GR SILVER MINING LTD

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

REPORT DATE: November 19, 2024

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 three and nine months ended September 30, 2024.

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 IFRS Accounting 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 consolidated financial statements together with other financial information included in these filings. The Board of Directors approves the 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 nine months ended September 30, 2024, and its consolidated audited financial statements and notes thereto for the years ended December 31, 2023 and 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 a shareholder and 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 and gravimetric finish for gold above over limits (>10 ppm).

FINANCIAL AND OTHER HIGHLIGHTS

On July 16, 2024, the Company closed a Share Purchase Agreement ("SPA") with a private arm's-length Canadian company ("PrivateCo") and sold its 100% interest in Marlin Gold Mining Ltd. ("Marlin"). Marlin owns, amongst other assets, Oro Gold de S.A. de C.V. ("Oro Gold"), a private Mexican company that owns 100% of nine non-core concessions ("Other Concessions"), including the past producing La Trinidad mine. The Company transferred to PrivateCo all existing assets and rights, as well as all outstanding undertakings, covenants, indemnities and obligations, of Marlin and its subsidiaries, including Oro Gold, in consideration for which the Company will received a 0.5% NSR Royalty on the Other Concessions owned by Oro Gold and a 10-year first right of refusal on any disposition of Other Concessions by PrivateCo.

Significantly for the Company, upon closing of the SPA, $24.2 million in Marlin net liabilities were assumed by PrivateCo, thereby significantly improving the Company's working capital position. At September 30, 2024, the Company had working capital of $635,851. This is a substantial improvement as result of management's diligent approach to strengthen the Company's financial position, from June 30, 2024 when the Company had a working capital deficit of $27.4 million, the majority of which consisted of $0.2 million in assets held for sale offset by $27.0 million in liabilities held for sale, both of which were transferred to PrivateCo upon closing of the SPA on July 16, 2024.

Prior to the closing of the SPA, in the quarter ended June 30, 2024, the Company closed a waiver and release agreement with Mako Mining Corp. ("Mako") under which the parties were mutually released from outstanding undertakings, covenants, indemnities and obligations set out in, from or related to the Company's acquisition of Marlin, most notably the indemnification for a portion of reclamation totaling $1,190,055.

In consideration for the waiver and release, Mako paid the Company $674,650 (US$500,000) cash, and issued the Company 296,710 common shares of Mako, initially valued at $691,344, which had a regulatory hold period until July 28, 2024. The Company disposed of its holding of Mako common shares during the quarter ended September 30 for proceeds of $874,272 and recorded a realized a gain of $182,928. (See Note 9 of the financial statements for the period ended September 30, 2024).

On September 27, the Company closed an initially oversubscribed and thus increased non-brokered private placement (the "Offering") previously announced on September 9, and increased September 13 and September 17. Under the Offering, the Company issued 14,807,338 units for gross proceeds of $2,369,174.08. The Offering represents an important milestone for the Company as it positioned itself for continued exploration for potential discoveries and resource expansion in the San Marcial Area, Plomosas Project.

In the quarter ended September 30, 2024, the Company strengthened its board, with the addition of Brent McFarlane and Jessica van den Akker. Mr. McFarlane has over 30 years of experience gained in strategic planning, project development construction and operations of large mining projects in Latin America as a mining engineer. Ms. Van Den Akker is a CPA, CA with over 18 years of experience in the resource sector including CFO, Corporate Secretary, and VP Finance roles, as well as several independent board memberships.

DESCRIPTION OF BUSINESS

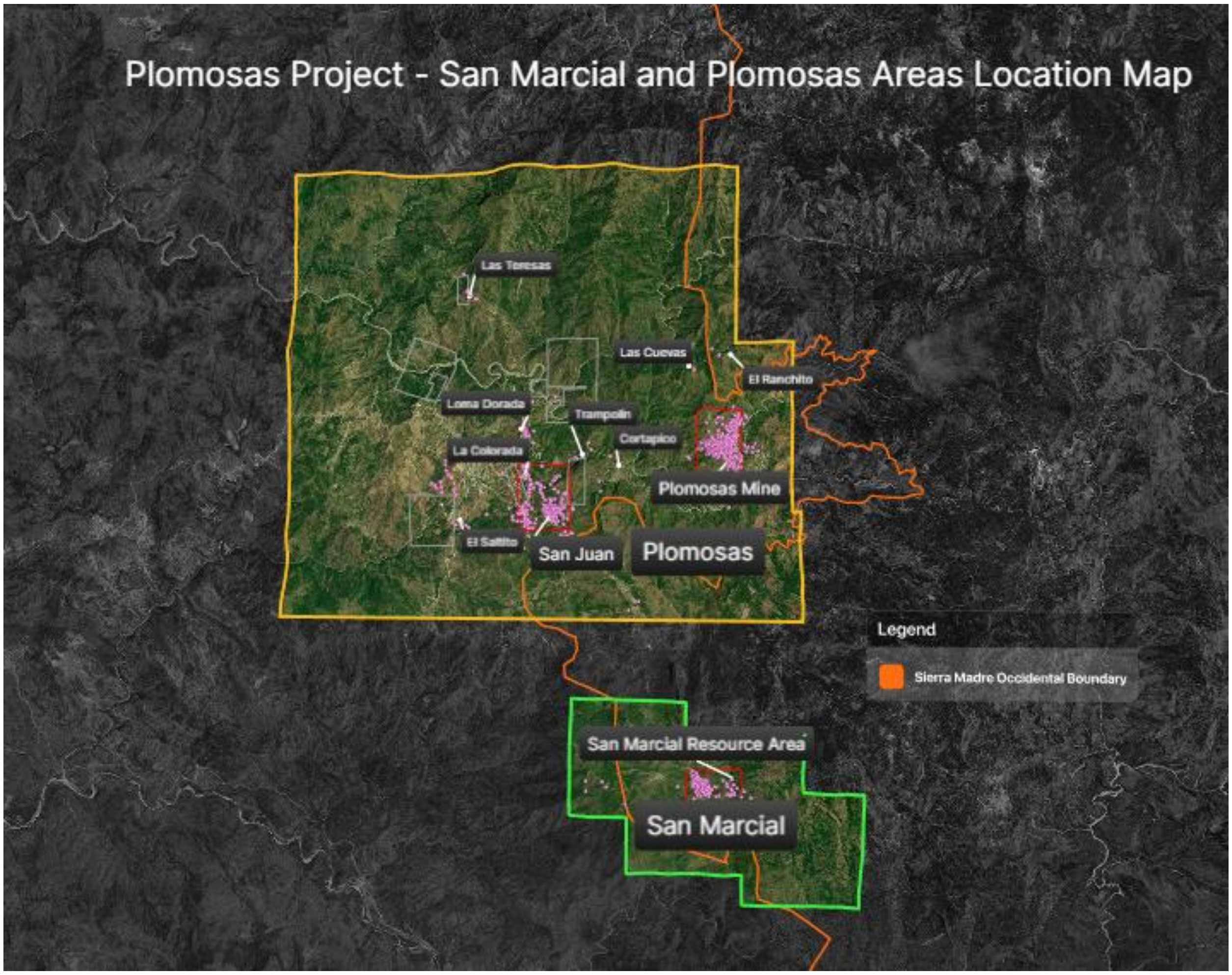
The Company is in the business of mineral exploration in Mexico. Consistent with the Company's business plan, a land consolidation phase has been completed and the focus shifted to the San Marcial Property and the Plomosas Property, which are collectively known as the "Plomosas Project". Together these properties comprise a core 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 (Figure 2).

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 corporate office is 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

Figure 1 – Plomosas Project Location, Sinaloa, Mexico

Figure 2 – Plomosas Project Areas, including deposits, showings, and drill hole collar locations

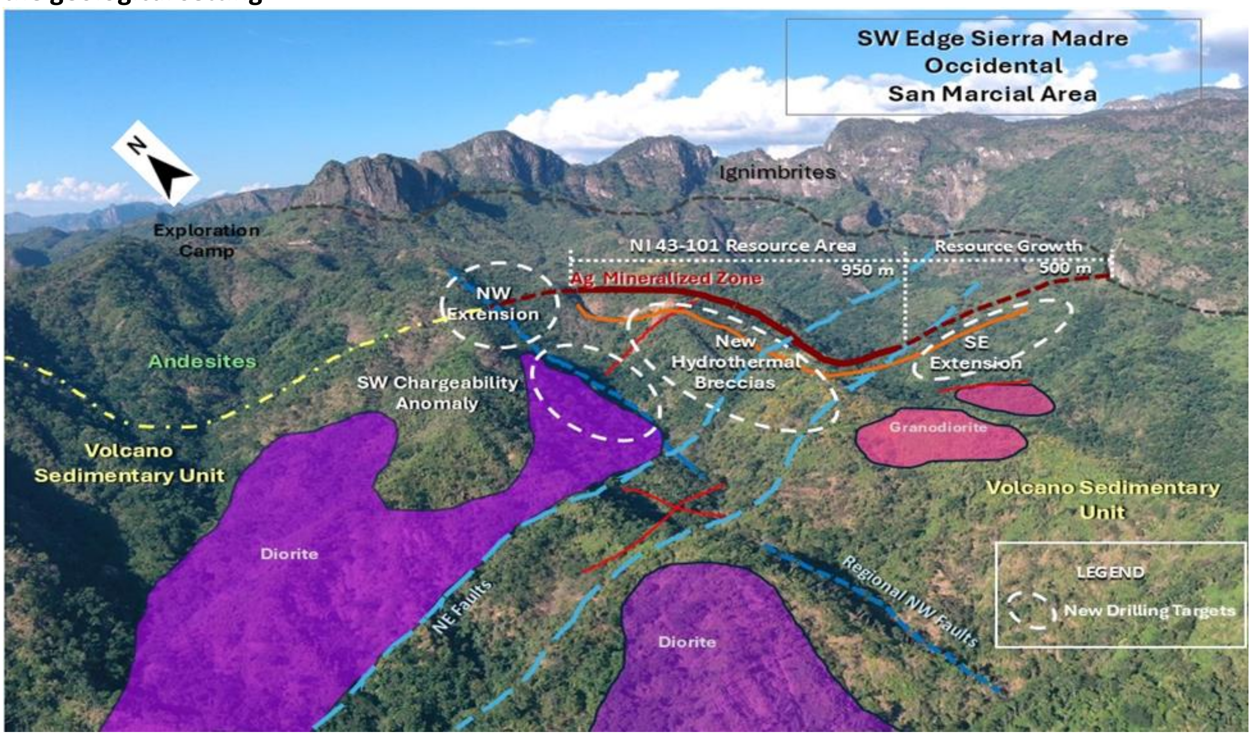


OPERATIONAL HIGHLIGHTS

Property and Resource Highlights

In Q3/2024, the Company advanced the review and modeling of exploration data related to the discoveries in the San Marcial Area, SE Extension to define priority drill targets for upcoming drilling (Figure 3). The integration of all exploratory data using modern software processing tools has been a successful step in the advancement of understanding of silver mineralization controls in the Plomosas Project (San Marcial Area).

Figure 3 – General View of the San Marcial Area, including the SE Extension Discovery Area, outlining the geological setting

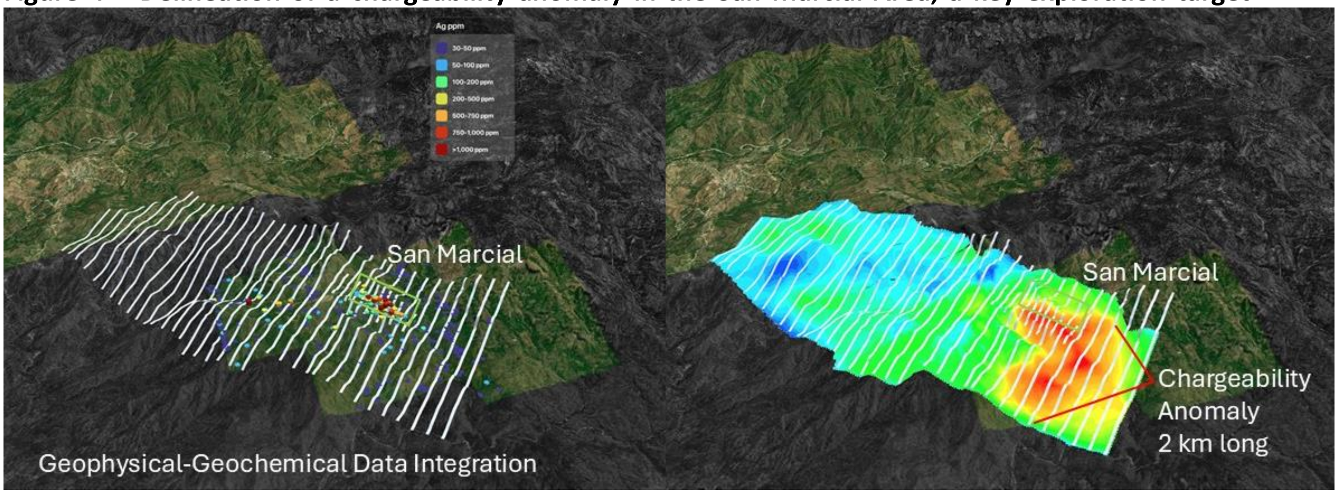


The analysis of the exploratory data reviewed and integrated in a 3-D model comprised of:

Data Type	Number of Samples	Notes
Drillholes	16074	164 Drillholes
XRF Lithogeochem	15158	Samples integrated in the database and 3D modelled
XRF Soils	4889	Samples integrated in the database and 3D modelled
XRF Channel Samples	88	Samples integrated in the database and 3D modelled
Trenches	2774	52 Trenches reloged
Rocks Laboratory Assays	374	Samples reviewed to define new targets
Geophysics Lines DCIP and Mag	41	35 lines 2 - 2.5 km in length, 6 lines 500m in resource area. 73.8 km total data reviewed
Geophysics Point Readings DCIP and Mag	1649	Data Integrated in a 3D model
Underground Samples	320	Samples integrated in the database and 3D modelled

The Company has integrated multi-disciplinary data using modern processing tools and 3D modelling. This exercise has yielded the delineation of mineralization controls and key geological settings, which have allowed for the completion of a new geological map and the definition of new exploratory drilling targets proximal to the current NI 43-101 San Marcial mineral resource area. Targeting is particularly highlighted by the recognition of a 2km long chargeability anomaly (Figure 4) from an extensive IP ground survey. The focus of upcoming exploration aims to further delineate mineralization and grow project resources in the San Marcial Area.

Figure 4 – Delineation of a chargeability anomaly in the San Marcial Area, a key exploration target



The new geological map (Figure 5) represents a milestone in the advance of knowledge and understanding gained from the SE Extension discovery highlights the exploration potential of the San Marcial Area. A series of regional faults in the proximity of recently discovered intrusions (diorites and granodiorites) are interpreted to be the potential conduits for fluids that distributed wide, high-grade silver mineralization hosted in hydrothermal breccias in the Volcano Sedimentary Unit.

Drill Hole SMS22-10 intersected 101.6 m @ 308 g/t Ag (Figure 6). Aside from providing an important proof of concept in extending mineralization in the vicinity of the San Marcial resource area, the intersection defined a new style of mineralization on the southwest edge of the Sierra Madre Occidental. The intersection provided important incremental knowledge to advance exploration of the Plomosas Project and, as the section shows, demonstrated that blind mineralization (i.e., with little or no surface expression) can be successfully outlined. The data review identifying the characteristics defining this style of mineralization is at the core of the Company's plans for the upcoming exploration program to aiming to continue resource growth at the San Marcial Area.

Figure 5 – New geological map and exploration targets, San Marcial Area and SE Extension Discovery

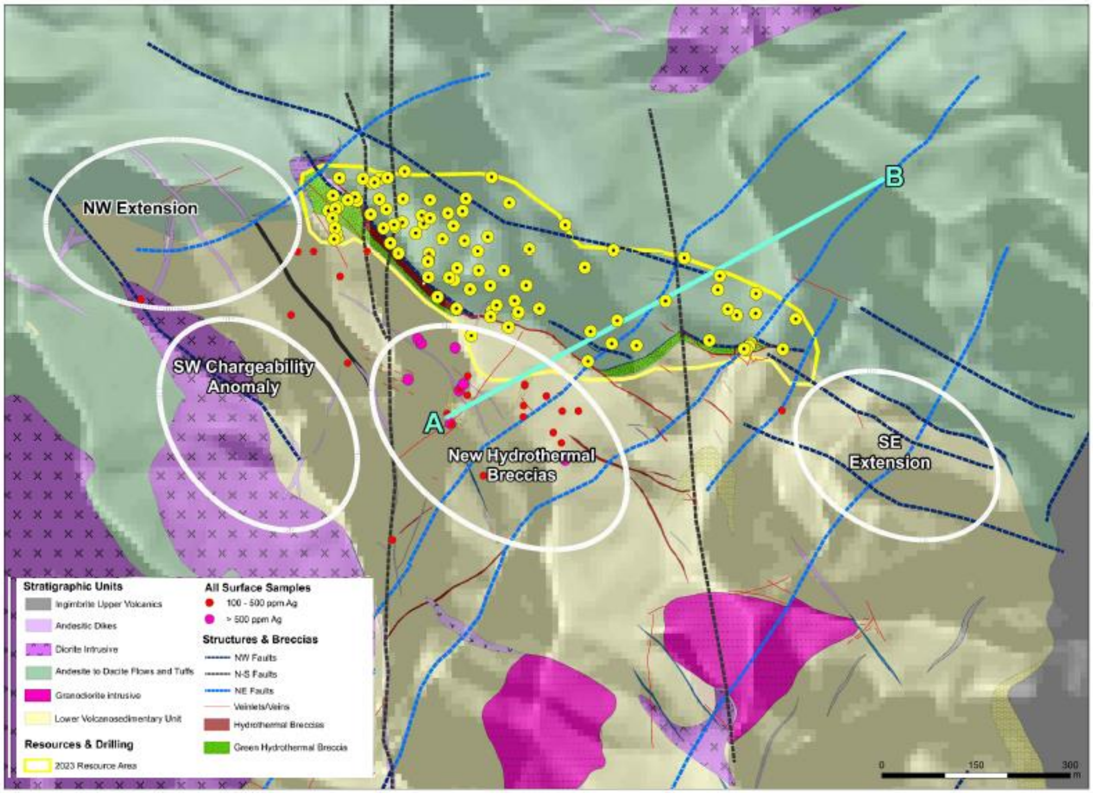
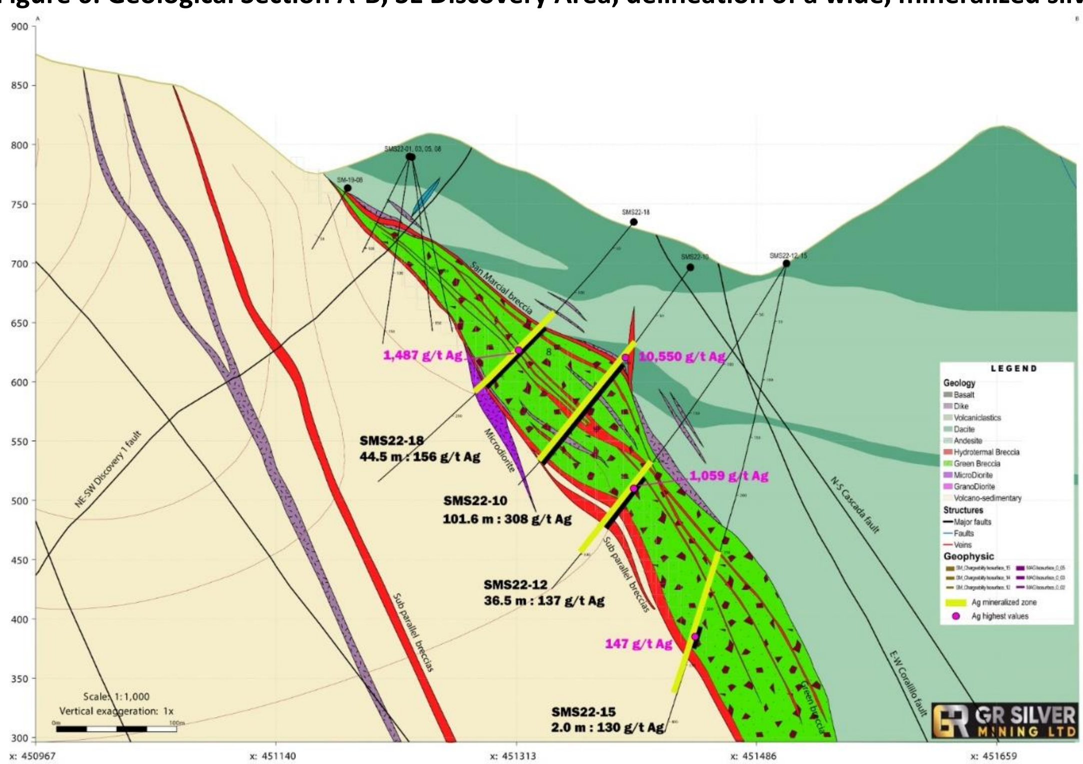


Figure 6: Geological Section A-B, SE Discovery Area, delineation of a wide, mineralized silver zone



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. The combined Mineral Resource Estimate was unaffected by the disposition of Marlin.

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	$4.20
Area		San Marcial	Plomosas Mine	San Juan
Metallurgical Recoveries***	Gold	0	86%	79%
	Silver	94%	74%	71%
	Lead	59%	69%	58%
	Zinc	80%	75%	47%
Preliminary Cost Assumptions Mineral Resource Reporting****	Open Pit (“OP”)	30 US$/t	30 US$/t	30 US$/t
	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 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 company has been successful with expansion of resources since acquisition of the San Marcial and Plomosas Areas, Figure 7.

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 estimates[1] 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 indicated mineral resources from 46.4 Moz to 85 Moz AgEq
- 48 % increase in inferred 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
- 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

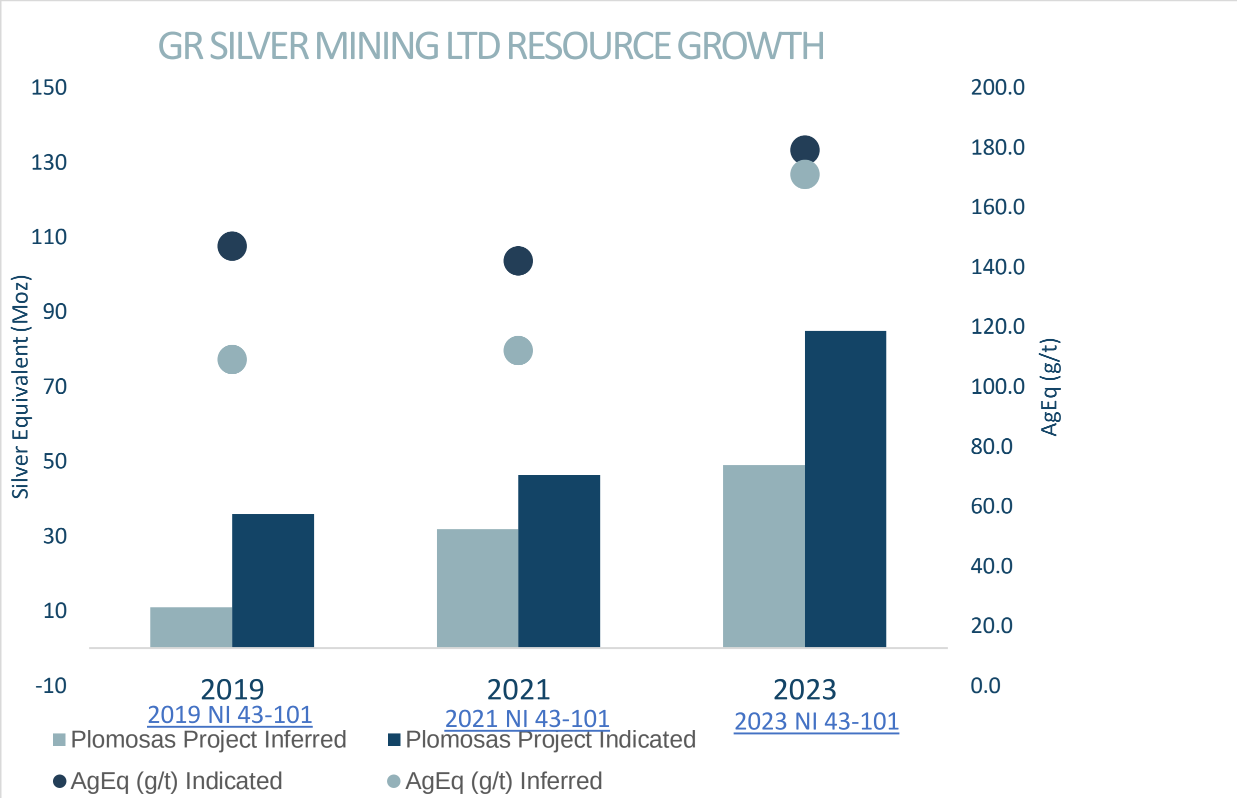
- 2022 infill drilling resulted in an increase of 137% in the indicated mineral resource tonnage
- 260% increase in indicated mineral resources from 9 Moz to 31 Moz AgEq and AgEq grade increased by 30% and 52%, respectively, in indicated and inferred mineral resources in relation to the previous resource 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 the Plomosas Project (Figure 5) at a low cost of exploration and acquisition (US$0.25/oz)
- 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 (Tables 1 and 2).

[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)

Figure 7: Resource growth at the Plomosas Project

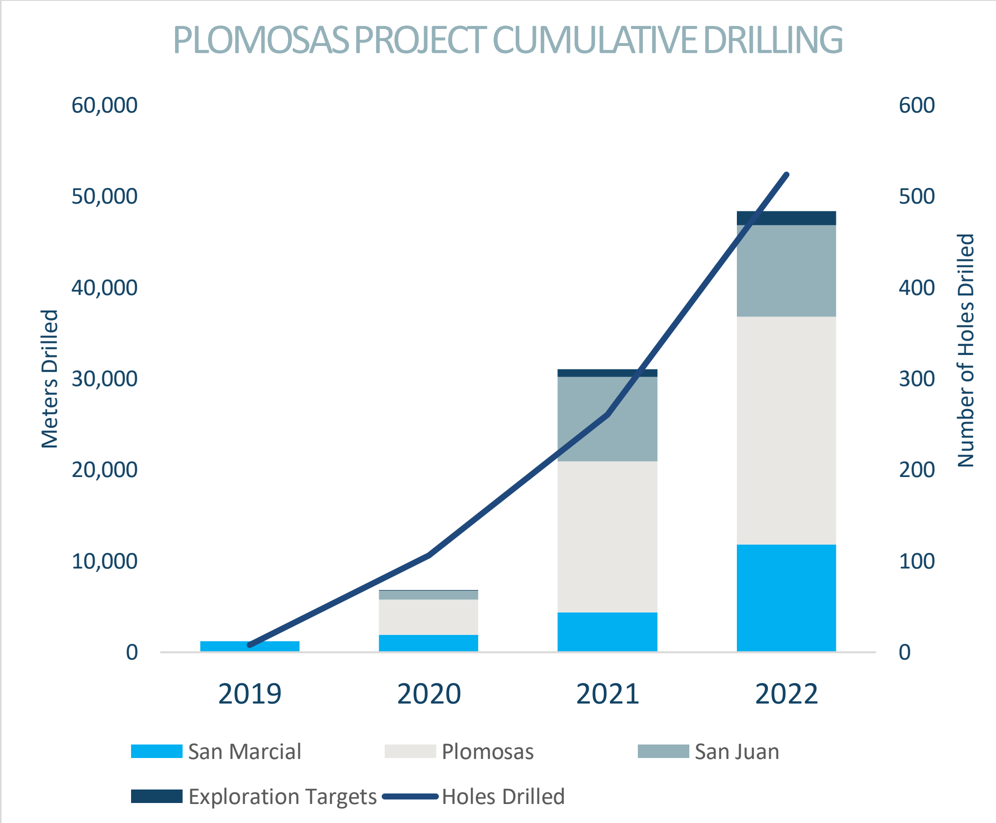


GR Silver has been actively and efficiently drilling the Plomosas Project since the consolidation of all three areas - San Marcial, Plomosas Mine and San Juan-La Colorada. GR Silver owns five drill rigs, which allow flexibility and cost efficiency in its drilling programs. Third party drilling contractors are sourced as needed. Following Figure 8 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's own rigs, used during the latter stages of this period, 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 the 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 8: Annual 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 key properties which comprise the Plomosas Project, cover 78 square kilometres, encompass a past producing mine and two camps, and feature excellent road access and power to multiple locations. Plomosas Project concessions and their applicable royalties are detailed in Tables 4 and 9, respectively.

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 (San Marcial and Plomosas Property)

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

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.

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

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.
The Company announced on July 17, 2024 that a private, arm's-length Canadian company active in Mexico acquired from the Company 100% of the issued and outstanding shares of Marlin and its Oro Gold

subsidiary. GR Silver Mining retains a 0.5% NSR Royalty on the Concessions owned by Oro Gold and a 10-year first right of refusal on any disposition of the Concessions by the private company.

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 Plomosas–La Cruz mine, they extracted lead and zinc minerals with variable silver, gold and copper content, as well as lead and zinc concentrates as shown in the table below.

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

Numbers are rounded

*Source: Internal 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 volcaniclastic 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 and the San Juan–La Colorada 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.

Exploration Q3/2024

Exploration activities in Q3/2024 focused on data re-processing, geological modelling and data integration, and permitting activities, to support exploration of the new drill targets in the vicinity of the San Marcial discovery.

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 GR Silver drilling to January 4, 2023, on San Marcial, January 20, 2023 on Plomosas Mine and March 3, 2023 on San Juan, and previous 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 6, 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 6: 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 Forecast*s 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 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.

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 intrusions are targets for possible additional discoveries. Detailed mapping, channel sampling and litho-geochemical sampling, with portable XRF analyses, have been completed with a number of drill targets having been defined in the 600 metres immediately to the southeast along the target contact.

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 for resource expansion at shallow depth. GR Silver allocated one drill rig in July 2023. Subject to further analysis of the results the Company will likely continue step-out drilling programs aiming for 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 the opportunity for new discoveries in the vicinity 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 is no certainty that discussions with any of 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 7) and mining concession applications (Table 8) in the Rosario Mining District. Applicable royalties are noted in Table 9.

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

Table 7: Other Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
GOLDPLAY DE MEXICO, S.A. DE C.V.			
1	Habal	246381	1738.99
2	San Pablo	236078	80.00
3	San Pablo 2	226963	220.00
4	Las Dos Chiquitas	232406	278.16
5	Baluarte 2	226962	50.00
6	Habal Sur	243620	1406.57
7	Tigra Negra Fracc. II	228755	2.70
8	Tigra Negra Fracc. III	228756	1.35
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

Table 8: 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 Table 9.

TABLE 9: Royalties applicable to GR Silver concessions

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
Minera La Rastra	**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" **Royalty**: Monthly royalties are payable to Industrial Minera Mexico, S.A. de C.V., depending on the price of zinc (Zn), as indicated below: (a) 3.5% when the price of Zn is equal or more than US$1.50 per lb; (b) 3.0% when the price of Zn is equal or more than US$1.20 per lb; (c) 2.5% when the price of Zn is equal or more than US$1.00 per lb; and (d) 1.75% when the price of Zn is less than US$1.00 per lb	N/A
Minera La Rastra	**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" **Royalty**: 2.0% NSR royalty payable to Royalty & Streaming Mexico, S.A. de C.V.	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	**Concessions:** "Mina de San Marcial" and "Ampliación San Marcial" **Royalty**: 3.0% NSR royalty payable to Met-Sin Industriales, S.A. de C.V.	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	**Concessions:** "Mina de San Marcial" and "Ampliación San Marcial" **Royalty**: 0.75% NSR royalty is payable to EMX Royalty Corporation	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
Goldplay de Mexico	**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" **Royalty**: 1.0% NSR royalty payable to Camargo.	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	**Concessions:** "Habal", "San Pablo 2" and "Baluarte 2" **Royalty**: 0.5% NSR royalty payable to Erme Enriquez Minjarrez	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	**Concessions:** "Habal Sur", "El Placer II" and "Yauco" **Mining Concession Applications:** "La Union 2 Fracc. 1" (File 95/13335) and "La Union 2 Fracc. 2" (File 95/13335)	N/A

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
	Royalty: 1.0% NSR royalty payable to Sandstorm Gold Ltd. ("**Sandstorm**")	
Goldplay de Mexico	**Concessions**: "El Habal", "San Pablo 2", "Baluarte 2", "Las Dos Chiquitas" and "San Pablo" **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.	N/A
Goldplay de Mexico	**Concessions**: "Habal Sur", "El Placer II" and "Yauco" **Royalty**: 1.0% NSR royalty payable to Oro Gold de Mexico	N/A
Goldplay de Mexico	**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) **Royalty**: 1.0% NSR royalty payable to Oro Gold de Mexico	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 September 30, 2024:

Quarter Ended Amounts in 000 except for earnings (loss) per share	Sept. 30, 2024	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept 30, 2023	June 30, 2023	Mar. 31, 2023	Dec 31, 2022
Net income (loss)	25,735	24	(5,137)	(13,577)	(4,281)	(3,464)	(4,275)	(6,659)
Earnings (loss) per share – basic	0.08	0.00	(0.02)	(0.05)	(0.02)	(0.01)	(0.02)	(0.03)
Earnings (loss) per share – diluted	0.07	0.00	(0.02)	(0.05)	(0.02)	(0.01)	(0.02)	(0.03)
Total assets	11,117	10,215	10,233	10,723	23,949	24,128	25,702	25,284
Working capital	636	(27,358)	(29,910)	(23,706)	(25,086)	(21,467)	(18,214)	(17,105)

During the quarter ended September 30, 2024, the Company complete a private placement raising gross proceeds of $2,369,174 and had warrants exercised for proceeds of $121,230. The Company recorded a net income of $25,735,963 and incurred expenses of $4,631,301 which included $3,422,935 in concession fees, $446,473 in exploration expenditures, salaries of $222,299, professional fees of $126,942, and share based compensation of $201,649. Other items included foreign exchange expense of $723,347, a gain on disposition of its Marlin subsidiary of $24,266,842, a loss on marketable securities of $113,772, a recovery of VAT of $286,970, retirement of concession fees of $6,496,684, and other income of $149,801.

During the quarter ended June 30, 2024, the Company had warrants exercised for proceeds of $653,377, recovered $565,143 in value added tax and incurred expenses of $2,427,740 which included $172,053 in exploration expenditures, $729,167 in concession fees, salaries of $221,145, professional fees of $348,644, share based compensation of $395,787 and other of $560,944. The Company also incurred a foreign exchange gain of $1,957,851 and an unrealized gain on marketable securities of $296,700.

During the quarter ended March 31, 2024, the Company completed a private placement for gross proceeds of $620,000, had warrants exercised for proceeds of $50,000, recovered $58,838 in value added tax and incurred expenses of $4,536,768, which included $381,680 in exploration expenditures, $3,516,292 in concession fees, salaries of $239,999, professional fees of $170,347 and other of $228,450.

During the quarter ended December 31, 2023, the Company completed an initial tranche of a private placement for gross proceeds of $1,432,511 and incurred expenses of $4,694,620, which included $315,448 in exploration expenditures, $3,728,414 in concession fees, net of retirement of $(4,732,000), salaries of $233,704 and professional fees of $152,170.

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.

Nine months ended September 30, 2024, compared to nine months ended September 30, 2023

The Company’s net income for the nine months ended September 30, 2024, was $20,624,150 (2023 – loss of $12,020,459). The Company’s total expenses were $11,595,008 (September 30, 2023 - $12,664,034) and Other Items resulted in a gain of $32,219,158 (September 30, 2023 – gain of $642,583). Included in other items was a gain on the closing of the SPA noted above, of $24,266,842 as well as a gain on retirement of concession fees of $6,496,686 (September 30, 2023, $2,325,155). Significant fluctuations during the nine-month period included the following:

Concession fees

The Company incurred the following concession fee expense.

September 30, 2024	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico [(2)]	Total
	$	$	$	$	$
Concession fees	334,687	59,658	335,904	7,076,401	7,806,650
Retirement [(1)]	-	-	-	(6,496,684)	(6,496,684)
Net expense	334,687	59,658	335,904	579,717	1,309,966
Fees payable - September 30, 2024	570,875	-	344,200	-	915,075

(1) During the period ended September 30, 2023, a portion of the concession fees became statute barred and are no longer payable resulting in the Company recognizing a concession fee retirement.
(2) On July 16, 2024, the Company closed a SPA with PrivateCo and sold its 100% interest in Marlin, and the related La Trinidad concession fees payable of $21,417,454 (Note 5) were acquired by PrivateCo.

Exploration Expenditures

Exploration expenditures in the nine months ended September 30, 2024, of $1,202,601 (September 30, 2023 - $3,767,135) were incurred or accrued as per the table below:

	September 30, 2024	September 30, 2023
	$	$
Community relations	511,508	72,692
Drilling	(915)	539,326
Environmental / reclamation	15,545	147,413
Field	285,593	1,238,633
Geochemistry	10,304	465,787
Geological	380,566	1,090,477
Technical reports	-	157,921
Survey	-	40,115
Topography	-	14,771
Total	1,202,601	3,767,135

Exploration activities during the period, focused on data re-processing, geological modelling and data integration to support exploration of the new targets in the vicinity of the San Marcial discovery and resource. Expenditures by property are included in the condensed interim consolidated financial statements for the nine months ended September 30, 2024.

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

General and administration

- Depreciation of $145,317 (2023 - $428,094) related to depreciation of the Company's equipment. The Company disposed of certain redundant exploration equipment during period therefore there was a corresponding decrease in deprecation.

- Investor relations expense of $90,533 (2023 - $256,103) has decreased following an effort by the

Company to focus efforts on targeted marketing.

- Office expense of $281,776 (2023 - $415,079) decreased due to lower levels of corporate activity, particularly as the Company wound down certain exploration projects in the current period which were more active in the prior period.

- Professional fees of $645,933 (2023 - $350,664) increased as the Company closed the waiver and release agreement in relation to the previously held indemnification asset and disposition of the La Trinidad project.

- Salaries of $683,443 (2023 - $1,163,160) has decreased as a result of a reduction in the number employees.

- Share-based compensation of $602,763 (2023 - $169,303) related to the grant (and vesting) of certain equity instruments including stock options, deferred share units, and performance share units. In the current period a higher number of equity instruments were granted relative to the prior period.

- Transfer agent and filing fees of $50,486 (2023 - $78,993) include transfer agent and costs for listing compliance that vary relative to activity.

Other items

- Foreign exchange gain (loss) of $365,139 (2023 – $(1,924,042)) was driven by the strengthening of the Mexican peso relative to the Canadian dollar, resulting in a decreased liability for Mexico concession fees offset by the value-added tax receivable. These items are denominated in Mexican pesos and vary relative to the foreign exchange rate between the Mexican peso and Canadian dollar.

- The gain on disposition of indemnification asset of $175,939 related to additional consideration received upon entering a waiver and release agreement whereby the Company released a prior vendor from the indemnification of a reclamation liability related to the La Trinidad Property.

- The Company closed the disposition of the La Trinidad project on July 16, 2024, and recorded a gain on disposition of $24,266,842 which represented the value of consideration (a 0.5% NSR valued at $NIL) less the net liabilities of the La Trinidad Property which were $24,266,842.

- Gain on sale of marketable securities of $182,928 related to the disposition of shares in Mako Mining Corp. for proceeds of $874,272.

- Loss on sale of equipment of $68,218 related to the disposition of exploration equipment with a book value of $131,824 for proceeds of $63,606.

- Recovery of VAT of $393,397 (2023 – provision of $9,157) related to amounts collected which were previously written down.

- Retirement of concession fees of $6,496,684 related to concession fees which became statute barred and are no longer payable. The retired concession fees related entirely to the La Trinidad Property which was disposed effective July 16, 2024.

- Other income of $413,676 related to equipment rental to certain contractors working within the Company's project areas as well as proceeds received from bulk processing of material by contract mining operators on the Company's non-core mineral concessions.

Three months ended September 30, 2024, compared to three months ended September 30, 2023

The Company's net income for the three months ended September 30, 2024, was $25,735,963 (2023 – loss of $4,281,609). The Company's total expenses were $4,631,301 (September 30, 2023 - $6,696,831) and Other Items resulted in a gain of $30,367,264 (September 30, 2023 – gain of $2,415,222). Included in other items was a gain on the sale of the La Trinidad Project of $24,266,842 as well as a gain on retirement of concession fees of $6,496,686 (September 30, 2023, $2,325,155). Significant fluctuations during the nine-month period included the following:

Concession fees:

Concession fees were $3,422,935 compared to $4,934,361 in the comparative period.

During the three-month period ended September 30, 2024 concession fees related to the Company's exploration and evaluation assets as follows:

September 30, 2024	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico [2]	Total
	$	$	$	$	$
Concession fees	155,984	32,386	148,386	3,086,180	3,422,936
Retirement [1]	-	-	-	(6,496,684)	(6,496,684)
Net expense	155,984	32,386	148,386	(3,410,504)	(3,073,748)

(1) During the period ended September 30, 2023, a portion of the concession fees became statute barred and are no longer payable resulting in the Company recognizing a concession fee retirement.
(2) On July 16, 2024, the Company closed a SPA with PrivateCo and sold its 100% interest in Marlin, and the related La Trinidad concession fees payable of $21,417,454 (Note 5) were acquired by PrivateCo.

Expenses:

- Exploration expenditures in the three months ended September 30, 2024, of $446,473 (2023 - $897,804) were incurred or accrued. Exploration activities to September 30, 2024, focused on data re-processing, geological modelling and data integration to support exploration of the new targets in the vicinity of the San Marcial discovery.

- Depreciation of $45,266 (2023 - $159,311) related to depreciation of the Company's equipment. The Company disposed of certain redundant exploration equipment during period therefore there was a corresponding decrease in deprecation.

- Investor relations expense of $35,302(2023 - $91,417) has decreased following an effort by the Company to focus efforts on targeted marketing.

- Office expense of $83,521 (2023 - $115,238) decreased due to lower levels of corporate activity, particularly as the Company wound down certain exploration projects in the current period which were more active in the prior period.

- Professional fees of $126,942 (2023 - $75,739) increased as the Company closed the waiver and release agreement in relation to the previously held indemnification asset and disposition of the La Trinidad project.

- Salaries of $222,299 (2023 - $358,076) has decreased as a result of a reduction in the number of employees.

- Share-based compensation of $201,649 (2023 - $Nil) related to the grant (and vesting) of certain equity instruments including stock options, deferred share units, and performance share units. In the current period a higher number of equity instruments were granted relative to the prior period.

- Transfer agent and filing fees of $15,182 (2023 - $50,486) include transfer agent and costs for listing compliance that vary relative to activity.

Other items

- Foreign exchange loss of $723,347 (2023 – $(106,296)) was driven by the weakening of the Mexican peso to the Canadian dollar, resulting in a decreased liability for Mexico concession fees offset by the value-added tax receivable. These items are denominated in Mexican pesos and vary relative to the foreign exchange rate between the Mexican peso and Canadian dollar.

- The Company closed the disposition of the La Trinidad Property on July 16, 2024, and recorded a gain on disposition of $24,266,842 which represented the value of consideration (a 0.5% NSR valued at $NIL) less the net assets of the La Trinidad Property which were negative $24,266,842.

- Unrealized Loss on marketable securities of $113,772 related to the change in value of the securities from June 30, 2024 to the date of the Company's disposition of the shares in Mako Mining Corp.

- Recovery of VAT of $286,970 (2023 - $Nil) related to amounts collected which were previously written down.

- Retirement of concession fees of $6,496,684 (2023 - $2,325,155) related to concession fees which became statute barred and are no longer payable. The retired concession fees recorded in fiscal 2024 related entirely to the La Trinidad Project which was disposed effective July 16, 2024.

- Other income of $149,801 related to equipment rental to certain contractors with presence within the Company's remaining project areas as well as proceeds received from bulk processing of material by contract mining operators on the Company's mineral concessions.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has no significant 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 junior exploration companies, and the Company anticipates that it and its peers will have limited access to capital in 2024. Although the Company's business model has not changed and its assets have been significantly 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 remaining fiscal 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, 2024 the Company had a working capital of $635,851 (December 31, 2023 – working capital deficiency of $23,706,230).

As at September 30, 2024, the Company reported cash of $2,321,195 compared to $100,573 as at December 31, 2023. The net change in cash on hand was the result of cash consumed in operations of $3,576,178 with a net injection of $3,563,509 from financing activities and 2,233,291 from investing activities.

During the period ended September 30, 2024, the Company completed the following equity transactions:

- Completed a non-brokered private placement of 14,807,338 units at a price of $0.16 per unit for gross proceeds of $2,369,174. 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 $0.22 per warrant until September 26, 2026. The Company paid cash finders fees of $113,788 and issued 696,180 agents warrants valued at $67,987 using the following Black-Scholes assumptions: risk free interest rate of 4.20%, expected life of 2 years, volatility of 66.66% and dividend rate of 0%. Each agent warrant is exercisable into one common share at an exercise price of $0.22 per share until September 26, 2026. Additional share issue costs of $35,011 were incurred in connection with this financing and was recorded as an offset to share capital, as share issue costs.

- Completed a non-brokered private placement of 6,700,000 units at a price of $0.10 per unit for gross proceeds of $670,000. 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 $0.15 per warrant until February 9, 2026. The Company paid cash finders fees of $35,820 and issued 358,200 agents warrants valued at $8,499 using the following Black-Scholes assumptions: risk free interest rate of 4.20%, expected life of 2 years, volatility of 66.66% and dividend rate of 0%. Each agent warrant is exercisable into one common share at an exercise price of $0.15 per share until February 9, 2026. Additional share issue costs of $18,421 were incurred in connection with this financing and was recorded as an offset to share capital, as share issue costs.

- Issued 5,197,848 common shares on the exercise of warrants for proceeds of $703,377. The Company had a reclassification of reserves on exercise of these warrants in the amount of $151,736.

SHARE CAPITAL

Details of the Company's capitalization are as follows:

	September 30, 2024	**Date of MD&A**
Common shares	329,386,383	332,273,013
Warrants	92,645,356	90,058,726
Stock options	10,275,000	10,275,000
DSUs	145,588	132,774
PSUs	1,800,000	1,800,000

RELATED PARTY TRANSACTIONS

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

	September 30, 2024	September 30, 2023
	$	$
Salary paid to Eric Zaunscherb (CEO)	75,000	65,000
Salary paid to Marcio Fonseca (COO)	195,000	195,000
Salary paid to Blaine Bailey (Corporate Secretary, former CFO)	-	58,333
Consulting fees paid to Blaine Bailey (Corporate Secretary, former CFO)	58,500	19,500
Salary paid to Alejandro Cano (Country Manager Mexico)	107,414	107,274
Consulting fees paid to Samantha Shorter (former CFO)	-	21,500
Professional fees paid to Laura Diaz (former Director	-	82,751
Salary paid to Benda Dayton (former VP Corp. Dev.)	-	60,000
Salary paid to Trevor Wolfe (VP Exploration and Corp. Dev.)	-	90,000
Director fees paid to Jonathan Rubsenstein	-	2,000
Stock based compensation to Directors and Officers	379,884	169,303
Total	815,798	870,661

Included in accounts payable and accrued liabilities as at September 30, 2024 there was $251,692 (December 31, 2023 – $189,635) owed to related parties and summarized as follows:

	September 30, 2024	December 31, 2023
Promaid Services Ltd. (Blaine Bailey)	34,125	20,550
Eric Zaunsherb	45,590	28,758
Marcio Fonseca	171,977	128,645
Shordean Pty Ltd. (Trevor Woolfe)	-	11,682
Total	251,692	189,635

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.

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 material accounting policies during the period ended September 30, 2024, that had a material effect on its consolidated financial statements. The Company's material accounting policies are disclosed in Note 2 to its consolidated financial statements for the year ended December 31, 2023.

RISKS AND UNCERTAINTIES

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 of its planned exploration and development programs. Further exploration and development of the Company's properties will 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 September 30, 2024, had a working capital of $635,851, and currently is exposed to significant liquidity risk and additional financing will be required and may not be attainable. Additional funds will be required for property expenditures, retention of essential personnel, general and administration and to maintain its listing on the TSX.V

Climate Change Risks

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to greenhouse gas emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, and the increased transitional risks evolve as society and industry work to reduce their reliance on carbon, the Company's operating costs could increase at its operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These physical risks include changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. Such events could materially disrupt the Company's operations if they affect any of the Company's property sites, impact local infrastructure or threaten the health and safety of the Company's employees and contractors, and there can be no assurances that the Company will be able to predict, respond to, measure, monitor or manage the physical risks posed as a result of climate change factors. Climate-related risks could also result in shifts in demand for certain commodities, including precious metals. The Company's operations in Mexico are exposed to climate-related risks as a result of geographical location. The Company's operations may be adversely affected by climate change factors.

The occurrence of any climate change violation or enforcement action may have an adverse impact on the Company's operations, the Company's reputation and could adversely affect the Company's results of operations. As well, environmental hazards caused by third parties may exist on a property in which the owners or operators of the mining projects are not aware at present, and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

The Company acknowledges international and community concerns around climate change and supports initiatives consistent with international initiatives on climate change.

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 has no control over future commodity prices. The mining industry is competitive and commodity prices fluctuate constantly 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 perceived value and profitability potential.

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 exploration and development of mineral projects and the fluctuation of costs over time, 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 exploration and development plans; risks and hazards associated with exploration, development and 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 the Company's control and the inaccuracy of any estimates may result in the Company requiring additional capital and time to execute on its exploration and development 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 but not limited to:

- 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 and concessions. The acquisition of title to mineral properties and concessions 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 and concessions, 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 or concession holdings. The properties and concessions may be subject to prior unregistered agreements or transfers, government claims for past due concession fees and title may be affected adversely by unidentified and undetected defects and by different interpretations of the law. 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 it holds or that are 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 regardless of merit. 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.

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 and accruals 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, 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.

Permitting Risk

The Company's mineral exploration operations in Mexico are subject to receiving and maintaining permits (including environmental permits) from appropriate governmental authorities. Furthermore, prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. The Company can provide no assurance that necessary permits will be obtained, that previously issued permits will not be suspended for a variety of reasons, including through government or court action, or that delays will not occur in connection with obtaining all necessary permits, renewals of permits for existing operations, or additional permits for any possible future changes to operations, or additional permits associated with new legislation. The Company can provide no assurance that it will continue to hold or obtain, if required to, all permits necessary to develop or continue operating at any particular site, which could materially adversely affect its operations.

Foreign Country Risk

The Company's sole material property is located in Mexico. The Company is subject to certain risks as a result of conducting foreign operations, including, but not limited to: currency fluctuations; possible political or economic instability that may result in the impairment or loss of mineral titles or other mineral rights; opposition from environmental or other non-governmental organizations; government regulations relating to the mining industry; renegotiation, cancellation or forced modification of existing contracts; expropriation or nationalization of property; changes in laws or policies or increasing legal and regulatory requirements including those relating to taxation, royalties, imports, exports, duties, currency, or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices; uncertain political and economic environments; war, terrorism, narco-terrorist actions or activities, sabotage and civil disturbances; delays in obtaining or the inability to obtain or maintain necessary governmental or similar permits or to operate in accordance with such permits or regulatory requirements; currency fluctuations; import and export regulations, including restrictions on the export of gold, silver or other minerals; limitations on the repatriation of earnings; and increased financing costs. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations, or rules in any of the countries in which the Company currently conducts business or in the future may conduct business, could result in an increase in taxes, or other governmental charges, duties, or impositions. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted, or applied in a manner that could otherwise have a material adverse affect on the Company.

Further, violence in Mexico is well documented and has, over time, been increasing. Conflicts between the drug cartels and violent confrontations with authorities are not uncommon. Other criminal activity, such as kidnapping and extortion, is also an ongoing concern. Many incidents of crime and violence go unreported and efforts by police and other authorities to reduce criminal activity are challenged by a lack of resources, corruption, and the pervasiveness of organized crime. Incidents of criminal activity have occasionally affected the communities in the vicinity of the Company's operations. Such incidents may prevent access to the Company's property or offices; halt or delay operations; result in harm to employees, contractors, visitors, or community members; increase employee absenteeism; create or increase tension in nearby communities; or otherwise adversely affect the Company's ability to conduct business. The Company can provide no assurance that security incidents, in the future, will not have a material adverse effect on its operations.

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, specifically in Mexico, 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 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 neighboring property owners). The results of litigation cannot be predicted with certainty and defense 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 favorably 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 and Regulations Impacting the Company

There can be no assurance that new tax laws, mining and other regulations, policies or interpretations will not be enacted or brought into being in Mexico 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 future 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' 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 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 is 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.

Historical Negative Cash Flow and No Assurance of Profitability

The Company had negative cash flow from operating activities during the period ended September 30, 2024 and it is expected that the Company will experience negative cash flows in the immediate future. The Company has experienced net losses in the past and will incur losses in the future until and unless it can derive sufficient cash flows from its investments in mineral projects. Future negative cash flows could have an adverse effect on the market price of the Company's common shares and on its ability to continue as a going concern.

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. dollars 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 and authorized 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.

Potential Volatility of Market Price of Common Shares and Related Litigation Risks

Securities of publicly listed companies such as the Company have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's common shares. In addition, the market price of the Company's shares is likely to be highly volatile. Factors such as gold prices, the average volume of shares traded, announcements by competitors, changes in stock market analysts' recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Company's common shares. It is likely that the Company's results or development and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Company's common shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the common shares at the time of the offering announcement. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the common shares that they may seek to liquidate.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified above, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on the Company's shareholders and counterparties on which the Company rely and transact, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

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.

Legislative Changes in Mexico

On May 8, 2023, the Mexican Government enacted a decree amending several provisions of the Mining Law, the Law on National Waters, the Law on Ecological Equilibrium and Environmental Protection and the General Law for the Prevention and Integral Management of Waste (the "Decree"), which became effective on May 9, 2023. The Decree amends the mining and water laws, including: (i) the duration of the mining concession titles, (ii) the process to obtain new mining concessions (through a public tender), (iii) imposing conditions on water use and availability for the mining concessions, (iv) the elimination of "free land and first applicant" scheme, (v) new social and environmental requirements in order to obtain and keep mining concessions, (vi) the authorization by the Ministry of Economy of any mining concession's transfer, (vii) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws, (viii) the automatic dismissal of any application for new concessions, and (ix) new financial instruments or collaterals that should be provided to guarantee the preventive, mitigation and compensation plans resulting from the social impact assessments, among other amendments.

These amendments could have an impact on our current and future exploration activities and operations in Mexico. However, the likelihood and extent of such impact is yet to be determined. On June 7, 2023, the Senators of the opposition parties (PRI, PAN and PRD) filed a constitutional action against the Decree, which is pending to be decided by Plenary of the Supreme Court of Justice.

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 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.

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 assurance or 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, inflation rates, interest rates and significant fluctuations in commodity prices as a result of the ongoing military conflicts. 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, 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, 2024, the Company had a cash balance of $2,321,195 to settle current liabilities of $1,952,916. The Company is exposed to significant liquidity risk and additional financing will be required and may not be attainable. 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 currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currency. As at September 30, 2024, amounts exposed to foreign currency risk include cash of MXN$347,430, value added tax receivable of MXN$5,644,417 accounts payable of MXN$8,231,067 and concession fees payable of MXN$13,321,808. A 10% change in foreign exchange rates will affect profit or loss by approximately $106,000.

Price risk

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

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, 2024, 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, 2024, 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, 2024, the Company did not enter 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.