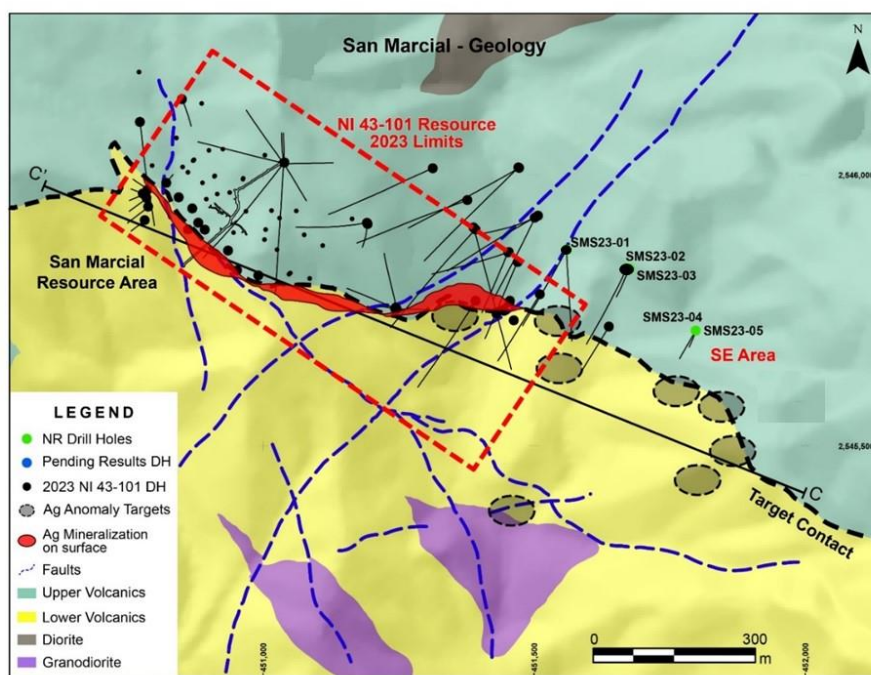
The Company is a British Columbia corporation. The Company's head office address is 1050 – 400 Burrard Street, Vancouver B.C. V6C 3A6. The Company's registered and records office is 600 – 890 West Pender Street, Vancouver, B.C. V6C 1J9.

HIGHLIGHTS

Property and Resource Highlights

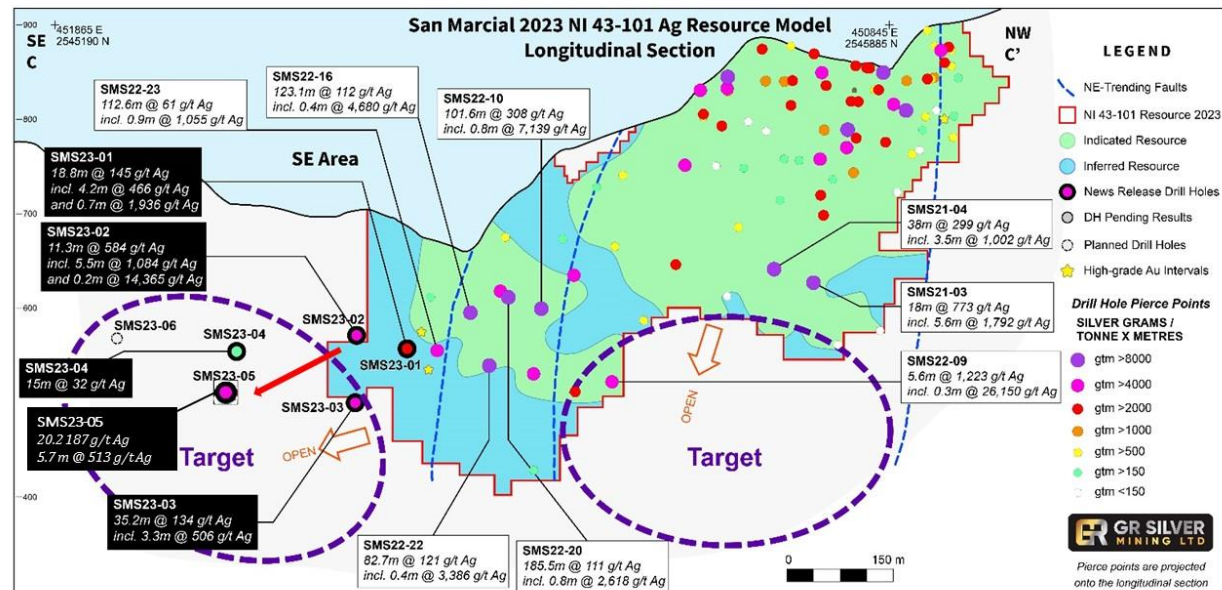
In Q3 2023, the Company continued a step-out drilling program outside of the existing Mineral Resource in the San Marcial Area. Drill Hole SMS23-05 (325.0 metres) was completed confirming the expansion of the footprint of the shallow wide silver mineralization in the SE Discovery Area by 250 metres outside of the recently published NI 43-101 Mineral Resource Estimate boundary (“Mineral Resource”) (Figure 2).

Figure 2: San Marcial SE Area Step Out Drilling Program - Location of 2023 Drill Holes (Including SMS23-05 Step Out Drill Hole)



From the original 300 m strike length of the SE Area Discovery that was incorporated into the Mineral Resource, the Company has drilled and identified an additional 250 m of wide shallow silver mineralization along the prospective Target Contact. The advance in the understanding of the geological controls of silver mineralization, post successful drilling and discovery of the SE Area, provided essential exploration tools to achieve the increase in the footprint of the mineralization along the strike. This has also provided important guidance for definition of potential high-grade silver mineralization hosted along structural corridors in the SE Area (Figure 3).

Figure 3: Longitudinal Section - Step Out Drilling Program Outside San Marcial Resource Area – Potential Exploratory High-Grade Targets

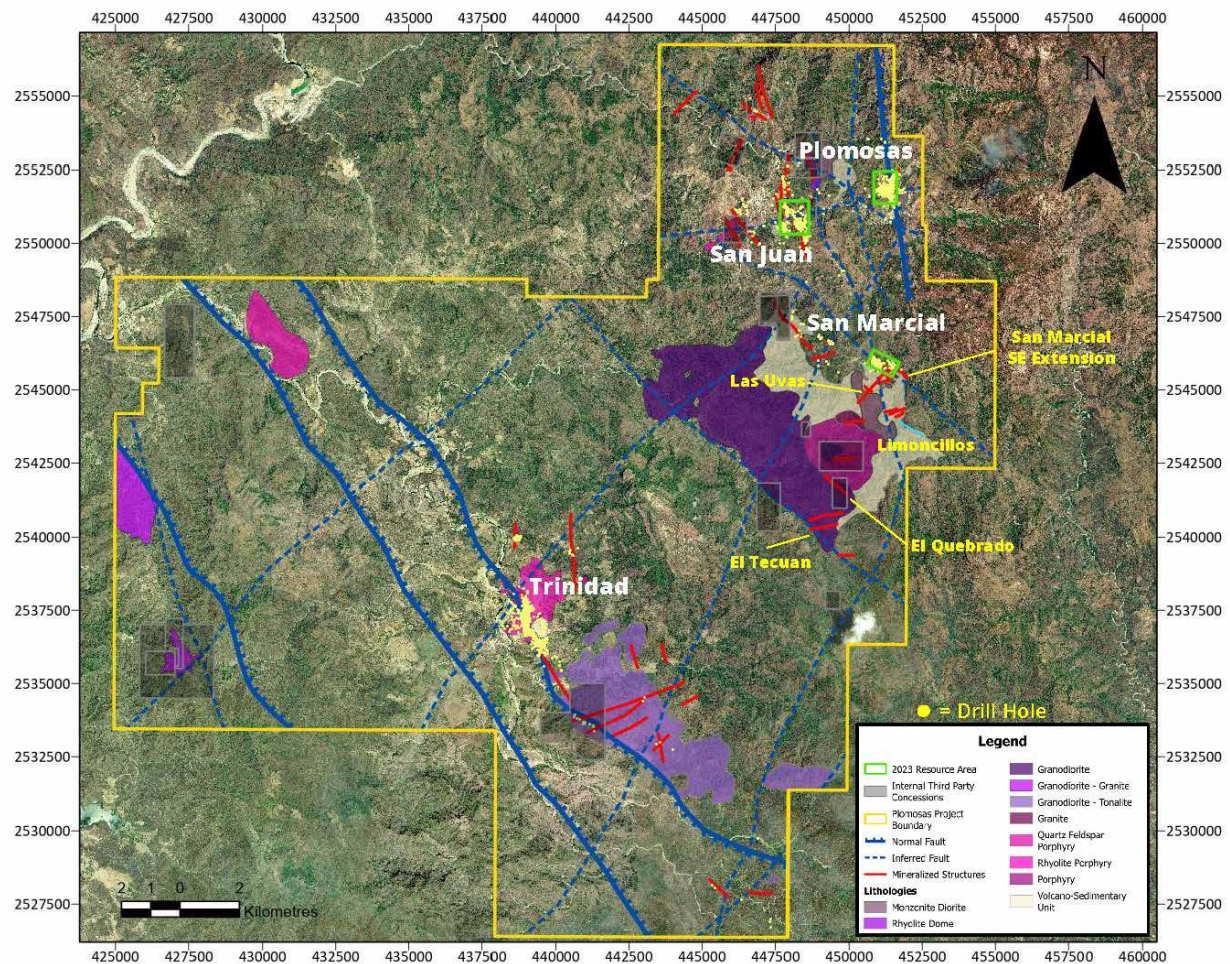


Refinement of the geological model has created a significant opportunity to expand the initial resource from the SE Discovery Area defined initially on only 300 metres of original silver mineralization strike length. The success of the step-out drilling program is also encouraging the Company to continue drilling in the future below the original San Marcial Area, based on the updated knowledge on silver mineralization geological controls supporting down-plunge extensions below the Mineral Resource from SMS23-02.

Highlights from the SMS23-05 step-out drilling at San Marcial (down-hole thickness):

SMS23-05: 20.2 m at 187 g/t Ag, including 5.7 m at 513 g/t Ag and 0.8 m at 2041 g/t Ag. The Target Contact (Figure 2) continued to be the focus of the Company's surface exploration program, particularly in areas coincident with Ag anomalies from surface geochemical sampling and the Company's 2021 ground geophysical survey. In this period, the Company initiated a review of all exploratory data recently collected in new mineralized zones to the south of the San Marcial Area, aiming to continue future project resource expansion. The recently initiated surface exploration program covering most of the area to the south of the Mineral Resource continued to identify new silver and gold anomalies in areas named Las Uvas, Limoncillos, Tebaira, (Tecuan and El Quebrado). These represent promising un-drilled targets with evidence of silver and gold mineralization close to the surface (Figure 4).

Figure 4 – Location of new silver and gold anomalies south of the Mineral Resource, namely Las Uvas, Limoncillos, Tebaira, and Tecuan.



For a full analysis and discussion of the program results, see “Exploration Q3/2023” below and the news release dated August 15, 2023.

Plomosas Project NI 43-101 Mineral Resource Estimate

On March 20, 2023, the Company released details of its Plomosas Project NI 43-101 Mineral Resource Estimate, updating resources for the San Marcial, Plomosas Mine and San Juan-La Colorada Areas. On May 3, 2023, the Company filed on SEDAR an independent technical report (“the Report”) prepared in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects (“NI 43-101”) by Dr. Gilles Arseneau, P.Geo. of ARSENEAU Consulting Services Inc (“ACS”), supporting the updated resource estimate for the Plomosas Project, previously reported in the Company’s news release dated March 20, 2023. This Report was filed in accordance with Section 4.2, Sub Section (5)(b) reconciling differences in the silver equivalent (“AgEq”) estimation related to the San Marcial Area.

The combined **Mineral Resource Estimate consisted of 85 Moz AgEq (Indicated) and 49 Moz AgEq (Inferred)**. Details of the combined Plomosas Project Mineral Resource Estimate are shown in Table 1, and the Mineral Resource Estimate is broken down by area in Table 2. Parameters for the estimate are shown in Table 3.

Table 1 Plomosas Project, Mineral Resource Statement, ACS March 15, 2023 by Resource Category

Mineral Resource Class	Type	Tonnage (Mt)	Average Grade						Contained Metal					
			Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	AgEq (g/t)	Ag (Moz)	Au (Koz)	Pb (Kt)	Zn (Kt)	Cu (Kt)	AgEq (Moz)
Indicated	OP	11	138	0.07	0.3	0.4	0.01	169	47	22.9	31	43	1	58
Inferred	OP	3	105	0.13	0.4	0.5	0.02	152	9	10.8	11	13	1	13
Indicated	UG	4	62	0.48	0.8	1.2	0.07	204	8	61.6	33	47	3	26
Inferred	UG	6	66	0.49	0.8	1.2	0.04	180	13	97.4	53	78	2	36
Total Indicated		15	117	0.18	0.4	0.6	0.03	179	55	84.5	64	90	4	85
Total Inferred		9	78	0.38	0.7	1.0	0.03	171	22	108.2	64	91	3	49

Table 2 Plomosas Project, Mineral Resource Statement, ACS March 15, 2023 by Area

Area	Mineral Resource Class	Type	Tonnes (Mt)	Average Grade						Contained Metal					
				Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	AgEq (g/t)	Ag (Moz)	Au (Koz)	Pb (Kt)	Zn (Kt)	Cu (Kt)	AgEq (Moz)
San Marcial	Indicated	OP	9	146	0.04	0.2	0.3	0	161	42	10.2	16	28	0	47
	Inferred	OP	2	127	0.03	0.1	0.2	0	136	6	1.4	1	3	0	7
San Marcial	Indicated	UG	1	176	0.06	0.3	0.6	0	206	4	1.5	2	4	0	5
	Inferred	UG	1	164	0.03	0.2	0.4	0	182	8	1.6	3	5	0	9
Plomosas	Indicated	OP	2	93	0.24	1.0	0.9	0.07	193	5	11.9	16	14	1	10
	Inferred	OP	1	66	0.28	1.0	1.0	0.06	174	2	7.8	9	9	1	5
Plomosas	Indicated	UG	3	35	0.57	0.9	1.3	0.08	204	4	58.0	30	42	3	21
	Inferred	UG	2	38	0.57	0.9	1.1	0.06	175	3	39.4	20	23	1	12
San Juan/La Colorada	Indicated	OP	0.1	161	0.29	0.3	0.6	0.02	211	0.4	0.8	0	1	0	1
	Inferred	OP	0.2	103	0.24	0.5	0.8	0.02	159	0.7	1.6	1	2	0	1
	Indicated	UG	0.1	90	0.61	1.1	0.8	0.04	199	0.3	2.1	1	1	0	1
	Inferred	UG	2.6	34	0.69	1.2	1.9	0.04	182	2.8	56.4	31	49	1	15
Total Indicated			15	117	0.18	0.4	0.6	0.03	179	55	84.5	64	90	4	85
Total Inferred			9	78	0.38	0.7	1.0	0.03	171	22	108.2	64	91	3	49

Numbers are rounded

* AgEq is calculated from the metal prices and recoveries using the equation $AgEq = ((Au\ grade * Au\ price * Au\ Recovery) + (Ag\ grade * Ag\ Price * Ag\ Recovery) + (Pb\ grade * Pb\ Price * Pb\ Recovery) + (Cu\ grade * Cu\ Price * Cu\ Recovery) + (Zn\ grade * Zn\ Price * Zn\ Recovery)) / (Ag\ Price * Ag\ Recovery)$

(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 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

Table 3 Summary Parameters Adopted for Resource Estimation and Mineral Resource Reporting - Plomosas Project (2023)

Plomosas Project				
Metal Prices		Gold US\$/oz	\$1,750	
		Silver US\$/oz	\$22.00	
		Lead US\$/lb	\$1.10	
		Zinc US\$/lb	\$1.30	
		Copper US\$/lb	\$4.20	
Area		San Marcial	Plomosas Mine	San Juan
Metallurgical Recoveries***	Gold	0	86%	79%
	Silver	94%	74%	71%
	Lead	59%	69%	58%
	Zinc	80%	75%	47%
Preliminary Cost Assumptions	Open Pit ("OP")	30 US\$/t	30 US\$/t	30 US\$/t
Mineral Resource Reporting****	Underground ("UG")	60 US\$/t	60 US\$/t	60 US\$/t

*** Based on preliminary metallurgical testwork completed in 2021 with samples from both areas investigating potential production of precious metal-rich concentrate

**** Preliminary cost assumptions adopted in the Whittle assessment and MSO are based on similar type deposits in Mexico where underground and open pit operations are in progress for a throughput capacity of 1,000 tpd

The Resource Estimate filed on May 3, 2023 was completed by ARSENEAU Consulting Services Inc. ("ACS") and Mr. S. T. Crowie (Sr. Metallurgist with JDS Energy & Mining Inc.), both of Vancouver, British Columbia, Canada, and integrates resources for the San Marcial, Plomosas Mine and San Juan-La Colorada Areas within the Plomosas Project.

A total of 70 GR Silver drill holes (10,500 metres) were added to the 52 holes used in the previous resource estimate, totalling 122 holes (~19,000 metres) for the San Marcial Area including the SE Discovery Area. At the Plomosas Mine Area, a total of 223 drill holes (16,380 metres) were drilled in specific areas of the existing underground historical mine as part of the infill drilling program. A total of 424 drill holes (60,020 metres) comprises the Plomosas Mine Area database supporting the Resource Estimate.

The Plomosas Project Resource Estimate adopts the key parameter of having a reasonable prospect of economic extraction, utilizing a combination of open pit and underground assumptions. Capping was applied to the original assay values prior to compositing in the mineral resource estimation process.

Highlights of the Resource Estimate (Table 1) including comparison to the previous mineral resource estimates¹ are:

- 72% increase in indicated mineral resources from 32 Moz to 55 Moz Ag
- 21% increase in inferred mineral resources from 18.6 Moz to 22.5Moz Ag
- 83 % increase in in indicated mineral resources from 46.4 Moz to 85 Moz AgEq
- 48 % increase in in indicated mineral resources from 33.0 Moz to 49 Moz AgEq

San Marcial Area

- Indicated mineral resources of 10 Mt at 166 g/t AgEq
- Inferred mineral resources of 3 Mt at 151 g/t AgEq
- 88% of the value of the San Marcial Resource Estimate is comprised of silver

¹ San Marcial 2019 resource (see News Releases dated February 7, 2019 and June 12, 2020); Plomosas Mine and San Juan 2021 resource (see News Release dated August 23, 2021)

- San Marcial resources are potentially amenable to underground mine development with the opportunity for “low-cost bulk mineable underground methods due to the wide geometry of the mineralized zone, and resource growth opportunity.
- True width of the modelled San Marcial mineralization averages 22 metres, while the SE Area discovery averages 53 metres in thickness.

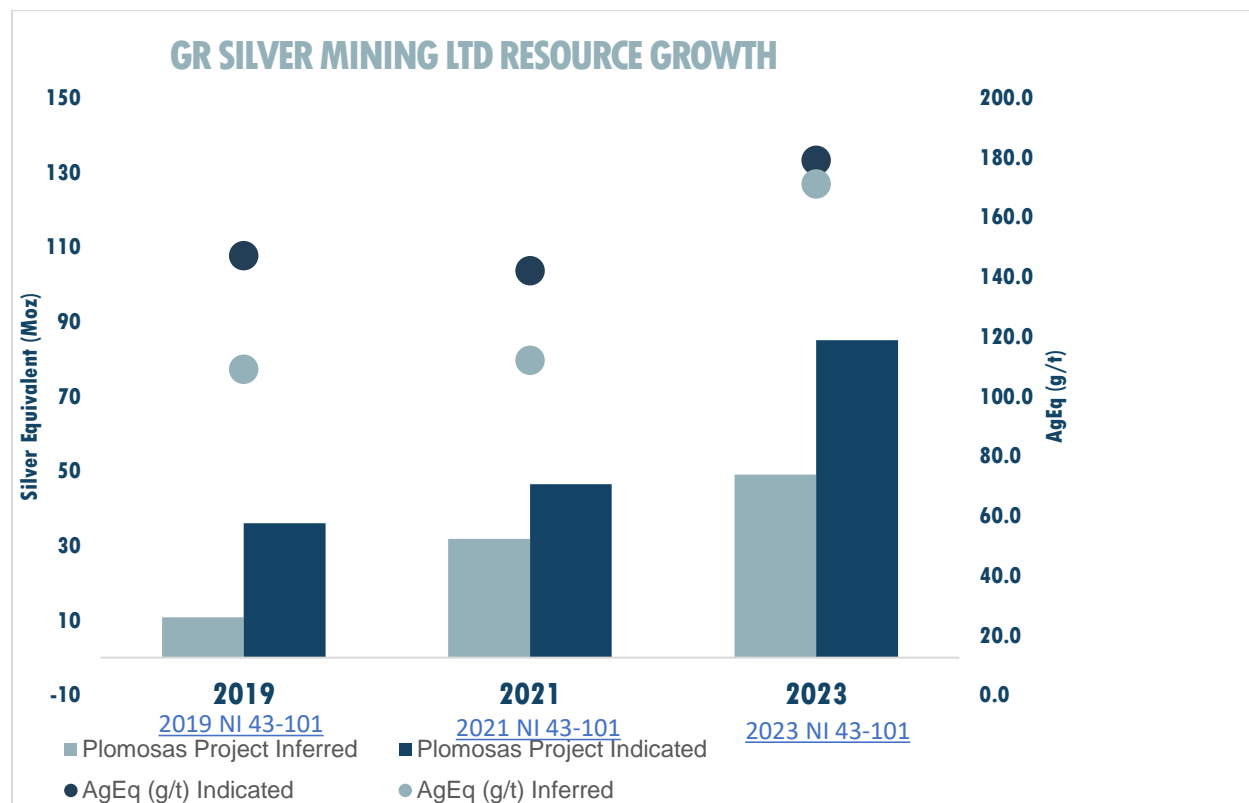
Plomosas Mine Area

- 2022 infill drilling resulted in an increase of 137% in the indicated mineral resource tonnage
- 260% increase in indicated mineral resources from 9 Moz to 31 Moz AgEq and AgEq grade increased by 30% and 52%, respectively, in indicated and inferred mineral resources in relation to the previous resource estimate
- Ag ounces represent 20% of total indicated mineral resources at the Plomosas Mine Area
- Ag ounces represent 26% of total inferred mineral resources at the Plomosas Mine Area
- True width of modelled mineralization at the Plomosas Mine Area averages 20 metres, supporting potential for low-cost bulk mineable open pit and/or underground mining methods
- 46% of the value of the Resource Estimate at the Plomosas Mine Area is comprised of precious metals

Key Statistics

- GR Silver Mining has successfully expanded resources at a low cost of exploration and acquisition (US\$0.25/oz) at the Plomosas Project (Figure 5)
- Since previous resource estimates in 2019 and 2021, the Company has achieved an estimated exploration cost of US\$0.23/oz AgEq discovered
- Indicated Ag ounces have increased 189% since the Company’s inception
- Inferred Ag ounces have increased 220% since the Company’s inception
- Indicated AgEq ounces have increased 236% since the Company’s inception
- Inferred AgEq ounces have increased 408% since the Company’s inception
- The proportion of total indicated resources (oz Ag), now represents 63% of total resources at the Plomosas Project (Table 1 and 2).

Figure 5 Resource Growth at the Plomosas Project

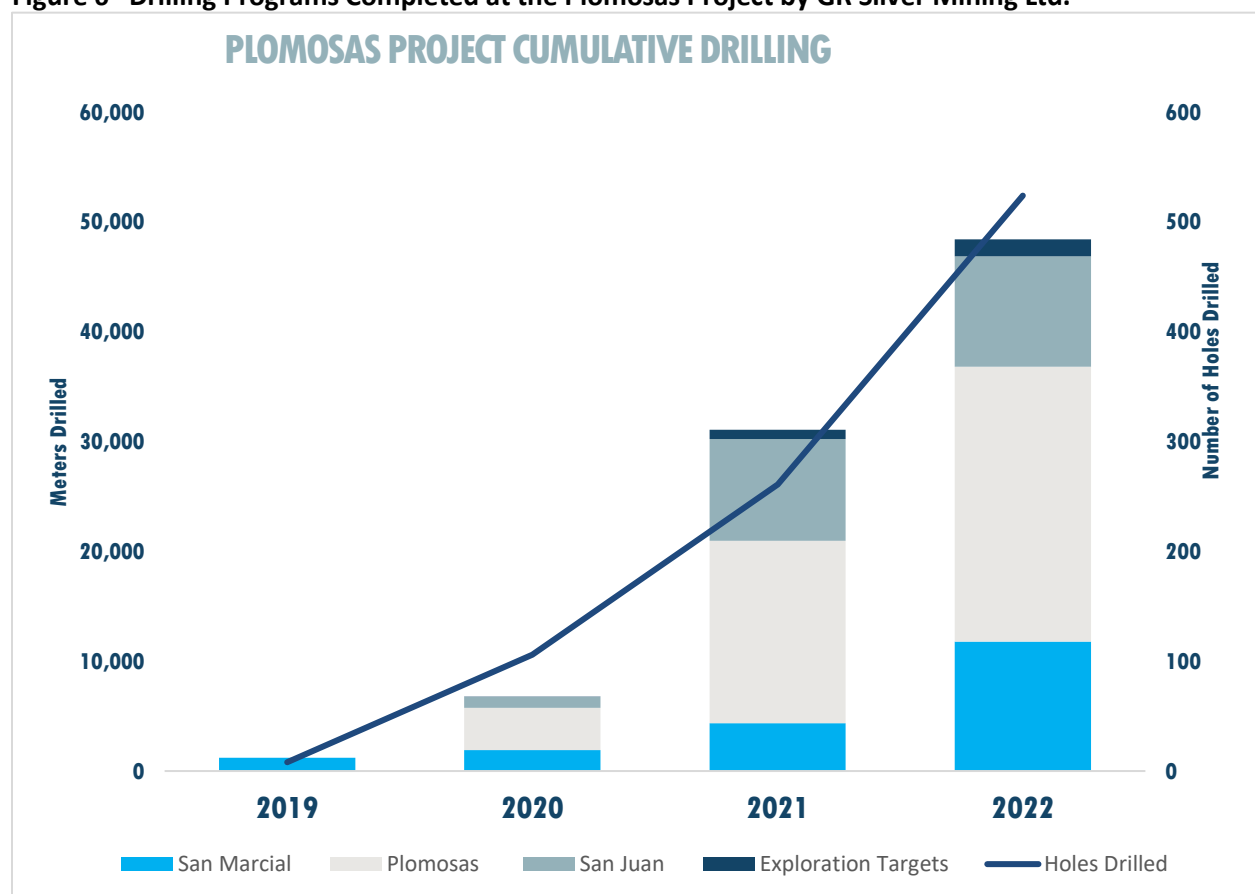


GR Silver has been actively and efficiently drilling the Plomosas Project since the consolidation of all three areas - San Marcial, Plomosas Mine and San Juan-La Colorada. GR Silver owns five drill rigs, which allow flexibility and cost efficiency in its drilling programs. Third party drilling contractors are sourced as needed. The following Figure 6 illustrates the cumulative metres of drilling already completed by GR Silver in the Plomosas Project.

GR Silver carried out drilling programs on the Plomosas Project from 2019 to 2022. GR Silver owns five of its own rigs, used during the latter stages of this period, which were operated by contract and GR Silver employees. GR Silver also contracted third-party drilling companies that drilled the Plomosas and San Marcial Properties during that period. GR Silver also re-drilled some of the IMMSA historical holes replacing a total of 133 historical holes from the database in the Plomosas Mine Area and it also removed 32 IMMSA historical drill holes from San Juan-La Colorada Area.

Since first drilling by GR Silver in 2019, the Company has completed 522 drill holes on the Plomosas Project, for a total of approximately 48,000 metres (Figure 6). Of this total, 108 holes were drilled on the San Marcial Property for a total of approximately 12,000 metres. At the Plomosas Mine and immediate surrounds, the Company has completed 283 holes for a total of approximately 25,000 metres. At San Juan-La Colorada, up until the end of Q1/2023, GR Silver had drilled 60 holes for a total of approximately 5,285 metres. A total of 71 holes have been drilled on other exploration targets within GR Silver's Rosario Mining District, up until the end of 2022, for a total of approximately 6,215 metres.

Figure 6 Drilling Programs Completed at the Plomosas Project by GR Silver Mining Ltd.



PLOMOSAS PROJECT

History and Background

GR Silver has, over several years, assembled a portfolio of mining concessions, which are wholly owned but subject to various royalties, in the Rosario Mining District, Sinaloa State, Mexico. The three key properties which comprise the Plomosas Project, cover 432 square kilometres, encompass two past producing mines and three camps, and feature excellent road access and power to multiple locations. Plomosas Project concessions and their applicable royalties are detailed in Tables 4, 12 and 13, respectively, with locations indicated in Figure 7.

From 1976 to 2000, IMMSA drilled 485 holes totalling 85,989 m in the Plomosas Project. From these, 221 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 166 holes drilled at the San Juan-La Colorada Area totalling 26,990 m. 98 drill holes were completed by IMMSA in other regional exploration targets. Gold-Ore carried out drilling from 2000 to 2002, drilling six holes in 2000 for 602 m and 17 holes in 2002 totalling 2,528 m targeting the San Marcial Area in the NW portion of the Mineral Resource. Aurcana drilled seven holes in the Plomosas Mine Area between 2007 and 2008; three from underground and four from surface platforms, for a total of 1,872 m. Silvermex drilled between 2008 and 2010, completing 29 holes for 5,826 m targeted at the NW portion of the San Marcial mineralization.

In March 2020, GR Silver completed the acquisition of 100% of Minera La Rastra S.A. de C.V. (“MLR”), the company holding the Plomosas Property and other concessions, from First Majestic Silver Corp. The Plomosas Property includes the past-producing Plomosas Mine - a shallow underground mine from which Grupo Mexico historically produced 67,600 t of lead concentrate and 31,400 t of zinc concentrate, with silver - gold credits, between 1986 and 2000. This mine was closed in 2001 due to then prevailing low commodity prices. As a result of the mine’s continuous care and maintenance since that time, 7.4 km of underground tunnels and developments have remained in good condition, providing immediate access for exploration and potential future mining activities. MLR also owns 349 hectares of land covering most of the underground mine and vicinity at the Plomosas Mine. As the Plomosas Mine is a past producer, valid surface rights agreements, as well as some other essential permits, remain in place for current and future use by the Company.

Table 4 Plomosas Project Mining Concessions

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

* June 2021 reduction subject to Government approval [#] Wholly-owned subsidiaries of GR Silver Mining Ltd.

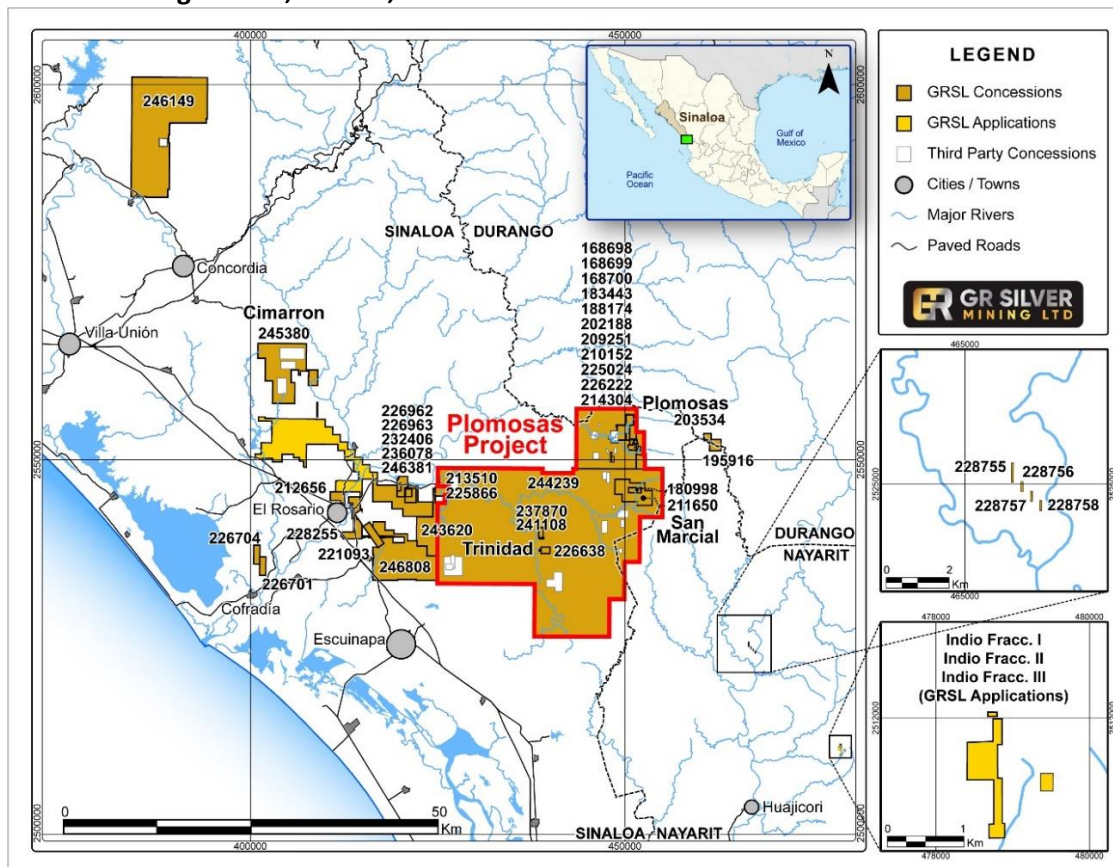
In addition, the Plomosas Property includes mineralization at the San Juan-La Colorada Area, located approximately three kilometres west of the Plomosas Mine, and near the eastern margin of a small, third-

party held concession currently being mined for gold. Artisanal workings are present, as well as shallow underground workings developed on a breccia, known as the San Juan Breccia.

In March 2021, the Company concluded the acquisition of 100% of Marlin Gold Mining Ltd. (“Marlin”) from Mako Mining Corp. (“Mako”). Marlin owns 100% of Oro Gold de Mexico, S.A. de C.V., a Mexican company, that includes the past producing La Trinidad open pit gold mine (“La Trinidad”), that ceased operating in 2019 after producing over 164,000 oz of gold^{2,3,4}, and additional highly prospective concessions in the Rosario Mining District. The La Trinidad open pit area is currently undergoing reclamation under a “Closure Plan” that remains the responsibility of Mako. The Closure Plan period expiry was November 8, 2022, however, a five-year extension was received by the Company from SEMARNAT (Secretary of the Environment and Natural Resources), the Mexican environmental authority, on March 16, 2023, with a new expiry date of November 8, 2027.

On May 6, 2021, following a successful three-year period of exploration and resource expansion under an option agreement, GR Silver acquired Compañía Minera San Marcial S.A. de C.V., which owns the San Marcial Property.

Figure 7 GR Silver’s Plomosas Project (Red Outline) and Non-Core Concessions Portfolio in the Rosario Mining District, Sinaloa, Mexico



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

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

4 Refer to Mako MD&A Releases dated 28 August 2019, 29 April 2020

The Company has now integrated the historical databases for the Plomosas Project, obtained through the aforementioned acquisitions, into a single regional database. The Company's Plomosas Project lies in one of the most prolific geological settings for the discovery of high-grade silver-gold epithermal mineralized systems in Mexico, along the western edge of the Sierra Madre Occidental. A number of world class deposits have been discovered in this setting, including the San Dimas deposit, just 125 kilometres north of the Plomosas Project, and the El Rosario Mine which historically produced millions of ounces of precious metals.

Following successful drilling in 2022, the Company completed an updated mineral resource estimate on March 20, 2023, covering the San Marcial, Plomosas Mine and San Juan-La Colorada Areas. The Report was filed on May 3, 2023, including updates on the estimation of AgEq for the San Marcial Area.

In addition to the Plomosas Project, the Company holds over 300 square kilometres of highly prospective "non-core" mining concessions, which include the Cimarron gold deposit (Figure 1 and 7), as well as mining concessions and applications close to the El Rosario Mine, namely Rosario, El Habal, La Union 2, El Habal Sur, Yauco, San Isidro and El Placer II (Table 10 and 11). The Company is evaluating possible monetization of these non-core concessions.

History

Mining at the **Plomosas Mine** took place from 1986 to 2000. A total of 2.5 Mt of ore were processed through a 600 tpd crushing-milling flotation circuit (Table 5). During the 14 years of operation, lead and zinc concentrates were the main products, with reported high-grade silver and gold credits. The historical reports indicate annual average grades for each commodity within the following ranges: zinc (1.85% to 2.66%), lead (1.19% to 3.37%), silver (79 g/t to 338 g/t) and gold (0.76 g/t to 1.74 g/t). The room and pillar underground operation selectively mined to only 260 metres depth of a polymetallic hydrothermal breccia hosted in a shallow-dipping regional fault. Extensive historical and current drilling data show additional continuity down dip and along strike as well as new mineralized zones on the footwall and hanging wall of the main zone.

Table 5 Plomosas Mine – Production History 1986-2000

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

Numbers are rounded

*Source: Internal IMMSA reports

The drilling data also indicate high-grade silver and gold mineralization in unmined hanging wall and footwall zones around the mineralized hydrothermal breccia. The Company confirmed the multi-commodity nature of the mineralization and high-grade silver and gold zones through its re-examination of the extensive drilling database, its re-logging and re-sampling work, and its delineation of new mineralized zones outside of the historically mined area as a result of its 15,944-metre surface and underground drilling program during 2020 and early 2021 (see News Release dated July 7, 2021).

Geology

The Plomosas Project is located in the southwestern edge of the Sierra Madre Occidental (SMO), which formed as the result of Cretaceous–Cenozoic magmatic and tectonic episodes related to the subduction of the Farallon Plate beneath North America, and to the opening of the Gulf of California. The local geology at the Project can be subdivided into two distinct underlying rock types: the first distinct rock type comprises bimodal volcanic rock units, dominated by andesitic pyroclastic units, tuffs, and extrusive flows. The bimodal volcanic rock units are underlain by a basal volcanoclastic sedimentary rock unit that is possibly of older Jurassic age.

Mineralization on the Plomosas Project can be described as intermediate- to low-sulphidation epithermal, which occurs at the San Marcial Area, the Plomosas Mine Area, the San Juan–La Colorada Area, and the La Trinidad Area. Several episodes of mineralization have been identified and are intricately connected to the tectonic and structural evolution of the SMO during the Tertiary.

The San Marcial Area displays indications of a low-sulphidation epithermal system, with four multi-phase mineralizing events, as identified by minerographic studies, rich in silver, lead, and zinc. In the San Marcial Property, a number of mineralization styles have been identified, including three main breccia types: a hematitic hydrothermal breccia—hematite + calcite + quartz; a siliceous hydrothermal breccia—chlorite + quartz + pyrite; and a tectonic breccia.

The San Marcial breccia-hosted deposit is strongly associated with a NW–SE-oriented structural trend, and possibly affected by other crosscutting structural features. While the San Marcial deposit is best considered a silver deposit, minor zinc and lead are closely associated with silver.

The SE Area discovery at San Marcial Area, in 2022, confirmed the extension of breccia mineralization along the NW–SE target contact zone, approximately 250 metres to the southeast of the original resource. The SE Area hosts hydrothermal breccia-style mineralization. The host rocks differ from those hosting silver mineralization on the NW portion of the San Marcial Mineral Resource, consisting of a wide chlorite-rich volcano-sedimentary unit which consists of brecciation and stockworks more than 100 metres thick in places and flooded by hematite-calcite-quartz. The mineralization is silver-rich with lesser Pb–Zn–Au. The Company is investigating the potential continuity of this mineralization further to the southeast along the target contact.

At the Plomosas Mine Area, a hydrothermal polymetallic breccia mineralization (Pb–Zn–Au–Ag) 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 mainly N–S-oriented shallow-angle fault, dipping west. Quartz and calcite are the main gangue minerals in the breccia. Sulphide mineral assemblages include galena, sphalerite, pyrite, chalcopyrite, and bornite. Silver-rich minerals such as acanthite and argentite are common. Late-stage Ag–Au-rich epithermal quartz 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 the San Juan–La Colorada Area, a large intermediate- to low-sulphidation epithermal gold–silver system is hosted predominantly by high-angle faults, whereas the Pb–Zn–Ag mineralization is preferentially in NW–SE-oriented, east-dipping, shallow-angle faults.

An extensive exploration database, including, stream sediment sampling, soil sampling, rock sampling, geophysics, and drilling, covering the La Trinidad Property as well as other regional targets, was acquired along with the concessions as part of the Marlin acquisition in 2021. At least ten different targets within the La Trinidad Property are still to be valued by GR Silver. Recent activities to the south of the San Marcial Property have included litho-geochemical sampling, geological mapping, identification of old workings, and channel sampling on targets around La Tigra Norte, El Tecuan and Tebaira. Parts of this area show potential for possible porphyry copper style mineralization, as well as areas with potential for continuations of the San Marcial style mineralization.

Exploration Q3/2023

Exploration activities in Q3/2023 focused on a step-out drilling program outside of the Mineral Resource at the San Marcial Area (Figure 2) and surface exploration (data review of previous mapping and previous litho and geochemical sampling) to the south of the Mineral Resource (Figure 4).

The following updates the exploration activities completed in the third quarter of 2023.

The Company has completed the following work from July 1 to September 30, 2023, on the Plomosas Project (Table 6), including review of all exploratory data collected to date in the South of the Mineral Resource aiming to continue definition of new drilling targets.

Table 6 Work Completed - Plomosas Project

Work Completed	San Marcial Resource Area Expansion	San Marcial South Exploration (Las Uvas – Limoncillos)	Tebaira (El Tecuan – Quebrado)
Core Relogging (metres)	15440		
Core Relogging (holes)	101		
Geological mapping review (km ²)	0.25-0.2	1.4	2.4
Exploratory data analysis (Target generation – Areas)	4 (NE fault 3, SE End Extension, Mineralized Andesite on SMS23-03, Subparallel Breccia)	5 (Las Uvas NE, Las Uvas NW, Limoncillos, Limoncillos and Intrusive contact zone)	5 (El Tecuan, , El Quebrado, El Limon, La Tigra)
Update 3D Modelling	x	x	

The positive step-out drilling results, combined with the geological knowledge gathered by the Company in the recent mapping, surface exploration, drilling, and resource estimation studies, support continued step-out drilling targeting high-grade mineralization potentially amenable to underground mining.

Table 7: Summary San Marcial SE Extension of Mineralization – Step-Out Drill Program– Results Highlights

Drill Hole	From (m)	To (m)	Apparent width (m)	Ag g/t	Au g/t	Pb %	Zn %
SMS23-01	142.4	161.2	18.8	145	0.04	0.1	0.2
including	155.2	159.4	4.2	466	0.08	0.1	0.3
including	156.4	157.1	0.7	1,936	0.25	0.4	0.9
SMS23-02	147.0	158.3	11.3	584	0.05	0.3	0.6
including	147.0	152.5	5.5	1,084	0.07	0.6	1.0
including	147.8	148.0	0.2	14,365	0.07	8.6	3.4

Drill Hole	From (m)	To (m)	Apparent width (m)	Ag g/t	Au g/t	Pb %	Zn %
SMS23-03	178.4	195.7	17.3	111	0.01	0.1	0.1
including	186.6	188.3	1.7	640	0.03	na	na
	198.3	204.6	6.3	132	0.02	na	0.1
	229.3	264.5	35.2	134	0.11	0.1	0.4
including	229.3	243.4	14.1	174	0.06	0.2	0.5
and	252.2	255.5	3.3	506	0.23	0.3	0.8
including	254.1	255.0	0.9	1,412	0.48	0.6	2.2
SMS23-04	170.6	185.6	15.0	32	0.03	0.1	0.1

Drill Hole	From (m)	To (m)	Apparent width (m)	Ag g/t	Au g/t	Pb %	Zn %
SMS23-05	261.7	281.8	20.2	187	0.05	0.3	0.7
including	271.5	277.2	5.7	513	0.05	0.4	0.8
including	271.5	272.3	0.8	2041	0.14	0.8	1.9

Numbers may be rounded. Results are uncut and undiluted. True width not estimated as the Company does not have sufficient data from the new mineralized zones to determine the true widths of the drill hole intervals with any confidence. "na" = no significant result.

Table 8: Drill Hole Details - 2023 Q2 and Q3/San Marcial Step Out Drill Program

Drill Hole	East (m)	North (m)	RL (m)	Dip (°)	Azimuth (°)	Depth (m)
SMS23-01*	451560	2545862	714	-50	180	289.9
SMS23-02*	451670	2545827	780	-65	202	306
SMS23-03*	451670	2545827	780	-80	202	351
SMS23-04*	451798	2545713	760	-75	210	231
SMS23-05	451798	2545713	760	-85	30	321

* completed in Q2/2023

SMS23-01 was designed to evaluate the presence of the high-grade silver mineralization at the 600 m elevation below drill hole SMS22-14 (SE limit of the Mineral Resource). The results from SMS23-01

supported the current geological model indicating the presence of significant silver mineralization at specific elevations below areas of low-grade silver mineralization and supported the continuity of the step-out drilling program.

SMS23-02 evaluated the SE Area mineralized corridor 50 m further southeast from drill hole SMS23-01. This hole successfully extends the SE Area mineralized zone further along strike than was previously recognized. The presence of bonanza-grade silver mineralization, including 0.2 m at 14,365 g/t Ag encouraged the company to continue with the drilling program.

SMS23-03 was drilled to test the down-dip continuity of high-grade “bonanza” silver mineralization intersected in SMS23-02. It intersected high-grade silver mineralization and a new style of mineralization. This discovery provides encouragement for the definition of new mineralized zones in areas previously considered barren.

SMS23-04 was drilled approximately 150 m southeast of SMS23-02 to test the continuity of high-grade mineralization. The drill hole intersected wide mineralized zones but did not confirm the presence of the bonanza grade. SMS23-05 was drilled to continue testing the bonanza grade model outside of the Mineral Resource, confirming the continuity of the bonanza grade style of mineralization 200 meters down plunge from SMS23 02.

The exploratory program, surface mapping, and geochemical sampling were initiated to test to the south of the Mineral Resource. It has enabled the Company to identify new drilling targets based on silver and gold geochemical anomalies, new field evidence of silver and gold mineralized intrusive, and numerous old workings. The figures (figure 2 and 4) illustrates the area already covered and initial preliminary drilling targets for follow-up in 2023.

SMS23-05 explored the continuity of silver mineralization 100 m down dip from the intersection at SMS23-04 and 200 m down potential plunge from SMS23-02 (Figures 2 and 3). This drill hole is also defining an extension of the mineralized zone for at least 400 m along the strike to the SE from discovery hole SMS22-10 (Discovery drill hole SE Area). The SMS23-05 result continues to suggest an extension of the Mineral Resource along strike and down-dip in the SE Area Discovery Zone, San Marcial Area. The result also reflects an increase in grade at some specific elevations when comparing these results with the previously released result SMS23-04.

Resource

The Mineral Resource Estimate (“MRE”) filed on May 3, 2023, represents GR Silver's second MRE for the San Marcial, Plomosas Mine, and San Juan–La Colorada Areas, within the Plomosas Project. The MRE incorporates all GR Silver drilling, and drilling completed by First Majestic, Silvermex, Gold-Ore, Aurcana, and IMMSA.

The San Marcial Area MRE is based on 122 drill holes totaling 19,451 m. The Plomosas Mine Area MRE is based on 60,349 m of drilling from 432 validated drill holes. In all, 133 historical IMMSA drill holes—those which were only partially sampled—were removed from the database because nearby recent drilling indicated that the mineralized zone was wider than depicted by the old IMMSA partially sampled holes. The San Juan–La Colorada Area MRE includes 54,823 m of drilling from 294 holes. Other areas have historical drill holes that have not been incorporated in this update of the NI 43-101 MRE for the Plomosas Project.

The reasonable prospect of eventual extraction was defined by generating a Whittle-optimized pit shell based on the metal prices and recoveries given in Table 9, and assuming a total open pit mining cost and

processing cost of US\$30/t supported by data collected from similar deposits and operations in Sinaloa State. Underground resources were restricted to shapes defined by stope optimizer software assuming combined underground mining and processing costs of US\$60/t supported by data collected from similar deposits and operations in Sinaloa State.

Table 9 Recoveries for the San Marcial, Plomosas Mine, and San Juan–La Colorada Areas

Metal	Price (US\$) ^a	Recoveries (%)		
		San Marcial	Plomosas	San Juan–La Colorada
Copper	4.20/lb	80	80	26
Lead	1.10/lb	59	69	58
Zinc	1.30/lb	80	75	47
Gold	1,750/oz	80	86	79
Silver	22.00/oz	94	74	71

Notes: ^a Metal prices are derived from *Energy & Metals Consensus Forecasts* long-term pricing (December 2022); oz = troy ounce.

The independent QP estimates that the Plomosas Project contains combined Indicated Mineral Resources totalling 15.0 Mt grading 0.18 g/t Au, 117 g/t Ag, 0.4% Pb, and 0.6% Zn; and 9.0 Mt of Inferred Mineral Resources grading 0.38 g/t Au, 78 g/t Ag, 0.7% Pb, and 1.0% Zn.

Outlook

Following the completion of drilling programs leading into the recently released updated Plomosas Project NI 43-101 Mineral Resource Estimate, the Company immediately commenced exploration activities to the south and southeast of the San Marcial Resource Area and new SE Area mineralization. A combination of detailed mapping, geophysical interpretations and surface litho-geochemical anomalies supported this area as being highly prospective for expanding the San Marcial resource. The target contact that is the focus for the San Marcial and SE Area resources, is known to continue further to the southeast and coincides with several silver geochemical anomalies (Figure 2).

The SE Area discovery is described as hydrothermal and crackle breccias in a new lithological unit emplaced at the contact between the lower and upper volcanic units. This unit that has not been seen in the previous San Marcial Resource Area, is defined as the “green facies” of the volcano-sedimentary unit which presents chloritic alteration, weak silicification and frequent hematite and carbonates, containing Ag sulfosalts and sulphides. The difference with the breccia in the San Marcial Resource Area is the absence, or reduced content, of Pb-Zn sulphides in the green volcano-sedimentary facies in the SE Area. Additionally, a late crosscutting epithermal event of quartz veinlets is increasing the width of the mineralized zone with a polymetallic assemblage of Ag-Pb-Zn sulphides and occasionally anomalous Au.

A chargeability anomaly and several coincident intrusive bodies have also been identified in this area. Some of the intrusive bodies are interpreted to be a possible heat source for the San Marcial mineralization and as such, structures that emanate from within, or in the vicinity of, those intrusives are targets for possible additional discoveries. Detailed mapping, channel sampling and litho-geochemical sampling, with portable XRF analyses, are underway with a number of drill targets having been defined in the 600 metres immediately to the southeast along the target contact.

Recent success with the step out drilling outside of the San Marcial Resource Area along the target contact extending the SE discovery, favor the company to continue drilling and exploration aiming resource expansion at shallow depth. GR Silver has allocated one drill rig in July 2023. Subject to further analysis of

the results the company will likely continue step-out drilling programs aiming continuous resource growth in the San Marcial Area, including the SE Discovery zone.

The initial surface exploration program delineating new drilling targets at the San Marcial South (Las Uvas and Limoncillos) and Tebaira and El Tecuan Areas, continue to support opportunity for new discoveries in the vicinities of the San Marcial Area.

The Company has noted that it has received inquiries from independent parties interested in facilitating potential small-scale test mining at the former Plomosas Mine and toll milling. Discussions have included a focus on higher-grade portions of the former Plomosas Mine resource, considering available infrastructure and 7.4 Km of underground development in excellent condition. Plomosas features several competitive advantages, including road access, power direct to the site, land ownership covering the mineral deposit area, and existing permits and long-term ejido agreements. Management continues evaluating business and technical opportunities, mindful of the need to minimize financial, operational, environmental, health, and safety risks. There are no guarantees that discussions with these parties, subject to negotiating acceptable terms and conditions and entering definitive documentation, will come to fruition.

OTHER PROJECTS

GR Silver subsidiaries hold title to the following additional mining concessions (Table 10) and mining concession applications (Table 11) in the Rosario Mining District. Applicable royalties are noted in Tables 12 and 13. Note that the El Salto and El Salto Sur concessions are subject to a sale agreement to a third party (see News Release dated December 20, 2021) and completion of this sale is pending regulatory confirmation.

The Company's non-core concessions remain available for partnership or outright purchase and outreach has been made to encourage potential monetization.

Table 10 Other Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
ORO GOLD DE MÉXICO, S.A. DE C.V.			
1	El Salto Sur *	236801	1,200.00
2	El Salto *	234460	3,210.12
3	Cimarron	245380	2873.98
4	El Porvenir	226701	200.00
5	San Isidro	226704	200.00
GOLDPLAY DE MEXICO, S.A. DE C.V.			
1	Habal	246381	1738.99
2	San Pablo	236078	80.00
3	San Pablo 2	226963	220.00
4	Las Dos Chiquitas	232406	278.16
5	Baluart 2	226962	50.00
6	Habal Sur	243620	1406.57
7	Tigra Negra Fracc. II	228755	2.70
8	Tigra Negra Fracc. III	228756	1.35

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
9	Tigra Negra Fracc. IV	228757	1.35
10	Tigra Negra Fracc. V	228758	1.35
11	Placer II	246149	11107.24
12	Yauco	246808	4518.99
MINERA LA RASTRA, S.A. DE C.V.			
1	Rosario 4	212656	239.78
2	Rosario I	221093	406.69
3	Rosario II	228255	736.18
4	La Chispera	213510	10.00
5	La Chispera II	225866	226.07
6	Potrero No. 2	195916	221.00
7	El Potrero	203534	100.00

* El Salto and El Salto Sur concessions were subject to area reductions in June 2021 and subject to a sale agreement to a third party in December 2021. These actions are subject to regulatory approval.

Table 11 Other Mining Concession Applications

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

ROYALTIES

A summary of royalties applicable to GR Silver's mining concessions is included in the following tables (Table 12 and Table 13).

TABLE 12 Royalties applicable to GR Silver concessions

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
Oro Gold de Mexico	<p>Concession: "Cimarron"</p> <p>Royalty: NSR royalty payable to Minera Camargo, S.A. de C.V., ("Camargo") as follows and once the initial investment has been recovered by Oro Gold de Mexico, or the mining claim covered by the concession has been in production for two years, whichever first occurs:</p> <p>(a) 1.0% NSR if ounce gold price is US\$300.00 or under;</p> <p>(b) 1.5% NSR if ounce gold price is higher than US\$300.00;</p> <p>(c) 2.0% NSR if gold price is higher than US\$400.00; and</p> <p>(d) 2.5% NSR if gold price is higher than US\$500.00</p>	Oro Gold de Mexico has the right to buy back this royalty for US\$1,000,000 plus VAT per 0.5%, which right can be exercised at any time and from time to time in whole or in part
Oro Gold de Mexico	<p>Concessions: "Reducción La Nueva Trinidad", "El Porvenir", "San Isidro" and "Nancy"</p>	Oro Gold de Mexico has the right to buy-back this

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
	<p>Royalty: NSR royalty payable to Camargo as follows and once the initial investment has been recovered or the mining claim covered by the concession has been in production for two years, whichever occurs first:</p> <p>(a) 0.5% NSR if ounce gold price is US\$400.00 or under; and</p> <p>(b) 1.0% NSR if ounce gold price is higher than US\$400.00</p>	royalty for US\$1,000,000 plus VAT per 0.5%, which right can be exercised at any time and from time to time in whole or in part
Oro Gold de Mexico	<p>Concessions: “El Porvenir”, “San Isidro” and “Nancy”</p> <p>Royalty: NSR royalty payable to Paulino Meza Villapudua as follows:</p> <p>(a) 0.5% NSR if ounce gold price is US\$400.00 or under;</p> <p>(b) 1.0% NSR if ounce gold price is between a range of US\$400.00 to US\$499.99; and</p> <p>(c) 1.5% NSR if ounce gold price is greater to US\$500.00</p>	Oro Gold de Mexico has the right to buy back the royalty for US\$1,000,000 plus VAT, which right can be exercised at any time
Oro Gold de Mexico	<p>Concessions: “Reducción La Nueva Trinidad”, “San Carlos”, “San Carlos I”, “Cimarron”, “El Porvenir”, “San Isidro” and “Nancy”</p> <p>Royalty: 1.0% NSR royalty payable to Mako Mining Corp., S.A. de C.V.</p>	The Company and/or Oro Gold have the right to buy back this royalty for US\$2,000,000 plus VAT, which right can be exercised at any time.
Minera La Rastra	<p>Concessions: “Plomosas”, “Segunda Ampl. de Plomosas”, “Continuación de Plomosas”, “La Rastra 2”, “San Juan”, “Potrero No. 2”, “La Estrella”, “El Potrero”, “Plomosas 3”, “Plomosas 2”, “Rosario 4”, “La Chispera”, “La Rastra”, “Rosario I”, “Plomosas 4”, “La Chispera II”, “Los Arcos” and “Rosario II”</p> <p>Royalty: Monthly royalties are payable to Industrial Minera Mexico, S.A. de C.V., depending on the price of zinc (Zn), as indicated below:</p> <p>(a) 3.5% when the price of Zn is equal or more than US\$1.50 per lb;</p> <p>(b) 3.0% when the price of Zn is equal or more than US\$1.20 per lb;</p> <p>(c) 2.5% when the price of Zn is equal or more than US\$1.00 per lb; and</p> <p>(d) 1.75% when the price of Zn is less than US\$1.00 per lb</p>	N/A
Minera La Rastra	<p>Concessions: “Plomosas”, “Segunda Ampl. de Plomosas”, “Continuación de Plomosas”, “La Rastra 2”, “San Juan”, “Potrero No. 2”, “La Estrella”, “El Potrero”, “Plomosas 3”, “Plomosas 2”, “Rosario 4”, “La Chispera”, “La Rastra”, “Rosario I”, “Plomosas 4”, “La Chispera II”, “Los Arcos” and “Rosario II”</p> <p>Royalty: 2.0% NSR royalty payable to Royalty & Streaming Mexico, S.A. de C.V.</p>	Minera La Rastra has the one-time right at any time to buy back half of this royalty (i.e. 1%) for US\$1,000,000 plus VAT
Minera San Marcial	<p>Concessions: “Mina de San Marcial” and “Ampliación San Marcial”</p> <p>Royalty: 3.0% NSR royalty payable to Met-Sin Industriales, S.A. de C.V.</p>	Minera San Marcial has the right to buy back this royalty for US\$600,000 plus VAT per 1%, which right can be exercised at any time and from time to time in whole or in part.
Minera San Marcial	<p>Concessions: “Mina de San Marcial” and “Ampliación San Marcial”</p> <p>Royalty: 0.75% NSR royalty is payable to EMX Royalty Corporation</p>	Minera San Marcial has the right to buy back this royalty for CAD\$1,250,000 plus VAT, which right can be exercised at any time

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
Goldplay de Mexico	<p>Concessions: “Habal”, “San Pablo 2”, “Baluarte 2”, “Las Dos Chiquitas”, “San Pablo”, “Tigra Negra Fracc. II”, “Tigra Negra Fracc. III”, “Tigra Negra Fracc. IV” and “Tigra Negra Fracc. V”</p> <p>Royalty: 1.0% NSR royalty payable to Camargo.</p>	Oro Gold de Mexico has the right to buy back this royalty for US\$1,000,000 plus VAT, which right can be exercised at any time.
Goldplay de Mexico	<p>Concessions: “Habal”, “San Pablo 2” and “Baluarte 2”</p> <p>Royalty: 0.5% NSR royalty payable to Erme Enriquez Minjarrez</p>	Goldplay de Mexico has the right to buy back this royalty for US\$1,000,000 plus VAT, which right can be exercised at any time.
Goldplay de Mexico	<p>Concessions: “Habal Sur”, “El Placer II” and “Yauco”</p> <p>Mining Concession Applications: “La Union 2 Fracc. 1” (File 95/13335) and “La Union 2 Fracc. 2” (File 95/13335)</p> <p>Royalty: 1.0% NSR royalty payable to Sandstorm Gold Ltd. (“Sandstorm”)</p>	N/A
Goldplay de Mexico	<p>Concessions: “El Habal”, “San Pablo 2”, “Baluarte 2”, “Las Dos Chiquitas” and “San Pablo”</p> <p>Royalty: Concessions are subject to an option agreement in which Sandstorm has the exclusive right to acquire a 1% NSR royalty at an exercise price of US\$1,000,000 per 0.5% NSR.</p>	N/A
Goldplay de Mexico	<p>Concessions: “Habal Sur”, “El Placer II” and “Yauco”</p> <p>Royalty: 1.0% NSR royalty payable to Oro Gold de Mexico</p>	N/A
Goldplay de Mexico	<p>Mining Concession Applications: “Indio Fracc. I” (File 59/7706), “Indio Fracc. II” (File 59/7706), “Indio Fracc. III” (File 59/7706), “La Union 2 Fracc. 1” (File 95/13335) and “La Union 2 Fracc. 2” (File 95/13335)</p> <p>Royalty: 1.0% NSR royalty payable to Oro Gold de Mexico</p>	N/A

TABLE 13 Royalties owned by/owing to the Company’s subsidiary, Oro Gold de México, S.A. de C.V.

Royalties Receivable and Concessions	Company Notes
Grupo Minero Venturex, S.A. de C.V. is obligated to pay a 0.5% NSR royalty to Oro Gold de Mexico with respect to mining concessions “El Salto” and “El Salto Sur”.	Completion of the sale of these concessions is subject to acceptance by the Public Register of Mining (Mexico)
Grupo Promotor Minero, S.A. de C.V. (“GPM”) is obligated to pay a 1.0% NSR royalty to Oro Gold de Mexico with respect to mining concessions “Parral 1” and “Parral 1 Fraccion 1”.	Sale of these concessions in Chihuahua by Oro Gold de Mexico to GPM was registered with Mexican authorities on November 15, 2012
Northair de México, S.A. de C.V., (“Northair”) is obligated to pay a 1.0% NSR royalty to Oro Gold de Mexico with respect to the following mining concessions: “Parral 2 D-1”, “Parral 2 D-2”, “Parral 2 D-3”, “Parral 2 D-4”, “Parral 2 D-5”, “Parral 2 D-6”, “Parral 2 D-7”, “Parral 2 D-8” and “Parral 2 D-9”.	Parral 1 was divided into Parral 1 and Parral 2 by GPM, and Parral 2 was then sold to Northair and currently consists of the nine “Parral 2 D-1

	through 9" concessions detailed at left.
Goldplay de Mexico is obligated to pay a 1.0% NSR royalty to Oro Gold de Mexico with respect to mining concessions "Habal Sur", "El Placer II" and "Yauco".	N/A
Goldplay de Mexico is obligated to pay a 1.0% NSR royalty to Oro Gold de Mexico with respect to the following mining concession applications: "Indio Fracc. I" (File 59/7706), "Indio Fracc. II" (File 59/7706), "Indio Fracc. III" (File 59/7706), "La Union 2 Fracc. 1" (File 95/13335) and "La Union 2 Fracc. 2" (File 95/13335).	N/A

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS unless otherwise noted and should be read in conjunction with the Company's condensed interim consolidated financial statements. The following is a summary of selected financial data for the Company for its eight preceding financial quarters ended Sept 30, 2023:

Quarter Ended Amounts in 000 except for earnings (loss) per share	Sept 30, 2023	June 30, 2023	Mar. 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021
Net income (loss)	(4,281)	(3,464)	(4,275)	(6,659)	(3,946)	(4,157)	(4,032)	(4,527)
Earnings (loss) per share – basic and diluted	(0.02)	(0.01)	(0.02)	(0.03)	(0.02)	(0.03)	(0.02)	(0.03)
Total assets	23,949	24,128	25,702	25,284	29,602	27,903	31,692	28,427
Working capital	(25,086)	(21,467)	(18,214)	(17,105)	(11,602)	(12,332)	(8,306)	(11,143)

During the quarter ended September 30, 2023, the Company completed an initial tranche of a private placement for gross proceeds of \$329,875 and incurred expenses \$4,371,676, which included \$2,609,206 in exploration expenditures, concession fees, net of retirement of \$897,804, salaries of \$358,076 and professional fees of \$75,739.

During the quarter ended June 30, 2023, the Company incurred expenses of \$2,900,636, which included \$1,279,751 in exploration expenditures, concession fees, net of retirement of \$656,780, salaries of \$392,368, professional fees of \$138,664 and share based compensation of \$53,911.

During the quarter ended March 31, 2023, the Company completed a private placement for gross proceeds of \$3,030,000 and incurred exploration expenditures of \$4,103,449. Actual cash used in operating activities was \$2,282,532 which captures the net impact of the accrual (\$3,864,261) and retirement (\$2,217,010) of concession fees.

During the quarter ended December 31, 2022, the Company incurred expenses of \$6,658,423, which included \$4,273,916 in exploration expenditures, salaries of \$546,046, professional fees of \$143,808 and impairment on value added tax of \$693,251.

During the quarter ended September 30, 2022, the Company completed a private placement and received gross proceeds of \$5,439,450. The Company incurred expenses of \$3,946,408, which included \$3,839,045 in exploration expenditures, salaries of \$431,990, professional fees of \$148,471 and gain on concession fees of \$1,723,586.

During the quarter ended June 30, 2022, the Company incurred expenses of \$4,158,493, which included \$2,417,789 in exploration expenditures, salaries of \$442,778 and professional fees of \$137,802.

During the quarter ended March 31, 2022, the Company completed a conversion of special warrants financing to units and received gross proceeds of \$7,353,924 and \$67,097 on the exercise of warrants. The Company incurred expenses of \$4,031,782, which included \$3,422,600 in exploration expenditures, salaries of \$630,067, professional fees of \$145,125, share-based compensation of \$254,775 and gain on concession fees of \$831,621.

During the quarter ended December 31, 2021, the Company incurred expenses of \$4,527,216, which included \$3,556,311 in exploration expenditures, salaries of \$496,291, professional fees of \$137,857 and

impairment on value added tax in Mexico of \$523,009.

Nine months ended September 30, 2023, compared to nine months ended September 30, 2022

The Company's net loss for the nine months ended September 30, 2023, was \$12,020,459 (2022 - \$12,135,754):

Exploration Expenditures

Exploration expenditures in the nine months ended September 30, 2023, of \$3,767,135 (September 30, 2022 - \$4,974,507) were incurred or accrued as per the table below:

	2023	2022
Community relations	\$ 72,692	\$ 225,990
Consulting	-	19,082
Drilling	539,326	1,376,667
Environmental	147,413	67,522
Field	1,238,633	1,602,715
Geological	1,090,477	1,099,554
Geochemistry	465,787	410,416
Metallurgical	-	117,157
Technical reports	157,921	-
Survey	40,115	-
Topography	14,771	55,404
	<u>\$ 3,767,135</u>	<u>\$ 4,974,507</u>

Expenditures by property are included in the condensed interim consolidated financial statements for the nine months ended September 30, 2023.

Work in the nine months ended September 30, 2023, was directed toward completion of the Plomosas Project NI 43-101 Mineral Resource Estimate. A description of work performed is provided in the section of Plomosas Project in the document above. Concession fees were accrued pursuant to the concession fees and associated inflationary and interest accrual adjustments. In the nine months ended September 30, 2023, the Company recognized a retirement of statute-barred concession obligations of \$2,325,155 (2022 - \$2,555,207).

In the nine months ended September 30, 2022, the Company incurred exploration expenditures of \$3,767,135 net of concession fees of \$5,888,000 (before the retirement of statute-barred concession obligations). The activity included the start of the 2023 drilling activity on San Marcial.

Field and drilling expenditures have decreased following a decrease in activity and on site staff in Mexico.

General and administration

- Investor relations expense of \$256,103 (2022 - \$412,576) has decreased following an effort by the Company to focus efforts on targeted communications while working to deliver the Plomosas Project NI 43-101 Mineral Resource Estimate.

- Salaries of \$1,163,160 (2022 - \$1,504,835) was lower due to decrease in employees.
- Professional fees of \$350,664 (2022 - \$431,398) were lower reflecting the timing of corporate legal support and audit activity.
- Transfer agent and filing fees of \$78,993 (2022 - \$167,640) include transfer agent and costs for listing compliance that vary relative to activity.

Other items

- Foreign exchange loss of \$1,924,042 (2022 – \$978,633) was driven by the strengthening of the Mexican peso to the Canadian dollar, resulting in an increased liability for Mexico concession fees offset by an increase in the value-added tax receivable. These items are denominated in Mexican pesos and their valuation varies relative to the foreign exchange rate between the Mexican peso and Canadian dollar.

Three months ended September 30, 2023, compared to three months ended September 30, 2022

The Company's net loss for the three months ended September 30, 2023 was \$4,281,608 (2022 - \$3,946,408):

Exploration Expenditures

Exploration expenditures in the three months ended September 30, 2023 of \$897,804 (2022 - \$1,724,550) were incurred or accrued as per the table above.

A description of work performed is provided in the section of Plomosas Project in the document above. Concession fees were accrued pursuant to the concession fees and associated inflationary and interest accrual adjustments.

In the three months ended September 30, 2022, the Company incurred exploration expenditures of \$1,724,550 net of concession fees of \$390,909. The activity included the start of the 2022 drilling activity on San Marcial.

Field and geological expenditures have decreased following a decrease in on site staff in Mexico.

General and administration

- Investor relations expense of \$91,417 (2022 - \$122,904) has decreased following an effort by the Company to focus efforts on targeted communications.
- Salaries of \$358,076 (2022 - \$431,990) decreased due to reduction in employees.
- Professional fees of \$75,739 (2022 - \$148,471) decreased reflecting the timing of corporate legal support and audit activity.
- Transfer agent and filing fees of \$28,695 (2022 - \$71,879) include transfer agent and costs for listing compliance that vary relative to activity.

Other items

- Foreign exchange loss of \$106,296 (2022 – \$684,504) was driven by the strengthening of the Mexican peso to the Canadian dollar resulting in an increased liability for Mexico concession fees offset by the value-added tax receivable. These items are denominated in Mexican pesos and their valuation varies relative to the foreign exchange rate between the Mexican peso and Canadian dollar.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has no operating revenues and relies primarily on equity financings for cash to run its business. Because of economic and market conditions, globally, there is uncertainty in capital markets, particularly for small exploration companies, and the Company anticipates that it and its peers will have limited access to capital in 2023. Although the Company's business model has not changed and its assets have been advanced through its exploration efforts, overall investor interest in shares of junior exploration companies appears to have diminished. The Company does not expect its current capital resources to be sufficient to cover its capital expenditure and corporate general and administrative expenditure through the next 12 months. Future liquidity will therefore depend upon the Company's ability to arrange additional equity financings (see 'Risks and Uncertainties' below). The Company continually monitors its financing alternatives and will have to finance its fiscal 2023 and 2024 operating overhead and exploration expenditures through future equity financings.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all. As at September 30, 2023 the Company had a working capital deficiency of \$25,086,395 consisting primarily of concession fees payable, with \$22,390,591 attributable to Oro Gold which includes the La Trinidad concessions. The Company is looking at options to address the concession fees payable, but there is no certainty that a favourable outcome will be found.

As at September 30, 2023, the Company reported cash of \$87,915 compared to \$902,238 as at December 31, 2022. The net change in cash on hand was the result of cash consumed in operations of \$4,145,006 with a net injection of \$3,330,683 from financing activities.

Subsequent to the quarter ending September 30, 2023, the Company completed the following two financings.

The Company completed a non-brokered private placement of 2,500,000 units at a price of \$0.05 for gross proceeds of \$125,000. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant and each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.08 per warrant until October 13, 2025.

The Company completed a non-brokered private placement of 30,000,000 units at a price of \$0.04 per unit for gross proceeds of \$1,200,000. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant and each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.07 per warrant until November 10, 2026.

SHARE CAPITAL

- a) As of the date of the MDA the Company has 271,177,306 issued and outstanding common shares. The authorized share capital is unlimited no par value common shares.
- b) As at the date of the MDA the Company has 8,200,000 incentive stock options outstanding.
- c) As at the date of the MDA the Company has 86,195,157 share purchase warrants outstanding.

RELATED PARTY TRANSACTIONS

Key management personnel compensation for the nine months ended September 30, were:

	2023	2022
Short-term benefits paid or accrued:		
Professional fees paid to Laura Diaz (Director to September 18, 2023)	\$ 82,751	\$ 198,245
Salary paid to Marcio Fonseca (COO)	195,000	195,000
Salary paid to Blaine Bailey (CFO)	58,333	131,250
Consulting paid to Blaine Bailey (CFO)	19,500	-
Consulting paid to Samantha Shorter (former CFO)	21,500	-
Salary paid to Brenda Dayton (VP Corporate Communications to March 29, 2023)	60,000	90,000
Salary paid to Honza Catchpole (1) (former VP Exploration)	-	212,500
Salary paid to Trevor Woolfe (VP Exploration and Corporate Development to June 30, 2023 and now a director)	90,000	135,000
Salary paid to Alejandro Cano (Country Manager Mexico)	107,274	97,924
Salary paid to Eric Zaunscherb (CEO)	65,000	45,000
Director fees paid to Jonathan Rubenstein (director to January 31, 2023)	2,000	6,000
Director fees paid to Michael Thomson	-	16,000
Director fees paid to Gino DeMichele	-	7,250
Director fees paid to Laura Diaz	-	6,000
Stock based compensation to Directors and Officers	169,303	309,442
Total remuneration	\$ 870,661	\$ 1,449,611

(1) Honza Catchpole ceased to be a related party on February 25, 2022, and was paid a severance of \$180,000 in 2022.

Included in accounts payable and accrued liabilities as at September 30, 2023 there was \$289,639 (December 31, 2022 – \$73,530) owed to related parties and summarized as follows:

Name	September 30, 2023	December 31, 2022
Promaid Services Ltd. (Blaine Bailey)	\$ 20,475	\$ 374
Brenda Dayton	-	23,274
Eric Zaunscherb	55,884	12,354
Jonathan Rubenstein	14,000	12,000
Marcio Fonseca	109,783	-
Margeo Consulting (Marcio Fonseca)	-	5,938
Samantha Shorter	22,575	-
Trevor Woolfe	7,500	-
Shordean Pty Ltd. (Trevor Woolfe)	9,923	10,711
Diaz Nieves Y Asociados S.C.	49,499	8,879
	\$ 289,639	\$ 73,530

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

OFF BALANCE SHEET ARRANGEMENTS

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

INVESTOR RELATIONS

The Company has no investor relations contracts and Eric Zaunscherb, CEO handles all matters in regard to investor relations.

PROPOSED TRANSACTIONS

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

CRITICAL ACCOUNTING ESTIMATES

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

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended September 30, 2023, that had a material effect on its condensed interim consolidated financial statements. The Company's significant accounting policies are disclosed in Note 2 to its consolidated financial statements for the year ended December 31, 2022.

RISKS AND UNCERTAINTIES

See "Risks and Uncertainties" in the Company's annual MD&A for the year ended December 31, 2022, for a description of ongoing risks and uncertainties relevant to the Company. The Company reviews for significant changes to the risks and uncertainties impacting the Company in the interim and has identified the following for particular note and update:

Legislative Changes in Mexico

The Mexican Senate has approved modifications to its mining law, which came into effect on May 9, 2023, introducing new policies and regulations, the exact impacts of which are unknown at this time. GR Silver Mining wholly owns concessions in the Rosario Mining District for which titles and operating permits are held and it is not expected that this will change under the modified legislation, although no assurances

can be given as the full impact of the changes are unknown at this time. In addition, while GR Silver Mining has nurtured relationships with in-country stakeholders, enjoyed recent success in the granting of permits from Mexican authorities and secured long term agreements with neighbouring ejidos, there is no assurance that these relationships and successes will continue. The full impacts of the legislative changes have not yet been completely assessed as the industry waits for the Government to issue changes to the Mining Law Regulations further clarifying the changes. The Company will continue to monitor this closely to best deal with the changes. There is no assurance that these changes will not adversely affect the Company or its Mexican properties and assets.

Liquidity, Financing and Going Concern 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 its planned exploration and development programs and its administration costs. Further exploration and development of the Company's properties will therefore depend on the Company's ability to obtain the 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, and would put the Company's going concern assumption at risk. 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 September 30, 2023, had a working capital deficiency of \$25,086,395, and does not have sufficient funds to cover the deficiency and fund ongoing obligations. The Company will need to raise further funds to complete additional exploration programs at the Plomosas Project, 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.

Changes to the Mexican mining legislation have had a negative impact on the ability to attract financing to the jurisdiction which may further inhibit the Company's ability to fund and maintain operations.

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.

Changes to the Mexican legislation provides additional uncertainty with respect to the evolving enactment of changes to title law in Mexico. The Company continues to monitor the situation.

Global Economy Risk

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in fuel and energy costs and metals prices, including because of the COVID-19 virus pandemic, inflation rates, interest rates and significant fluctuations in commodity prices as a result of the ongoing military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith. Many industries have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to international events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, supply chain disruptions, sovereign debt crises, fuel and energy costs, economic recession, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability (such as the Russian invasion of Ukraine), changes to energy prices, increases in interest rates or sovereign debt defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, the strength and confidence in the U.S. dollar, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's securities.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, receivables and value added tax. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions. Credit risk with respect to value added taxes due from a government agency is low in Canada and undeterminable in Mexico based on

past refund practices of the Mexican tax authorities. Value added taxes are subject to review and potential adjustment by taxation authorities.

Liquidity risk

As of September 30, 2023, the Company had cash balance of \$87,915 to settle current liabilities of \$25,524,721 and has significant expenditure requirements pursuant to Mexican concession fees. The Company is exposed to significant liquidity risk. Additional funds will be required for property expenditures, retention of essential personnel, general and administration and to maintain its listing on the TSX.V

Market risk

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

Interest rate risk

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

Foreign jurisdiction and currency risk

In conducting operations in Mexico, the Company is subject to considerations and risks not typically associated with companies operating in Canada. These include risks such as the political, economic, and legal environments. Among other things, the Company's results may be adversely affected by changes in the political and social conditions and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation. The Company is aware of recent legislative changes in Mexico applicable to the mining industry, the full impacts of which have not been completely assessed as the industry awaits further clarifications from the government on the changes. The Company will continue to monitor this closely to best deal with the changes.

FORWARD-LOOKING STATEMENTS

This MDA contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources at its mineral properties;

- the Company's ability to increase through additional drilling the quality and quantity of the resources at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of results thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

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

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

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

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

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

DISCLOSURE OF MANAGEMENT COMPENSATION

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

1. During the period ended September 30, 2023, the Company did not enter any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under “Related Party Transactions”.
2. During the period ended September 30, 2023, officers of the Company were paid for their services as officers by the Company as noted above under “Related Party Transactions”.
3. During the period ended September 30, 2023, the Company did enter into an arrangement relating to severance payments to be paid to an officer of the Company as noted above under “Related Party Transactions”.

APPROVAL

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

ADDITIONAL SOURCES OF INFORMATION

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