

## INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) provides relevant information on the financial condition and financial results of silver exploration of GR Silver Mining Ltd. (the “Company” or “GR Silver”) for the years ended December 31, 2024, and 2023 at the Plomosas Project, Sinaloa, Mexico.

The purpose of this MD&A is to provide readers with management’s overview of the past performance of, and outlook for, GR Silver. The report also provides information to enhance readers’ understanding of the Company’s consolidated financial statements and highlights important business trends and risks affecting the Company’s financial performance. It is intended to complement and supplement the Company’s consolidated financial statements, but it does not form part of those consolidated financial statements. This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2024, and 2023 (the “Financial Statements”).

All financial information in this document, including the Company’s financial position, results of operations and cash flows is prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), unless otherwise stated. Unless otherwise stated, all dollar figures included in this MD&A are expressed in Canadian dollars.

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

All information contained in this MD&A is current as of April 23, 2025, unless otherwise stated.

### 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 MD&A 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).

## DESCRIPTION OF BUSINESS

The Company is in the business of silver exploration in Mexico. Consistent with the Company's business purpose, its focus is on 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 historical workings, located approximately 90 to 100 kilometres east-southeast of Mazatlán, Sinaloa, Mexico (Figure 1). The Plomosas Project is located in a prolific mining area, the Rosario Mining District, with nearby historical precious metal producers. The Company has identified multiple epithermal veins and hydrothermal breccias on the Plomosas Project (Figure 2).

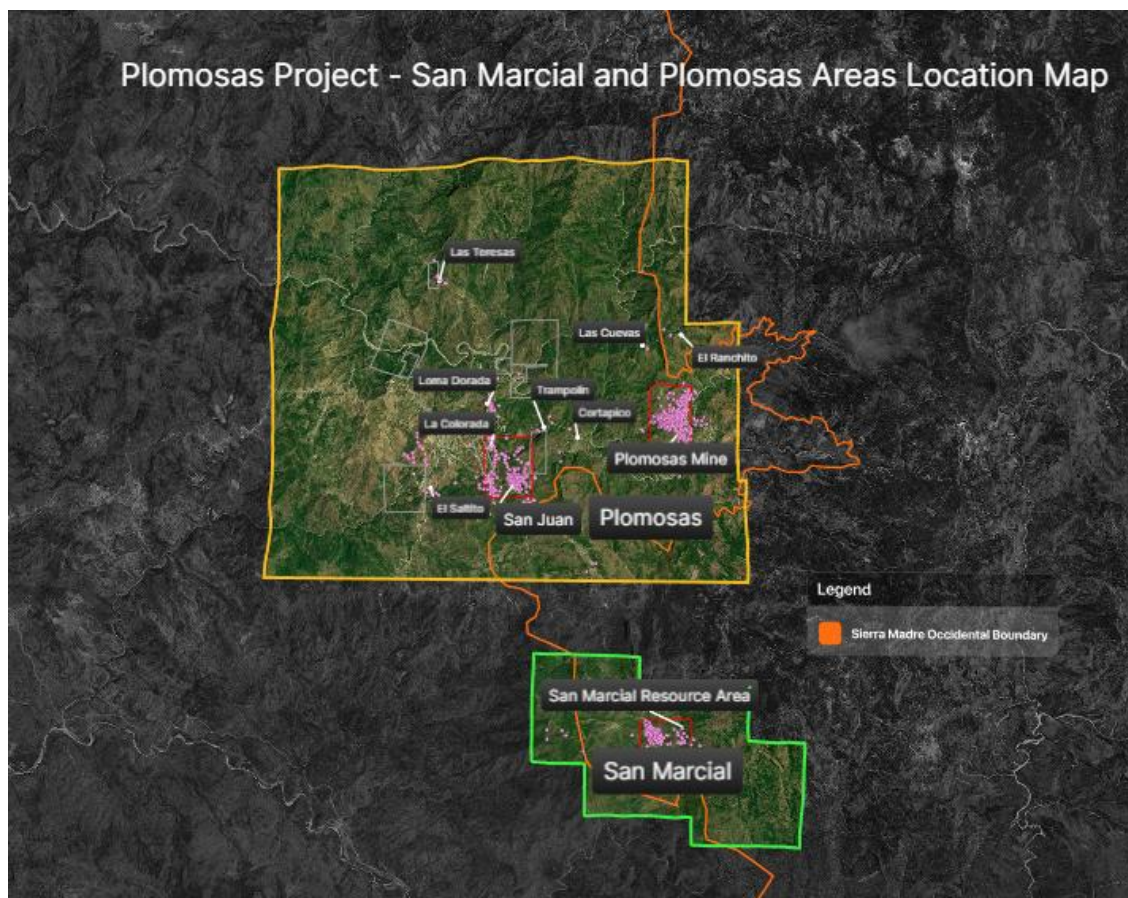
The Company's main business activities include the evaluation and exploration of mineral exploration properties to define economic precious metals (silver) and base metals deposits aiming for potential development. The Company is currently focused on resource expansion at the San Marcial Property, on the Plomosas Project.

The Company is a British Columbia corporation. The Company's corporate office address 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**



## GR SILVER MINING LTD. HIGHLIGHTS – YEAR ENDED DECEMBER 31, 2024, AND TO DATE OF MD&A

- Conducted a detailed review and modeling of exploration data related to the high-grade wide silver discoveries in the San Marcial Property, hosted in hydrothermal breccias. In conjunction with CODES and leading expert in Sierra Madre Occidental geology, Dr. Paula Montoya, delineated key guidelines for targeting silver mineralization at shallow depth and along strike outside of resource area, supporting upcoming drill programs aiming for new discoveries and resource expansion.
- After detailed geological, geochemical and geophysical data modelling, identified multiple new drill targets in the vicinity of the San Marcial NI 43-101 resource area. These targets represent step-out areas with potential for resource expansion. The silver mineralization delineated to date in similar hydrothermal breccias on surface expand the mineralization footprint by as much as 350 metres northwest from the current NI 43-101 resource area, as well as defining potential new parallel zones.
- Engaged private local operators (mining and milling) to conduct a small-scale bulk sampling trial mining (“BSTM”) program at the historical San Juan mine site, near the historical Plomosas mine. GR Silver gained incremental knowledge related to high-grade modeling and targeting, grade reconciliation, and mineral deposit modeling to define new drill targets in this area using all

information collected during the BSTM.

- Completed the financial restructuring, resulting in improvements including:
  - Eliminated working capital deficit of \$23.7 million at year-end 2023 largely through a non-core asset sale, closing in July 2024, resulting in year end positive working capital of \$34,152, and subsequently raising \$1.8 million through warrant exercises.
  - From 2022 to 2024, full-year expenses before depreciation, concession fees, exploration expenditures, and share based compensation were reduced by 45%.
  - Over the same period, key management personnel compensation (including executive and non-executive members of the Board of Directors and corporate officers) declined by 41%.
- Positioned the Company well for its primary objectives in 2025, of continuous discoveries and resource expansion based on:
  - Expansion of the mineralization footprint at San Marcial Area.
  - Recognition of the value of the former Plomosas Mine, with its existing permits, licenses and infrastructure.
  - Explore opportunities to achieve critical mass in the Mexican silver industry as its investment climate improves.

## CORPORATE ACTIVITIES – YEAR ENDED DECEMBER 31, 2024, AND TO DATE OF MD&A

On February 9, 2024, the Company 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 and one-half of one common share purchase warrant. 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. 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 \$18,420 were incurred in connection with this financing.

On April 1, 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 Gold Mining Ltd. ("Marlin"), most notably the indemnification of reclamation costs totaling \$1,190,055. In consideration for the Waiver and Release Agreement, 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. The Company disposed of all of its holding of Mako common shares during the year ended December 31, 2024, for proceeds of \$874,272 and recorded a realized gain on sale of marketable securities of \$182,928.

On May 7, 2024, the Company also granted an aggregate 1,800,000 performance share units (each, a "PSU") to certain executive officers of the Company. The PSUs will vest one year after their date of grant on successful completion of specific short-term Key Performance Indicators and provided the grantee is an executive officer or a consultant to the Company at such date.

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, liabilities, indemnities and obligations, of Marlin and its subsidiaries, including Oro Gold, in consideration for which the Company 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, \$24.4 million in net liabilities of Marlin were assumed by PrivateCo, thereby significantly improving the Company's working capital position.

On August 12, 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, including SilverCrest Mines Inc (Santa Elena in Mexico). 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.

On September 26, 2024, the Company 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 of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.22 per warrant until September 27, 2026. The Company paid cash finders fees of \$113,788 and issued 696,180 agents warrants exercisable on the same terms.

From January to September 2024, 20,620 t of material were mined and 20,430 t milled by the private local operators. A total of 420 t (dry) of lead concentrate were sold, averaging 10.43% Pb, 8,357 g/t Ag, and 8.19 g/t Au, with proceeds contributing to Other Income in the Company's financial statements.

On October 23, 2024, the Company announced the appointment of Robert Payment CPA, CA as CFO. Blaine Bailey resigned from the CFO position and will remain the Company's Corporate Secretary. The Company also granted 300,000 stock options exercisable at a price of \$0.28 for a period of five years from the grant date. The Options will vest one-third on grant, one-third on the first anniversary of the grant, and one-third on the second anniversary of the grant.

On November 29, 2024, the Company engaged the services of ICP Securities Inc. ("ICP") to provide market making services, including use of its proprietary algorithm, ICP Premium™, in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable legislation. ICP will be paid a monthly fee of \$7,500, plus applicable taxes. The agreement between the Company and ICP was signed with a start date of November 29, 2024, and is for four (4) months (the "Initial Term") and shall be automatically renewed for subsequent one (1) month terms (each month called an "Additional Term") unless either party provides at least thirty (30) days written notice prior to the end of the Initial Term or an Additional Term, as applicable.

On January 6, 2025, the Company granted a total of 145,452 DSUs to the Company's non-executive directors for director's fees relating to the calendar quarter ended December 31, 2024, which DSUs will vest one year after their date of grant in accordance with TSXV policies.

Subsequent to December 31, 2024, the Company raised \$1,775,778 from the exercise of 11,838,520 warrants with an exercise price of \$0.15 per warrant. Additionally, the Company raised \$8,000 from the exercise of 100,000 warrants with an exercise price of \$0.08 per warrant.

On April 2, 2025, the Company granted 154,836 deferred share units ("DSUs") to non-executive directors.

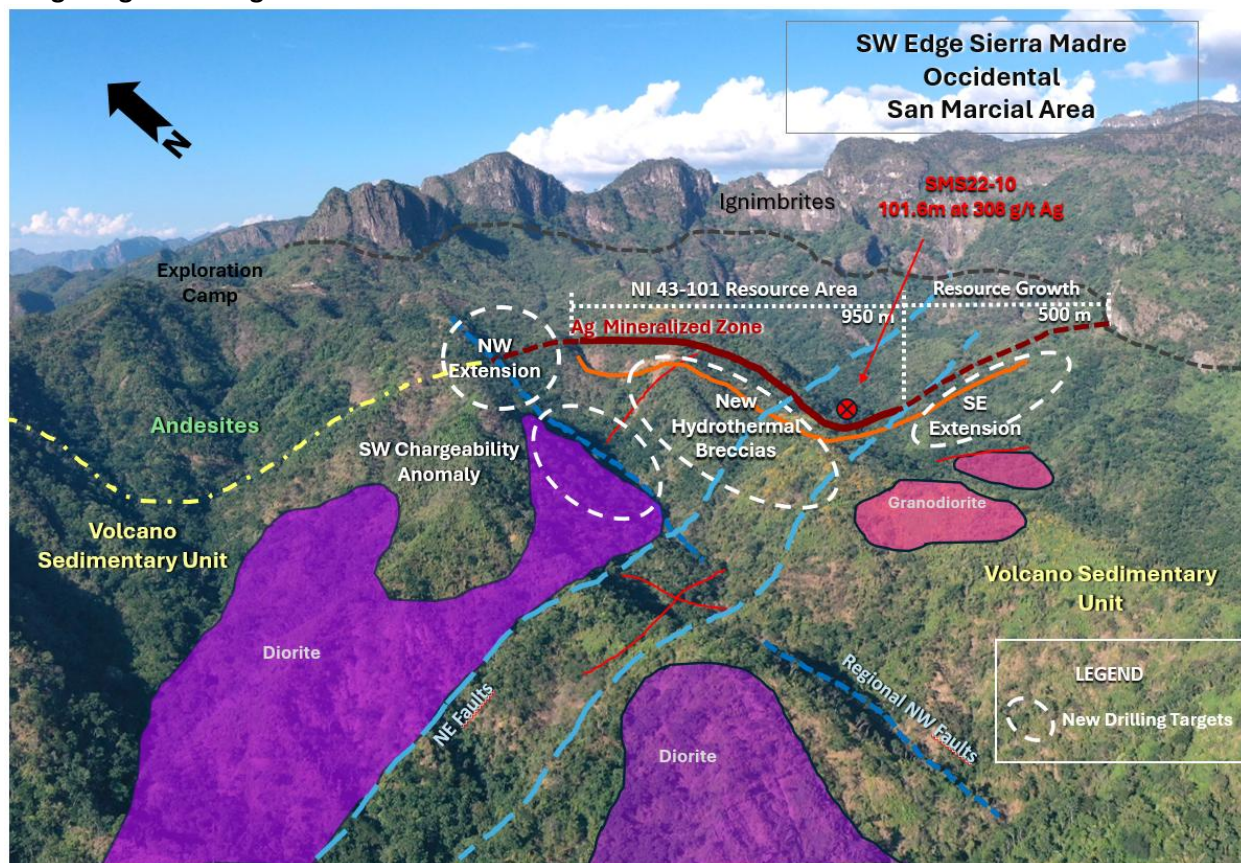
On April 2, 2025, the Company granted 860,000 stock options to employees and consultants exercisable at a price of \$0.155 for a period of five years and fully vested on the date of grant. The Company also granted 400,000 options to certain executive officers exercisable at a price of \$0.155 for a period of five years vesting 1/3 on the grant date, and 1/3 on each of the first and second anniversaries of the grant date.

## OPERATIONAL HIGHLIGHTS

### Property and Resource Highlights

During the year ended December 31, 2024, the Company advanced the review and modeling of exploration data related to the discoveries in the San Marcial Property, 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 San Marcial Property, particularly related to the drill hole SMS22-10 which intersected 101.6 m at 308 g/t Ag. This wide high-grade silver predominant mineralization has delineated and provided key geological information to support step-out and resource expansion drilling planned for 2025.

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





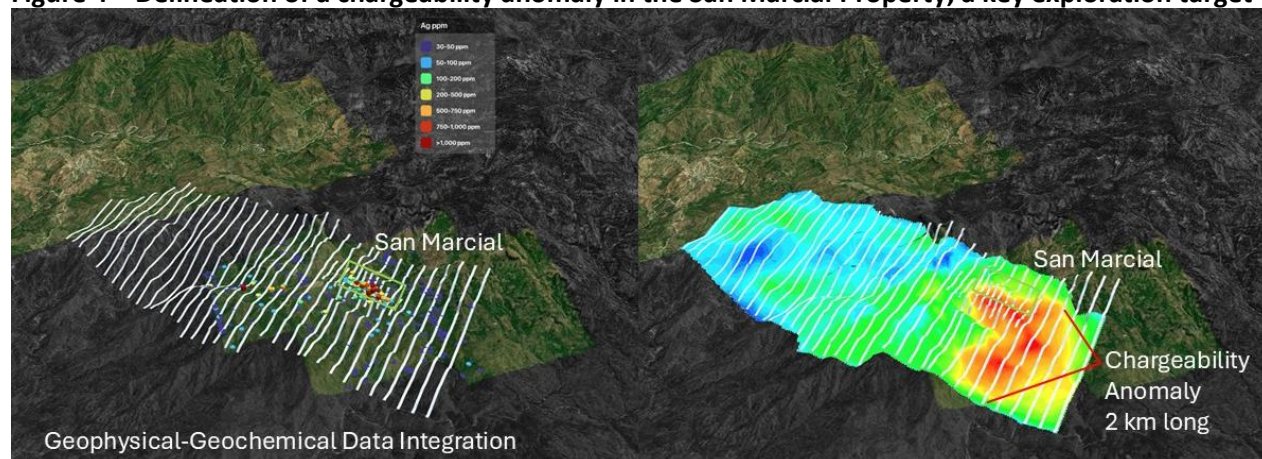
The analysis of the exploratory data reviewed and integrated in a 3-D model comprised of:

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 relogged
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. The areas defined as priority for step-out and resource expansion drilling are named NW Extension, SE Chargeability Anomalies, New Hydrothermal Breccias and SE Extension (Figure 1).

New drilling targeting is particularly highlighted by the recognition of a 2 km long chargeability anomaly (Figure 4) from an extensive IP ground survey. The focus of upcoming exploration aims to further delineate mineralization and grow silver resources in the San Marcial Property.

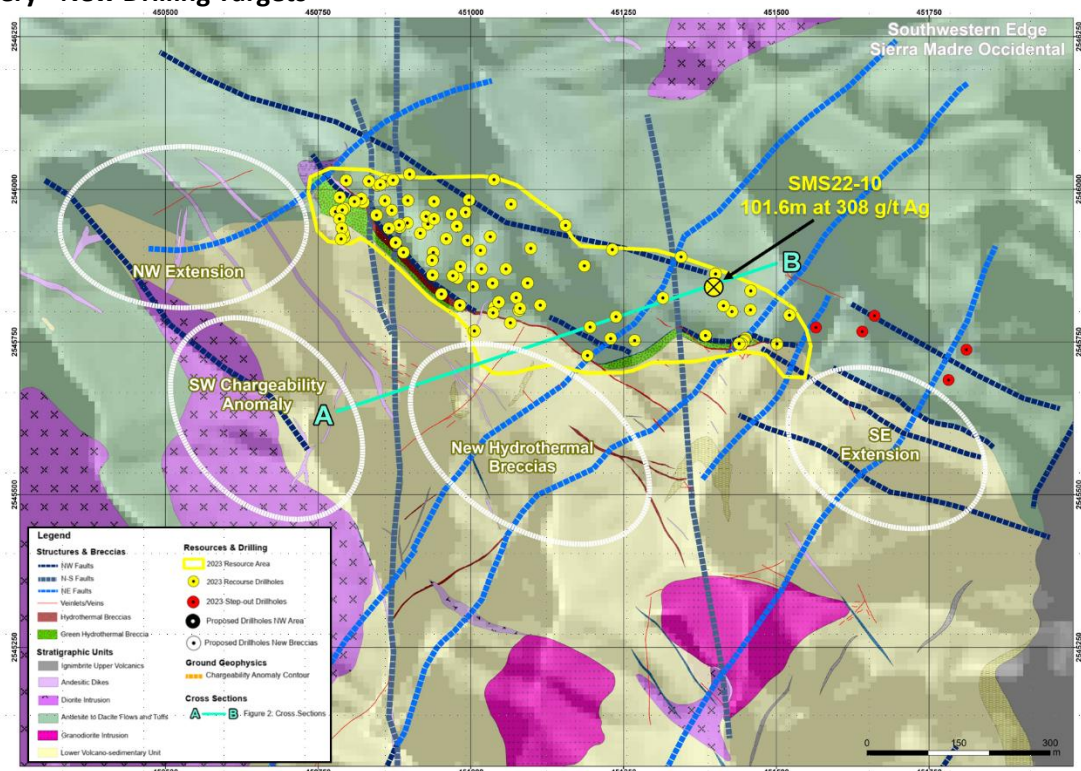
**Figure 4 – Delineation of a chargeability anomaly in the San Marcial Property, a key exploration target**



The new geological map (Figure 5) represents a milestone in the advance of knowledge and understanding gained from the SE Extension discovery and data modelling of recent drill discoveries. It highlights the exploration potential of the San Marcial Property in the vicinity of the current resource. This is supported by recent surface mapping of a series of regional faults in the proximity of recently discovered intrusions (diorites and granodiorites), which have been interpreted to be the potential conduits for fluids that distributed wide, high-grade silver mineralization hosted in hydrothermal breccias in the Volcano Sedimentary Unit.

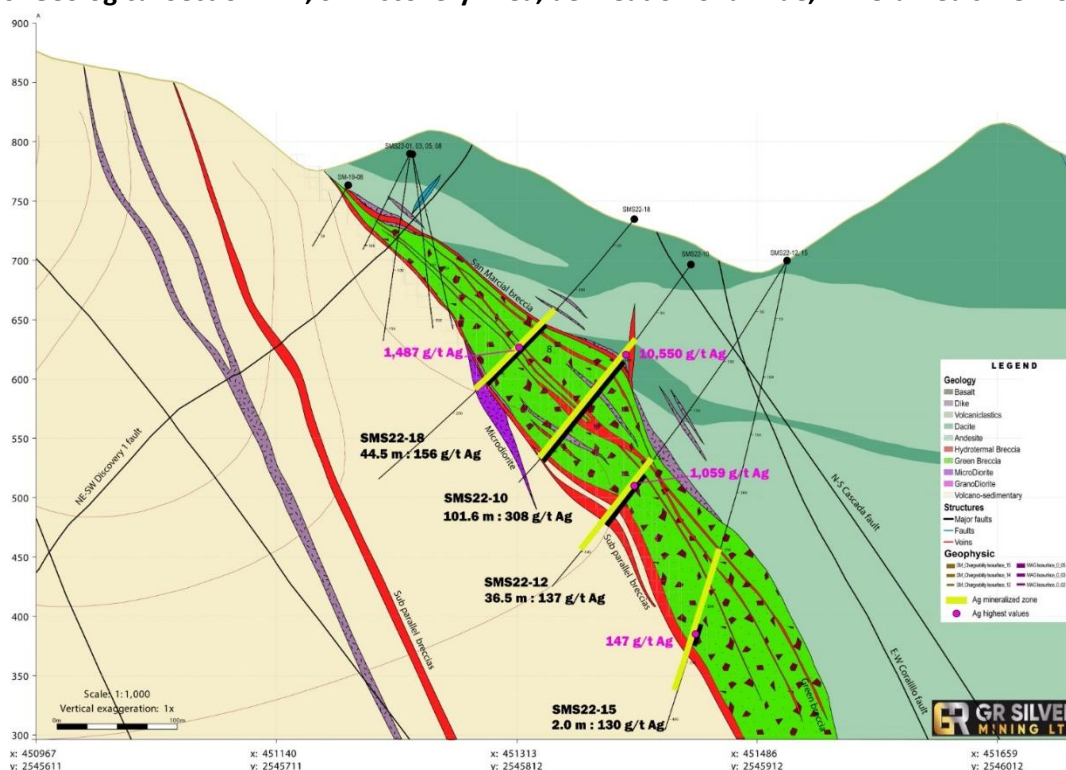
The intersection, drill hole SMS22-10 101.6 m @ 308 g/t Ag (Figure 6), defined a new style of mineralization on the southwest edge of the Sierra Madre Occidental. Aside from providing an important proof of concept in extending mineralization in the vicinity of the current San Marcial resource, it defined for the first time the presence of wide high-grade silver mineralization associated with large intrusive units (diorites-granodiorites). The intersection provided important incremental knowledge to advance exploration of the San Marcial Property and, as the cross-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 aiming to continue resource growth at the San Marcial Property.

**Figure 5 – New geological map and exploration targets, San Marcial Resource Area and SE Extension Discovery - New Drilling Targets**





**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
<b>Total Indicated</b>		<b>15</b>	<b>117</b>	<b>0.18</b>	<b>0.4</b>	<b>0.6</b>	<b>0.03</b>	<b>179</b>	<b>55</b>	<b>84.5</b>	<b>64</b>	<b>90</b>	<b>4</b>	<b>85</b>
<b>Total Inferred</b>		<b>9</b>	<b>78</b>	<b>0.38</b>	<b>0.7</b>	<b>1.0</b>	<b>0.03</b>	<b>171</b>	<b>22</b>	<b>108.2</b>	<b>64</b>	<b>91</b>	<b>3</b>	<b>49</b>

**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
<b>Total Indicated</b>			<b>15</b>	<b>117</b>	<b>0.18</b>	<b>0.4</b>	<b>0.6</b>	<b>0.03</b>	<b>179</b>	<b>55</b>	<b>84.5</b>	<b>64</b>	<b>90</b>	<b>4</b>	<b>85</b>
<b>Total Inferred</b>			<b>9</b>	<b>78</b>	<b>0.38</b>	<b>0.7</b>	<b>1.0</b>	<b>0.03</b>	<b>171</b>	<b>22</b>	<b>108.2</b>	<b>64</b>	<b>91</b>	<b>3</b>	<b>49</b>

Numbers are rounded

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

(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<sup>1</sup> 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

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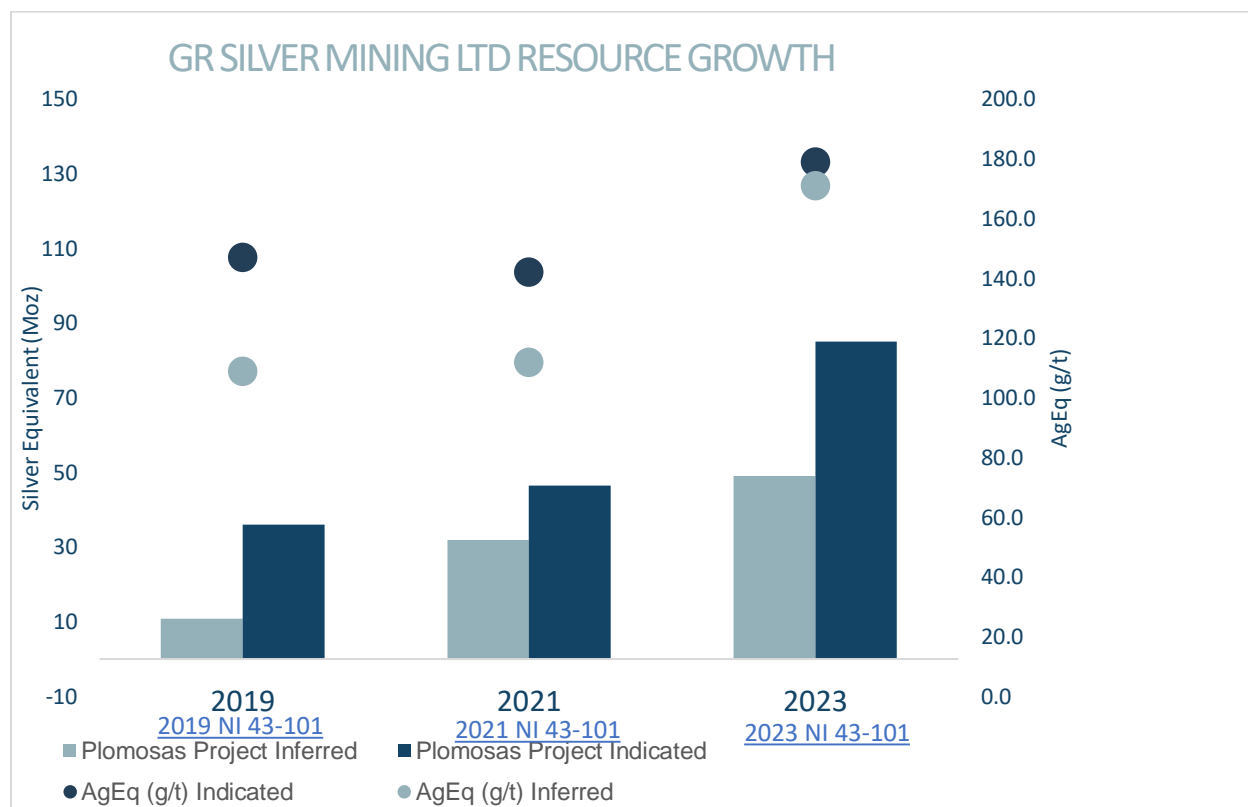
<sup>1</sup> San Marcial 2019 resource (see News Releases dated February 7, 2019 and June 12, 2020); Plomosas Mine and San Juan 2021 resource (see News Release dated August 23, 2021)



### Key Statistics

- GR Silver Mining has successfully expanded resources at the Plomosas Project (Figure 7) 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).

**Figure 7: Resource growth at the Plomosas Project**

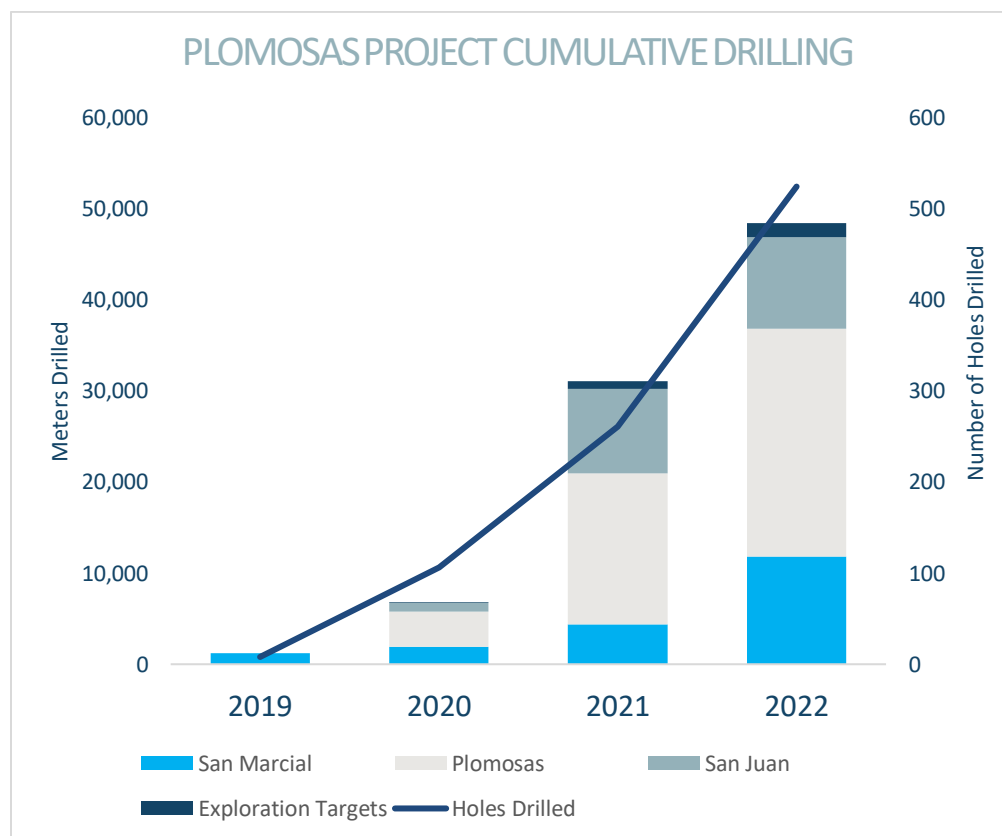


GR Silver has been actively and efficiently drilling the Plomosas Project since the consolidation of all three areas - San Marcial, Plomosas Mine and San Juan-La Colorada. GR Silver owns five drill rigs, which allow flexibility and cost efficiency in its drilling programs. Third party drilling contractors 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 database.

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 8). 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 Properties)**

AREA	No.	MINING CONCESSIONS	OWNERSHIP <sup>#</sup>	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



AREA	No.	MINING CONCESSIONS	OWNERSHIP <sup>#</sup>	TITLE	SURFACE AREA (ha)
	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 Compañía 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 historical **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**

Plomosas Historic Production Table 1986-2000																
Historic Production. During mining operations, in the Plomosas–La Cruz mine, they extracted lead and zinc minerals with variable silver, gold and copper content, as well as lead and zinc concentrates as shown in the table below.																
		Production Years														
Concept	Unit	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
ORE MILLED	tonne	95,133	164,974	164,239	147,611	194,279	202,976	193,729	188,227	172,983	178,282	185,026	189,611	180,884	187,471	94,381
<b>MILL FEED</b>																
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
<b>METAL CONTENT</b>																
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
<b>RECOVERY</b>																
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
<b>CONCENTRATE PRODUCTION</b>																
Pb		2,856	3,269	4,308	4,995	8,886	9,865	6,915	2,407	3,983	3,484	3,650	3,371	3,280	4,138	2,240
Bulk		381	56	56	0	0	0	0	0	0	0	0	0	0	0	0
Zn		0	0	0	0	0	0	2,190	1,629	3,155	3,884	4,116	4,566	5,053	4,300	2,466

Numbers are rounded

\*Source: Internal IMMSA reports

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

## Geology

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

Mineralization on the Plomosas Property 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 Property 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 the San Marcial Property, drill hole SMS-22-10, 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 Property, 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 Areas in the Plomosas Property, 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 Year ended 2024

Exploration activities in the year ended December 31, 2024, focused on data re-processing, geological and data integration – modelling using existing data, and permitting activities, to support exploration of the new drill targets in the vicinity of the San Marcial Resource.

#### 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\$) <sup>a</sup>	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: <sup>a</sup> Metal prices are derived from *Energy & Metals Consensus Forecasts* long-term pricing (December 2022); oz = troy ounce.

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

## OUTLOOK

### **Our Primary Objective for 2025: Expansion of the Mineralization Footprint at San Marcial**

Management recognizes that the Company's greatest value driver is exploration of the highly prospective San Marcial system with its silver-dominant, wide and continuous mineralization and discoveries. GR Silver Mining is conducting detailed data modelling studies in conjunction with CODES, the globally regarded Centre for Ore Deposit and Earth Sciences at the University of Tasmania. This partnership with Dr. Paula Montoya unlocks key information to assist the Company to define new mineralized zones potentially comparable with other major silver districts in the Sierra Madre Occidental. Importantly, fine-tuning of the geological model at San Marcial has yielded several high-priority targets for further drilling. Four of these targets are currently selected for new step-out and exploration drilling (news release dated March 3, 2025).

The Company has continuously increased resources at the San Marcial Property since its acquisition. The Company believes the studies in progress may catalyze the further expansion of the resource to the northwest and southeast. Step-out drilling after the 2023 MRE continued to demonstrate wide, silver dominant mineralization at relatively shallow depths, extending the mineralized footprint as much as 500 m to the southeast. We believe that follow up drilling to depth and to the southeast is highly prospective at San Marcial.

The identification of the controls on mineralization at San Marcial resulted in the recognition of the presence of the wide mineralized SE Discovery zone at a shallow depth but not outcropping. Geological interpretation, lithogeochemical sampling, and geophysical modelling together with the analysis of key structural corridors provides a template for new exploration and drilling, recognizing that mineralization can be blind, i.e., not obvious at surface.

GR Silver Mining has been engaged in securing the necessary permits for expanded drill programs on the San Marcial Property. As we await these additional permits, our geologists have been active in surface

exploration, analyzing data, and deposit modeling while based in our offices in El Rosario. Drill programs have been designed, and details will be provided as programs are initiated. The first phase of 2025 drilling has commenced with approximately 1,300 metres planned in up to seven shallow holes targeting near surface, high-grade silver mineralization.

Surface exploration efforts continue with the support of data modelling and mineral prospectivity assessment along the major regional structures in the San Marcial Property. Initial reconnaissance of silver mineralized hydrothermal breccias outcropping in the northwest and southwest areas on the edge of a large geophysical anomaly (chargeability) has encouraged the Company to continue surface exploration. To date, only 25% of the footprint defined by coincident geophysical and geochemical anomalies (Figure 4), and highlighted by the drill hole SMS22-10 intercept that cut 101 m averaging 308 g/t Ag including 0.8 m grading 7,139 g/t Ag at shallow depth, has been tested.

### **The Former Plomosas Mine: An Unrecognized Asset**

As previously noted (news release dated March 4, 2024), GR Silver engaged private local operators (mining and milling) to conduct a small-scale BSTM program at the historical San Juan mine site, which is located on a parallel structure several kilometres west of the former Plomosas Mine. The program yielded valuable incremental knowledge related to high-grade modeling and targeting, grade reconciliation, and mineral deposit modeling to define new drill targets. From January to September 2024, 20,620 t of material were mined and 20,430 t milled by the private local operators. A total of 420 t (dry) of lead concentrate were sold, averaging 10.43% Pb, 8,357 g/t Ag, and 8.19 g/t Au, with proceeds contributing to Other Income in the Company's financial statements.

Given the success of the San Juan BSTM program, management is exploring similar options for the former Plomosas Mine. The former Plomosas Mine offers:

- Broad lead-zinc-silver-gold mineralization over average widths exceeding 20m.
- Existing infrastructure including road access, power to site, 7.4km of underground development with excellent ground conditions,
- Mining licences and exploration and exploitation agreements with ejidos in place and fully owned land, and,
- Advanced geological, metallurgical and engineering knowledge from recent studies as well as 15 years of production records by the previous operator (1986 to 2000).

The Company's main focus is exploration at San Marcial, however to generate additional shareholder value, management has signed several Non-Disclosure Agreements and participated in due diligence exercises in support of a potential BSTM at the former Plomosas Mine. Although management is encouraged by our ongoing efforts, there are no guarantees that any of these discussions will come to fruition on a forward-looking basis.

## **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)
<b>GOLDPLAY DE MEXICO, S.A. DE C.V.</b>			
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	Baluartes 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
<b>MINERA LA RASTRA, S.A. DE C.V.</b>			
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)
<b>GOLDPLAY DE MEXICO, S.A. DE C.V. (Applications)</b>			
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	<p><b>Concessions:</b> "Plomosas", "Segunda Ampl. de Plomosas", "Continuación de Plomosas", "La Rastra 2", "San Juan", "Potrero No. 2", "La Estrella", "El Potrero", "Plomosas 3", "Plomosas 2", "Rosario 4", "La Chispera", "La Rastra", "Rosario I", "Plomosas 4", "La Chispera II", "Los Arcos" and "Rosario II"</p> <p><b>Royalty:</b> 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</p>	N/A
Minera La Rastra	<p><b>Concessions:</b> "Plomosas", "Segunda Ampl. de Plomosas", "Continuación de Plomosas", "La Rastra 2", "San Juan", "Potrero No. 2", "La Estrella", "El Potrero", "Plomosas 3", "Plomosas 2", "Rosario 4", "La Chispera", "La Rastra", "Rosario I", "Plomosas 4", "La Chispera II", "Los Arcos" and "Rosario II"</p> <p><b>Royalty:</b> 2.0% NSR royalty payable to Royalty &amp; Streaming Mexico, S.A. de C.V.</p>	Minera La Rastra has the one-time right at any time to buy back half of this royalty (i.e. 1%) for US\$1,000,000 plus VAT
Minera San Marcial	<p><b>Concessions:</b> "Mina de San Marcial" and "Ampliación San Marcial"</p> <p><b>Royalty:</b> 3.0% NSR royalty payable to Met-Sin Industriales, S.A. de C.V.</p>	Minera San Marcial has the right to buy back this royalty for US\$600,000 plus VAT per 1%, which right can be exercised at any time and from time to time in whole or in part.
Minera San Marcial	<p><b>Concessions:</b> "Mina de San Marcial" and "Ampliación San Marcial"</p> <p><b>Royalty:</b> 0.75% NSR royalty is payable to EMX Royalty Corporation</p>	Minera San Marcial has the right to buy back this royalty for CAD\$1,250,000 plus VAT, which right can be exercised at any time



**TABLE 9.1: Royalties applicable to GR Silver concessions (Non-Core Concessions)**

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

## SELECTED ANNUAL FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The following table sets out selected financial information with respect to the Company's annual financial statements for the years ended. The following should be read in conjunction with the Annual Financial Statements.

Summary of Operations	December 31 2024	December 31 2023	December 31 2022
	\$	\$	\$
Total expenses	12,643,830	15,033,499	19,308,526
Net income (loss) for the year	19,284,843	(25,597,989)	(18,794,177)
Income (loss) per share - basic	0.06	(0.10)	(0.10)
Income (loss) per share - diluted	0.06	(0.10)	(0.10)

Balance Sheet Summary	December 31 2024	December 31 2023	December 31 2022
	\$	\$	\$
Current assets	1,406,503	322,332	1,238,594
Non-current assets	8,313,801	10,401,117	24,044,910
Total assets	9,720,304	10,723,449	25,283,504
Current liabilities	1,372,351	24,028,561	18,343,438
Non-current liabilities	526,120	2,847,403	2,347,359
Total liabilities	1,898,471	26,875,964	20,690,797
Working capital (deficiency)	34,152	(23,706,229)	(17,104,844)

During the year ended December 31, 2024, the Company had a net income of \$19,284,843 (2023 – Net loss of \$25,597,989). Total expenses decreased to \$12,643,830 (2023 - \$15,033,499) a decrease of \$2,389,669 or 16%. The net income for the year ended December 31, 2024, was primarily attributed to a gain on disposition of Marlin Gold Mining Ltd. ("Marlin") of \$24,398,896 as well as a retirement of concession fees of \$6,496,384 in relation to concession fees which became statute barred.

The Company's operations for the year ended December 31, 2024, were focused on the continued exploration of its Plomosas Project in Mexico. The Company also successfully improved its financial condition through the strategic disposition of Marlin as well as through the Waiver and Release agreement with Mako.

### **Summary of significant Balance Sheet items for year ended December 31, 2024**

The primary factors affecting the changes to the balance sheet items were as follows:

- Cash increased to \$1,162,251 (2023 - \$100,573) an increase of \$1,061,682.
- Raised gross proceeds of \$670,000 through the completion of a non-brokered private placement of 6,700,000 units at a price of \$0.10 per unit on February 9, 2024.
- Raised gross proceeds of \$2,369,174 through the completion of a non-brokered private placement of 14,807,338 units at a price of \$0.16 per unit on September 26, 2024.
- Cash of \$4,490,124 was utilized in operating activities for operations, exploration, and strategic activities including the disposition of Marlin and the Waiver and Release Agreement with Mako.

- Raised gross proceeds of \$1,013,309 through exercise of warrants.
- Raised gross proceeds of \$92,500 through the exercise of stock options.
- Reclamation provision indemnification asset decreased to \$Nil (2023 - \$1,190,055). The Company executed the Waiver and Release Agreement with Mako for total consideration of \$1,365,994 (cash of \$674,950 and shares of Mako valued at \$691,334). In relation to the transaction the Company recorded a gain of \$175,393.
- Value added taxes (“VAT”) receivable decreased to \$208,316 (2023 - \$793,474). The Company successfully recovered \$650,213 of VAT and recorded a provision for VAT of \$335,315 in relation to amounts which were deemed unlikely to be collected.
- Accounts payable and accrued liabilities decreased to \$631,496 (2023 - \$1,928,103) a decrease of \$1,296,607 or 67%. The decrease can be attributed to the Company’s improved financial position as well as the disposition of \$693,823 in accounts payable related to the disposition of Marlin.
- Mining concession fees payable decreased to \$740,855 (2023 - \$22,100,458) a decrease of \$21,359,603. In relation to the disposition of Marlin the Company reduced concession fees payable by \$21,417,454.
- Reclamation provision decreased to \$526,120 (2023 - \$2,847,403). In relation to the disposition of Mako the Company reduced the reclamation provision by \$2,326,318.

**Discussion of results – Fourth Quarter Ended December 31, 2024**

The Company’s net loss for the three months ended December 31, 2024, was \$1,339,307 (2023 – \$13,577,530). During the period the Company’s total expenses were \$1,048,822 (2023 - \$2,369,465). Significant fluctuations during the nine-month period included the following:

The Company incurred concession fee of \$25,138 (2023 - \$1,403,259). The reduction was as a result of the Company’s disposition of Marlin, and a corresponding reduction of concession fees related to the La Trinidad Project.

Consulting of \$44,700 (2023 - \$28,275) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of \$33,826 (2023 - \$61,569) related to depreciation of the Company’s equipment. The Company disposed of certain exploration equipment therefore there was a corresponding decrease in depreciation.

Exploration expenditures were \$287,608 (2023 - \$315,448) as per the table below:

	December 31, 2024	December 31, 2023
	\$	\$
Community relations	28,907	338,346
Consulting	1,853	-
Drilling	1,902	(27,864)
Environmental / reclamation	8,188	(78,597)
Field	55,582	(45,753)
Geochemistry	(224)	2,951
Geological	191,400	126,017
Survey	-	254
Topography	-	94
Total	287,608	315,448

Exploration activities during the quarter, 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. In the prior comparative period, the Company recovered certain amounts due to reversal of accruals and recognized cost recoveries due to foreign exchange variances.

Investor relations of \$57,868 (2023 - \$32,984) related to the Company's engagement with ICP as the Companies Market Maker as well as the Company's participation and presentations at corporate investor events.

Office expense of \$40,757 (2023 - \$56,464) related to general corporate administration, office supplies, and rent.

Professional fees of \$124,694 (2023 - \$152,170) were related to Audit, legal, and accounting services.

Salaries of \$250,322 (2023 - \$233,704) related to salaries paid to the CEO, COO, and employees in Mexico.

Share-based compensation of \$144,801 (2023 - \$64,905) 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 \$12,381 (2023 - \$15,313) related to transfer agent, TSX-V sustaining fees, OTCQB fees, and SEDAR+ filing fees.

Accretion expense on reclamation provision was \$Nil (2023 - \$1,752). No incremental accretion expense was required for the period.

Foreign exchange gain of \$272,349 (2023 – loss \$112,562) was related to the translation of the Company's Mexican operations from Mexican Pesos to Canadian dollars as well as foreign currency variances recorded upon the settlement of certain foreign currency denominated transactions. As a result of the disposition of Marlin the Company is less exposed to foreign currency fluctuations.

Gain on disposition of Marlin Gold Mining Ltd. ("Marlin") of \$132,054 (2023 - \$Nil) related to the adjustment of the gain as a result of impairment of the Marlin VAT balance at the disposition date. The



Company closed the disposition of the Marlin on July 16, 2024.

Impairment of exploration and evaluation asset of \$Nil (2023 – 12,589,327) related to the impairment of the La Trinidad Project which was recognized in 2023.

Gain on sale of equipment of \$596 (2023 – loss of \$26,941) related to the disposition of non-essential exploration equipment.

Provision for value added tax of \$78,499 (2023 – \$972,003) related to the provision of VAT which was considered unlikely to be collected.

Retirement of concession fees of \$Nil (2023 - \$2,406,845) related to concession fees which became statute barred and are no longer payable.

Other expense of \$71,029 related to the accrual of royalties owing in relation to bulk sampling income which was earned during the year ended December 31, 2024. Other income in 2023 of \$25,208 consisted 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.

#### **Discussion of results – Year ended December 31, 2024**

The Company's net income for the year ended December 31, 2024, was \$19,284,843 (2023 – loss of \$25,597,989). The Company's total expenses were \$12,643,830 (2023 - \$15,033,499). Significant fluctuations during the year ended December 31, 2024, included the following:

Concession fees were \$7,831,788 (2023 - \$7,291,259). During the year ended December 31, 2024, concession fees related to the Company's exploration and evaluation assets as follows:

	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico <sup>(2)</sup>	Total
December 31, 2024					
	\$	\$	\$	\$	\$
Concession fees	357,052	58,766	339,569	7,076,401	7,831,788
Retirement <sup>(1)</sup>	-	-	-	(6,496,684)	(6,496,684)
Net expense	357,052	58,766	339,569	579,717	1,335,104

	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico <sup>(2)</sup>	Total
December 31, 2023					
	\$	\$	\$	\$	\$
Concession fees	211,062	44,722	316,196	6,719,279	7,291,259
Retirement <sup>(1)</sup>	-	-	-	(4,732,000)	(4,732,000)
Net expense	211,062	44,722	316,196	1,987,279	2,559,259

(1) During the year ended December 31, 2024, 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 were acquired by PrivateCo.

Consulting of \$109,695 (2023 - \$121,319) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of \$179,143 (2023 - \$489,663) related to depreciation of the Company's equipment. The Company disposed of certain exploration equipment therefore there was a corresponding decrease in depreciation.

Exploration expenditures were \$1,490,209 (2023 - \$4,082,583) as per the table below:

	December 31, 2024	December 31, 2023
	\$	\$
Community relations	540,415	411,038
Consulting	1,853	-
Drilling	951	511,462
Environmental / reclamation	23,733	68,816
Field	341,175	1,192,880
Geochemistry	10,080	468,738
Geological	572,002	1,216,494
Technical reports	-	157,921
Survey	-	40,369
Topography	-	14,865
Total	1,490,209	4,082,583

Exploration expenditures during the year ended December 31, 2024, were 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. The Company incurred \$415,523 in community relations in relation to the La Trinidad project which were required to obtain approval of the disposition of the project in accordance with the sale of Marlin.

Investor relations of \$148,401 (2023 - \$289,087) related to the Company's engagement with ICP as the Companies Market Maker as well as the Company's participation and presentations at corporate investor events. The Company engaged in a decreased amount of investor relations activities as compared to the prior year.

Office expense of \$322,533 (2023 - \$471,543) related to general corporate administration, office supplies, and rent. The overall decrease was due to lower levels of corporate activity, particularly as the Company wound down certain corporate activities in the current year which were more active in the prior year.

Professional fees of \$770,627 (2023 - \$502,834) were related to audit, legal, accounting, and tax services. Of the total \$238,017 related to fees incurred in Canada and \$532,520 related fees incurred in Mexico. Fees in Canada to general corporate activities, financings, the disposition of Marlin, and the Mako waiver and release. Fees in Mexico related to general corporate matters and the disposition of Marlin.

Salaries and director fees of \$933,765 (2023 - \$1,396,864) related to salaries paid to the CEO, COO, and employees in Mexico. Salaries decreased as a result of a reduction in the number of employees in Mexico. There were no cash based director fees paid during the year ended December 31, 2024 (December 31, 2023 - \$2,000)

Share-based compensation of \$747,564 (2023 - \$234,208) related to the grant (and vesting) of certain equity instruments including stock options, deferred share units, and performance share units. In the current year a higher number of equity instruments were granted relative to the prior year.

Transfer agent and filing fees of \$62,867 (2023 - \$94,306) related to transfer agent, TSX-V sustaining fees, OTCQB fees, and SEDAR+ filing fees. Transfer agent and filing fees vary relative to corporate activity.

Accretion expense on reclamation provision was \$5,335 (2023 - \$6,930). The accretion expense relates to the reclamation provision in relation to future site decommissioning costs at the Company's Plamosas and San Marcial camps.

Foreign exchange gain of \$92,790 (2023 – loss of \$2,036,604) was related to the translation of the Company's Mexican operations from Mexican Pesos to Canadian dollars as well as foreign currency variances recorded upon the settlement of certain foreign currency denominated transactions. As a result of the disposition of Marlin the Company is less exposed to foreign currency fluctuations.

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 Marlin Gold Mining Ltd. ("Marlin") on July 16, 2024, and recorded a gain on disposition of \$24,398, 896 which represented the value of consideration (a 0.5% NSR valued at \$Nil) less the net assets of Marlin which were negative \$24,398,896.

Gain on sale of marketable securities of \$182,928 related to the change in value of the shares of Mako Mining Corp. from date they were received to the date of disposition

Impairment of exploration and evaluation asset of \$Nil (2023 – 12,589,327) related to the impairment of the La Trinidad Project which was recognized in 2023.

Gain on sale of equipment of \$68,814 (2023 – loss of \$26,941) related to the disposition of non-essential exploration equipment

Provision for value added tax ("VAT") of \$314,898 (2023 – \$981,160) related to the provision of VAT which was considered unlikely to be collected. During the year ended December 31, 2024, the Company collected \$650,213 in previously written down VAT which was recorded as a recovery of value added tax

Retirement of concession fees of \$6,496,684 (2023 - \$4,732,000) 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 \$342,647 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, net of related royalties accrued.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to forecast cash flows required for its planned operating, investing and financing activities so that it will have sufficient liquidity to meet liabilities when due. Management expects that cash flows related to operating, general and administrative, and exploration and evaluation activities will be funded by the Company's cash on hand. While the Company's current cash is sufficient to settle its current liabilities, it may be insufficient to finance all currently proposed, planned or anticipated general and administrative and exploration, evaluation and resource development program activities, and the Company could have to seek additional financing in order to further fully evaluate its projects, or modify its planned programs as appropriate. The Company will continue to forecast its cash flows and investigate opportunities to obtain further financing, if necessary, through transactions to maintain liquidity, such as equity placements, debt or joint venture arrangements. 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 December 31, 2024 the Company had a working capital of \$34,152 (December 31, 2023 – working capital deficiency of \$23,706,230). Subsequent to December 31, 2024, the Company raised proceeds of \$1,783,778 from the exercise of warrants. Included in current liabilities is \$603,556 in relation to Mexico concession fees payable for the Company's Goldplay concessions payable. The Goldplay concessions are considered non-core and the Company does not expect to make these payments during the fiscal 2025 year.

During the year ended December 31, 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 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 Additional share issue costs of \$35,011 were incurred in connection with this financing and were recorded 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 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 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.
- Issued 8,019,478 common shares upon the exercise of warrants for proceeds of \$1,013,309.



Update on Prior Use of Proceeds Disclosure:

<b>Financing</b>	<b>Principal purpose as previously disclosed to December 31, 2024</b>	<b>Financing Amount, net of share issue costs</b>	<b>Estimated Actual Expenditures</b>
		\$	\$
Non-brokered private placement February 9, 2024, of 6,700,000 units at a price of \$0.10 per unit	General working capital and work programs on the Company's Plamosas Project	615,760	615,760
Non-brokered private placement September 29, 2024, of 14,807,338 units at a price of \$0.16 per unit	General working capital and exploration in the San Marcial Area of the Plamosas Project	2,220,372	1,058,117

The table below highlights the Company's cash flows during the years ended:

	<b>December 31 2024</b>	<b>December 31 2023</b>
<b>Net cash provided by (used in)</b>	\$	\$
Operating activities	(4,490,124)	(5,312,713)
Investing activities	1,609,865	-
Financing activities	3,941,941	4,511,048
Cash, beginning	100,573	902,238
Cash, end	1,162,255	100,573

## SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters:

	<b>December 31 2024</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>
	\$	\$	\$	\$
Net income (loss)	(1,339,307)	25,735,963	25,598	(5,137,411)
Earnings (loss) per share - basic	(0.02)	0.08	(0.02)	(0.02)
Earnings (loss) per share - diluted	(0.02)	0.07	(0.02)	(0.02)
Total assets	9,720,304.00	11,116,943	10,215,975	10,232,676.00
Working capital (deficiency)	34,152	635,851	(27,358,404)	(29,098,544)

	<b>December 31 2023</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>
	\$	\$	\$	\$
Net income (loss)	(13,577,529)	(4,281,609)	(3,463,758)	(4,275,093)
Earnings (loss) per share - basic & diluted	(0.08)	(0.02)	(0.03)	(0.02)
Total assets	10,723,449	23,949,492	24,127,557	25,701,994
Working capital (deficiency)	(23,706,230)	(25,086,394)	(21,466,771)	(18,214,072)

During the quarter ended December 31, 2024, the Company recorded a net loss of \$1,339,307. During the quarter the Company's total expenses were \$1,048,822, the most significant items were exploration expenditures of \$287,608, professional fees of \$124,694, and salaries and director fees of \$250,322, and share-based compensation of \$144,801. Other items included an incremental a gain on disposition of Marlin of \$132,054 related to VAT which was considered impaired at the disposition date, and a provision for VAT of \$78,499.

During the quarter ended September 30, 2024, the Company completed 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 \$623,981 in value added tax and incurred expenses of \$2,427,740 which included \$374,447 in exploration expenditures, \$867,423 in concession fees, salaries of \$221,145, professional fees of \$348,644, and share based compensation of \$395,787. 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, 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.

## SHARE CAPITAL

Details of the Company's capitalization are as follows:

	December 31, 2024	Date of MD&A
Common shares	332,548,013	344,486,533
Warrants	89,983,726	61,446,419
Stock options	9,696,667	10,656,667
DSUs	243,068	543,356
PSUs	1,800,000	1,800,000

## RELATED PARTY TRANSACTIONS

Key management personnel compensation for the years ended was:

	December 31, 2024	December 31, 2023
	\$	\$
Salary paid to Eric Zaunscherb (CEO)	100,000	90,000
Salary paid to Marcio Fonseca (President and COO)	260,000	260,000
Consulting fees paid to Robert Payment (CFO)	17,000	-
Salary paid to Blaine Bailey (Corporate Secretary, former CFO)	-	58,333
Salary paid to Alejandro Cano (Country Manager, Mexico)	-	143,939
Consulting fees paid to Blaine Bailey (Corporate Secretary, former CFO)	78,000	39,000
Consulting fees paid to Samantha Shorter (Former CFO)	-	21,500
Professional fees paid to Laura Diaz (Former Director)	-	83,275
Salary paid to Benda Dayton (Former VP Corp. Dev.)	-	60,000
Salary or fees paid to Trevor Wolfe (Director, Former VP Exp. and Corp. Dev.)	1,968	90,000
Director fees paid to Jonathan Rubenstein (Former Director)	-	2,000
Stock based compensation to Directors and Officers	561,329	178,958
<b>Total</b>	<b>1,018,297</b>	<b>1,027,005</b>

	December 31, 2024	December 31, 2023
<b>Share-based compensation</b>		
Eric Zauncherb (CEO)	125,401	7,720
Marcio Fonseca (President and COO)	125,401	30,881
Robert Payment (CFO)	33,019	-
Blaine Bailey (Corporate secretary, former CFO)	117,148	31,705
Samantha Shorter (Former CFO)	-	24,849
Trevor Woolfe (Director)	57,396	4,632
Larry Taddei (Director)	30,505	13,482
Jessica Van Den Akker (Director)	19,720	-
Brent McFarlane (Director)	19,720	-
Gino DeMichelle (Former Director)	-	7,720
Jonathan Rubenstein (Former Director)	-	7,720
Fernando Berdegue (Former Director)	33,019	7,722
Laura Diaz Nieves (Former Director)	-	7,720
Alejandro Cano (Country Manager, Mexico)	-	22,453
Brenda Dayton (Former VP Corp. Dev.)	-	12,354
<b>Total</b>	<b>561,329</b>	<b>178,958</b>



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

	December 31, 2024	December 31, 2023
Promaid Services Ltd. (Blaine Bailey)	-	20,550
Eric Zaunsherb	-	28,758
Marcio Fonseca	-	128,645
Shordean Pty Ltd. (Trevor Woolfe)	-	11,682
<b>Total</b>	-	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.

On October 18, 2024, the Company entered into an Independent Contractor Agreement (the “Agreement”) with a company controlled by Robert Payment (“the Contractor”) for CFO services. As compensation the Contractor is paid a monthly fee of \$7,250. The Contractor may terminate the agreement by giving four weeks written notice and the Company may terminate the agreement by giving eight weeks written notice. Other than in the event the Company is insolvent and in the process of, or has filed for bankruptcy protection, if the Company disposes of more than 50% of the Company’s voting shares or disposes of all or substantially all of its assets to another non-affiliated entity or entities, acquires all, or substantially all, of the assets of another non-affiliated entity or entities, or merges or amalgamates with another non-affiliated entity or entities, and the Contractor’s services are materially reduced or become redundant, the Agreement will be deemed to have been terminated without cause, and the Contractor shall be entitled to receive a sum equivalent to eighteen months of service.

## 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 year ended December 31, 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 year ended December 31, 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 year ended December 31, 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”.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the following material components for the periods presented:

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
	\$	\$	\$
Exploration and evaluation assets or expenditures	1,490,209	4,082,583	7,109,227.00
Expensed research and development	-	-	-
Intangible assets arising from development	-	-	-
General and administrative expenses	322,533	471,543	650,993
Other material costs expensed or recognized as assets	(21,097,585)	21,043,863	11,033,957
Total	(19,284,843)	25,597,989	18,794,177

## OFF BALANCE SHEET ARRANGEMENTS

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

## INVESTOR RELATIONS

On November 29, 2024, the Company engaged the services of ICP Securities Inc. ("ICP") to provide automated market making services, including use of its proprietary algorithm, ICP Premium™, in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable legislation. ICP will be paid a monthly fee of \$7,500, plus applicable taxes. The agreement between the Company and ICP was signed with a start date of November 29, 2024, and is for four (4) months (the "Initial Term") and shall be automatically renewed for subsequent one (1) month terms (each month called an "Additional Term") unless either party provides at least thirty (30) days written notice prior to the end of the Initial Term or an Additional Term, as applicable.

## 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 year ended December 31, 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.

## 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 December 31, 2024, the Company had a cash balance of \$1,162,255 to settle current liabilities of \$1,372,351. 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 December 31, 2024, amounts exposed to foreign currency risk include cash of MXN\$1,027,666, value added tax receivable of MXN\$3,020,182 accounts payable of MXN\$5,248,852 and concession fees payable of MXN\$10,692,091. A 10% change in foreign exchange rates will affect profit or loss by approximately \$93,000.

#### *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.

## 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 December 31, 2024, had a working capital of \$34,152, 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.

#### *Estimates of Indicated and Inferred Mineral Resources*

The Company uses the terms "Indicated Mineral Resources" and "Inferred Mineral Resources" in its public disclosures. The Company advises investors that these terms as recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), and differ from the standards for such terms adopted in other countries. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into Mineral Reserves. In addition, "Inferred Mineral Resources" are Mineral Resources for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. "Inferred Mineral Resources" are based on limited information and have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration. Under Canadian rules, estimates of Inferred Mineral Resources are considered too geologically speculative to have the economic considerations applied to them to enable them to be categorized as Mineral Reserves and, accordingly, "Inferred Mineral Resources" must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed feasibility or pre-feasibility studies, or in the life of mine plans and cash flow models of developed mines. "Inferred Mineral Resources" can only be used in economic studies as provided under NI 43-101. Investors are cautioned not to assume that part or all of an Inferred Mineral Resource exists, or is economically mineable.

#### *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 effect on the Company.

#### *Organized Crime Risk*

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, import tariffs, 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's results of operations, financial condition and the trading price of the Company's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties or other investments and dispositions by the Company less attractive to counterparties. Such changes could adversely affect the ability of the Company to acquire new assets or make future investments and dispositions.

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

#### *Uninsured Risks*

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

#### *Historical Negative Cash Flow and No Assurance of Profitability*

The Company had negative cash flow from operating activities during the year ended December 31, 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.

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*

The United States and Canadian governments announced new tariffs on imported goods. This has caused significant economic uncertainty and market volatility. Management is actively assessing the situation and the effects on the Company, if any, are currently uncertain.

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.

#### 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.

## 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](http://www.sedarplus.ca) or on the Company's website at [www.grsilvermining.com](http://www.grsilvermining.com). Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.