

**GR SILVER MINING LTD.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2025

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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**NOTICE TO READER**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The condensed interim consolidated financial statements of the Company for the three-month period ended March 31, 2025, have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

**GR SILVER MINING LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

AS AT

		(Unaudited) <b>March 31, 2025</b>	(Audited) <b>December 31, 2024</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current</b>			
Cash		1,716,701	1,162,255
Receivables	3	21,684	12,734
Prepays		215,190	231,514
		<u>1,953,575</u>	<u>1,406,503</u>
<b>Equipment</b>	4	634,702	680,666
<b>Exploration and evaluation assets</b>	5	7,424,819	7,424,819
<b>Value added tax receivable</b>	3	246,807	208,316
		<u>10,259,903</u>	<u>9,720,304</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		575,694	631,496
Mining concession fees	7	881,187	740,855
		<u>1,456,881</u>	<u>1,372,351</u>
<b>Non-current liabilities</b>			
Reclamation provision	9	526,120	526,120
<b>Total liabilities</b>		<u>1,983,001</u>	<u>1,898,471</u>
<b>Shareholders' equity (deficiency)</b>			
Share capital	10	64,355,525	62,325,693
Share compensation reserve	10	8,819,178	8,922,893
Deficit		<u>(64,897,801)</u>	<u>(63,426,753)</u>
		<u>8,276,902</u>	<u>7,821,833</u>
		<u>10,259,903</u>	<u>9,720,304</u>

**Nature of operations and going concern** (Note 1)**Subsequent events** (Note 15)

Approved and authorized by the Board on May 30, 2025:

“Eric Zaunscherb” Director
 “Jessica Van Den Akker” Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**GR SILVER MINING LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Note</b>	<b>Three Months Ended</b>	
		<b>March 31 2025</b>	<b>March 31 2024</b>
		\$	\$
<b>EXPENSES</b>			
Concession fees	7	291,697	3,516,292
Consulting	8	42,943	22,415
Depreciation	4	45,964	87,838
Exploration expenditures	6	379,739	381,680
Investor relations		122,406	20,835
Office		84,327	72,648
Professional fees	8	86,977	170,347
Salaries and benefits	8	231,387	239,999
Share-based compensation	8,10	142,339	6,128
Transfer agent and filing fees		23,963	17,143
Travel		23,796	1,443
<b>Total expenses</b>		<b>(1,475,538)</b>	<b>(4,536,768)</b>
Accretion expense on reclamation provision	9	-	(1,765)
Foreign exchange loss		(16,070)	(869,365)
Interest income		1,582	6,898
Loss on sale of equipment		-	(5,374)
Other income		18,978	268,963
<b>Loss and comprehensive loss for the period</b>		<b>(1,471,048)</b>	<b>(5,137,411)</b>
<b>Loss per share - basic and diluted</b>			
Basic and diluted		\$ (0.00)	\$ (0.02)
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted		339,509,101	265,863,817

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**GR SILVER MINING LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

<b>FOR THE PERIOD ENDED</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	(1,471,048)	(5,137,411)
Items not affecting cash:		
Depreciation	45,964	87,837
Accretion expense on restoration provisions	-	1,765
Loss on sale of equipment	-	5,374
Share-based compensation	142,339	6,128
Gain on disposition of indemnification asset	-	(176,229)
Changes in non-cash operating items:		
Receivables	(8,950)	(1,644)
Prepaid expenses	16,324	(91,710)
Concession fees payable	140,332	4,029,512
Value added tax	(38,491)	(829)
Accounts payable and accrued liabilities	(55,802)	(6,226)
Net cash used in operating activities	(1,229,332)	(1,283,433)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Assets held for sale	-	(3,289)
Disposal of equipment	-	27,738
Disposal of indemnification asset	-	674,650
Net cash provided by investing activities	-	699,099
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares	-	670,000
Exercise of warrants	1,783,778	-
Share issue costs	-	(54,239)
Net cash provided by financing activities	1,783,778	615,761
Change in cash during the period	554,446	31,427
Cash, beginning of period	1,162,255	100,573
Cash, end of period	1,716,701	132,000

**Supplemental disclosure with respect to cash flows** (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**GR SILVER MINING LTD.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Share Capital</b>		<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>			
		\$	\$	\$	\$
<b>December 31, 2023</b>	302,521,197	58,781,681	8,399,287	(87,849,007)	(20,668,039)
Private placement	6,200,000	670,000	-	-	670,000
Share issue costs - cash	-	(54,241)	-	-	(54,241)
Finders' fees - warrants issued	-	(8,499)	8,499	-	-
Residual value of warrants	-	(33,500)	33,500	-	-
Share-based compensation	-	-	6,128	-	6,128
Net loss for the period	-	-	-	(5,137,411)	(5,137,411)
<b>March 31, 2024</b>	308,721,197	59,355,441	8,447,414	(92,986,418)	(25,183,563)
<b>December 31, 2024</b>	332,548,013	62,325,693	8,922,893	(63,426,753)	7,821,833
Exercise of warrants	11,938,520	2,029,832	(246,054)	-	1,783,778
Share-based compensation	-	-	142,339	-	142,339
Net loss for the period	-	-	-	(1,471,048)	(1,471,048)
<b>March 31, 2025</b>	344,486,533	64,355,525	8,819,178	(64,897,801)	8,276,902

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

GR Silver Mining Ltd. (the “Company” or “GR Silver”) was incorporated on November 8, 2012, under the laws of British Columbia. The Company’s registered and records office is 5<sup>th</sup> Floor 410 West Georgia Street, Vancouver, B.C. V6B 1Z3. The Company’s head office is located at 15<sup>th</sup> floor 409 Granville Street, Vancouver B.C. V6C 1T2. To date, the Company has not generated any operating revenue. The Company trades on the TSX Venture Exchange (TSX-V) under the trading symbol GRSL.

As at March 31, 2025, the Company has a working capital of \$496,694 and an accumulated deficit of \$64,897,801. The Company expects to incur further losses in the exploration and advancement of its mineral projects. The Company's ability to continue the exploration of its mineral projects and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

The Company is in the business of acquiring and exploring exploration and evaluation assets and has not yet determined whether any of its properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

**2. MATERIAL ACCOUNTING POLICIES****Statement of compliance**

These condensed interim consolidated financial statements have been prepared under International Accounting Standard 34 Interim Financial Reporting (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

**Basis of presentation**

These condensed interim consolidated financial statements do not include all the information required for full annual IFRS financial statements and therefore should be read in conjunction with the company’s annual consolidated financial statements for the year ended December 31, 2024, and are prepared consistent with the accounting policies disclosed therein. Operating results for the three-month period ended March 31, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries: Goldplay de Mexico SA de CV, Minera San Marcial SA de CV, Minera Matatan SA de CV (“Matatan”), and Mineral La Rastra SA de CV which are all incorporated in Mexico and engaged in the business of resource exploration.

The Company’s formerly owned subsidiary Marlin Gold Mining Ltd. (“Marlin”), which owns 100% of Oro Gold de S.A. de C.V. (“Oro Gold”) and Marlin Gold Trading Inc., were consolidated until the date of disposition which occurred on July 16, 2024. The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern its financial and operating policies. All intercompany transactions and balances are eliminated on consolidation.

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**3. RECEIVABLES**

The Company's receivables consist of the following:

	Marh 31, 2025	December 31, 2024
	\$	\$
GST input tax credits	18,728	9,825
Other receivables	2,956	2,909
Current receivable	21,684	12,734
Value added tax receivable	246,807	208,316
Total receivable	268,491	221,050

The Company reports value added tax ("VAT") receivable from the taxation authorities in Mexico as a long-term receivable due to a historically lengthy collection cycle.

**4. EQUIPMENT**

	Office Equipment	Mobile Equipment	Exploration Equipment	Buildings	Total
<b>COST</b>	\$	\$	\$	\$	\$
Balance, December 31, 2023	75,605	140,618	1,209,707	973,910	2,399,840
Disposal	-	(67,876)	(232,856)	-	(300,732)
Balance, December 31, 2024	75,605	72,742	976,851	973,910	2,099,108
Disposal	-	-	-	-	-
Balance, March 31, 2025	75,605	72,742	976,851	973,910	2,099,108
<b>ACCUMULATED DEPRECIATION</b>					
Balance, December 31, 2023	54,277	140,618	521,209	690,967	1,407,071
Depreciation	6,333	-	168,170	4,640	179,143
Disposal	-	(67,876)	(99,896)	-	(167,772)
Balance, December 31, 2024	60,610	72,742	589,483	695,607	1,418,442
Depreciation	1,341	4,891	38,632	1,100	45,964
Balance, March 31, 2025	61,951	77,633	628,115	696,707	1,464,406
<b>NET BOOK VALUE</b>					
December 31, 2024	14,995	-	387,368	278,303	680,666
March 31, 2025	13,654	(4,891)	348,736	277,203	634,702

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**5. EXPLORATION AND EVALUATION ASSETS**

The Company's capitalized acquisition expenditures on its exploration and evaluation assets are as follows:

	San Marcial Mexico	Plomosas, Mexico	Total
	\$	\$	\$
Balance, December 31, 2023, December 31, 2024, and March 31, 2025	4,045,500	3,379,319	7,424,819

**San Marcial Property, Mexico**

The Company owns a 100% interest in the San Marcial Property located in the Rosario Mining District, Sinaloa, Mexico. The San Marcial Property is subject to a net smelter royalty ("NSR") of 0.75%. The Company has a buy-back right on the NSR that can be exercised at any time by paying \$1,250,000. The Company also assumed a pre-existing 3% NSR on the San Marcial Property which is subject to a buy back right on the NSR of US\$600,000 per 1% that can be exercised by the Company at any time and from time to time, in whole or in part.

**Plomosas Property, Mexico**

The Company owns a 100% interest in the Plomosas Property located in the Rosario Mining District, Sinaloa, Mexico. The Plomosas Property is subject to a 2% NSR with half of the NSR (i.e., 1% NSR) being subject to a buy-back for US\$1,000,000. The Company also assumed a pre-existing NSR ranging between 1.75% and 3.5% based on the price of zinc.

**Goldplay de Mexico Mineral Concessions, Mexico**

The Company has a 100% interest in concessions registered under Goldplay de Mexico S.A de CV, formerly referred to collectively as the "El Habal Property". The properties are subject to an NSR between 1.0% and 1.5%.

The Company has issued an option to purchase a 1% NSR on the concessions which can be exercised by payment to the Company of US\$1,000,000 per 0.5% NSR, for a total option exercise price of US\$2,000,000 for a 1% NSR. The Company also issued a 1% royalty on concessions adjacent to the project.



**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**5. EXPLORATION AND EVALUATION ASSETS (Continued)****La Trinidad Property, Mexico**

Through its 100% ownership of Marlin Gold Mining Ltd. ("Marlin") the Company owned a 100% interest in the La Trinidad Property located in the Rosario Mining District, Sinaloa, Mexico up until July 16, 2024 (see below).

The Company had an agreement with the vendor of the La Trinidad Property under which the vendor had agreed to remediate and indemnify the Company against reclamation obligations that existed at the time of acquisition in 2021. (Note 9).

During the year ended December 31, 2023, the Company determined that the carrying value of its interest in the La Trinidad property was impaired as no additional expenditures were planned going forward. The Company accordingly recorded an impairment charge of \$12,589,327 in relation to the book value of the asset.

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. Marlin owns, amongst other assets, a 100% interest in Oro Gold de S.A. de C.V. ("Oro Gold") a private Mexican company that owns 100% of certain mineral concessions, including the past producing La Trinidad mine. In accordance with the SPA the Company transferred to PrivateCo all existing assets and rights, including Oro Gold, in consideration for which the Company received 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.

	December 31, 2024
	\$
Consideration received - 0.5% NSR	-
<b>Net assets sold:</b>	
Cash	3,218
Receivables	9,778
Prepaid expenses	25,703
Accounts payable	(693,823)
Concession taxes payable	(21,417,454)
Asset retirement obligation	(2,326,318)
Total	(24,398,896)
Gain on sale of Marlin Gold Mining Ltd.	24,398,896

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**6. EXPLORATION EXPENDITURES**

Exploration expenditures for the three-month period ended March 31, 2025:

	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico	Total
	\$	\$	\$	\$
Community relations	58	26,579	-	26,637
Drilling	119,935	2,847	-	122,782
Field	48,865	53,120	-	101,985
Geological	81,098	47,237	-	128,335
Total	249,956	129,783	-	379,739

Exploration expenditures for the three-month period ended March 31, 2024:

	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico	Total
	\$	\$	\$	\$
Community relations	23,169	-	-	23,169
Environmental	-	3,176	-	3,176
Field	81,109	44,806	-	125,915
Geological	85,752	85,160	44,119	215,031
Geochemistry	-	4,764	-	4,764
Topography	1,113	8,512	-	9,625
Total	191,143	146,418	44,119	381,680

**7. MINING CONCESSION FEES**

	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	La Trinidad Mexico <sup>(1)</sup>	Total
Concession fees - March 31, 2025	130,028	19,792	141,877	-	291,697
Concession fees - March 31, 2024	381,379	25,799	179,825	2,929,289	3,516,292
Fees payable - December 31, 2024	603,556	-	137,299	-	740,855
Fees payable - March 31, 2025	743,456	-	137,731	-	881,187

(1) On July 16, 2024, the Company closed a SPA with PrivateCo and sold its 100% interest in Marlin, and the La Trinidad concession fees payable of \$21,417,454 (Note 5) were acquired by PrivateCo.

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**8. RELATED PARTY TRANSACTIONS**

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the three months periods ended March 31, 2025 and March 31, 2024, ended was:

	March 31, 2025	March 31, 2025
Key management personnel compensation		
	\$	\$
Salaries	90,000	127,521
Consulting	21,750	19,500
Share-based compensation	142,339	6,128
Total	254,089	153,149

**9. RECLAMATION PROVISIONS**

As at March 31, 2025, the Company's reclamation provisions are related to the Company's Plomosas Project (Note 5). The reclamation provision was calculated using an inflation rate of 3.7% and a discount rate of 10% with the assumption that the reclamation will be settled between 2026 and 2028. Significant activities include land rehabilitation, demolition and removal and restoration costs. The amounts and timing of the reclamation will vary depending on several factors including exploration success and alternative mining plans.

On December 31, 2021, the Company acquired the La Trinidad project and assumed a reclamation provision of \$2,431,930 relating to the project reclamation and dismantling and removal of buildings, salvaged topsoil replacement and recontouring and grading. Mako Mining Corp. ("Mako") is responsible for certain costs estimated at \$1,190,055 which was previously recorded as an indemnification asset (Note 5).

During the year ended December 31, 2024, the Company closed a waiver and release agreement with Mako under which the parties were mutually released from the indemnification for a portion of reclamation totalling \$1,190,055.

In consideration for the waiver and release, Mako paid the Company \$674,650 (US\$500,000) cash, and issued 296,710 common shares of Mako to the Company, initially valued at \$691,344. As a result of the transaction the Company recorded a gain on disposition of indemnification asset of \$175,939. During the year ended December 31, 2024, the Company disposed of all of the Mako Shares and record a gain on disposition of marketable securities of \$182,928.

	March 31, 2025	December 31, 2024
	\$	\$
Balance - opening	526,120	2,847,403
Disposition of Marlin Gold Mining Ltd. (Note 5)	-	(2,326,318)
Foreign exchange	-	(300)
Accretion expense	-	5,335
Balance - closing	526,120	526,120

During the period ended March 31, 2025 the Company recorded accretion expense of \$Nil (March 31, 2024 - \$1,765).

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**10. SHARE CAPITAL AND RESERVES**

Authorized – Unlimited common shares without par value.

During the three-month period ended March 31, 2025, the Company:

- a) Issued 11,838,520 common shares upon the exercise of warrants at a price of \$0.15 raising gross proceeds of \$1,775,778. The Company had a reclassification of reserves on exercise of these warrants in the amount of \$244,054.
- b) Issued 100,000 common shares upon the exercise of warrants at a price of \$0.08 raising gross proceeds of \$8,000. The Company had a reclassification of reserves on exercise of these warrants in the amount of \$2,000.

During the year ended December 31, 2024, the Company:

- a) Completed a non-brokered private placement of 14,807,338 units at a price of \$0.16 per unit for gross proceeds of \$2,369,174. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant and each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.22 per warrant until September 26, 2026. The Company paid cash finders fees of \$113,788 and issued 696,180 agents warrants valued at \$67,987 using the following Black-Scholes assumptions: risk free interest rate of 2.97%, expected life of 2 years, volatility of 83.31% and dividend rate of 0%. Each agent warrant is exercisable into one common share at an exercise price of \$0.22 per share until September 26, 2026. Additional share issue costs of \$35,014 were incurred in connection with this financing and was recorded as an offset to share capital, as share issue costs.
- b) Completed a non-brokered private placement of 6,700,000 units at a price of \$0.10 per unit for gross proceeds of \$670,000. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant and each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.15 per warrant until February 9, 2026. The Company valued the warrants at \$67,000 using the residual value approach. The Company paid cash finders fees of \$35,820 and issued 358,200 agents warrants valued at \$8,499 using the following Black-Scholes assumptions: risk free interest rate of 4.20%, expected life of 2 years, volatility of 66.66% and dividend rate of 0%. Each agent warrant is exercisable into one common share at an exercise price of \$0.15 per share until February 9, 2026. Additional share issue costs of \$18,420 were incurred in connection with this financing and was recorded as an offset to share capital, as share issue costs.
- c) Issued 8,019,478 common shares on the exercise of warrants for proceeds of \$1,013,309. The Company had a reclassification of reserves on exercise of these warrants in the amount of \$250,317.
- d) Issued 500,000 common shares on the exercise of options for proceeds of \$92,500. The Company recorded a reclassification of reserves on exercise of these options of \$69,000.

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**10. SHARE CAPITAL AND RESERVES (Continued)****Omnibus Long-Term Incentive Plan**

The Company has adopted an omnibus long-term incentive plan (“LTIP”), which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, consultants, and employees of the Company stock options, deferred share units (“DSU”), performance share units (“PSU”), restricted share units (“RSU”) or other such share-based instruments deemed to be consistent with the purposes of the plan. The LTIP reserves a number of common shares for issuance pursuant to the grant of stock options that will not exceed a rolling 10% of the Company’s issued and outstanding common shares at the time the options are granted. All other share-based compensation awards are subject to a maximum of 19,521,680 common shares as a separate allotment. Vesting of share-based compensation awards is at the discretion of the Board of Directors, subject to minimum requirements of the TSX-V. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

Under the LTIP, the Company may determine vesting periods for DSUs, PSUs and RSUs at the time of grant, but such vesting shall not be less than one year in accordance with TSX-V requirements. The Company also has the option to settle vested DSUs, PSUs and RSUs by either issuing one common share for each unit or make a cash payment calculated by multiplying the number of vested share units to be redeemed by the market price per share on the date of settlement.

**Stock options**

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Balance at December 31, 2023	8,065,000	0.37
Granted	5,000,000	0.20
Exercised	(500,000)	0.185
Expired	(2,868,333)	0.29
Balance at December 31, 2024 and March 31, 2025	9,696,667	0.37

The weighted average remaining contractual life of outstanding options at March 31, 2025, was 2.91 years (December 31, 2024 – 3.16 years). The weighted average remaining contractual life of exercisable options at March 31, 2025, was 2.11 years (December 31, 2024 – 2.86 years).

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**10. SHARE CAPITAL AND RESERVES (Continued)**

As at March 31, 2025, the Company had stock options outstanding as follows:

Expiry date	Number of Options	Number of Exercisable Options	Exercise Price \$
April 16, 2025*	300,000	300,000	0.200
May 13, 2025*	675,000	675,000	0.335
August 12, 2025	266,667	266,667	0.200
September 14, 2025	95,000	95,000	0.780
May 13, 2026	385,000	385,000	0.710
October 5, 2026	30,000	30,000	0.290
January 21, 2026	1,010,000	1,010,000	0.740
January 26, 2027	35,000	35,000	0.200
April 6, 2027	300,000	300,000	0.250
January 18, 2028	300,000	200,000	0.120
May 10, 2028	300,000	300,000	0.090
November 23, 2028	1,500,000	1,500,000	0.060
May 7, 2029	3,480,000	2,313,333	0.200
June 10, 2029	120,000	120,000	0.200
August 13, 2029	600,000	200,000	0.160
October 23, 2029	300,000	100,000	0.280
	9,696,667	7,830,000	

\*Expired subsequent to March 31, 2025, unexercised.

During the period ended March 31, 2025, the Company recognized share-based payments expense of \$63,271 (March 31, 2024 - \$6,128) in connection with the vesting of stock options granted in current and previous periods.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the periods ended were as follows:

	March 31, 2025	March 31, 2024
Risk-free interest rate	3.54%	3.41%
Expected life of options	5 years	5 years
Annualized volatility	77%	71%
Dividend rate	0%	0%

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**10. SHARE CAPITAL AND RESERVES (Continued)****Deferred Share Units (“DSU”)**

Under the LTIP, the Company may elect to fix a portion of the non-executive director’s fees to be payable in the form of DSUs. In addition, each independent director may elect to participate in the grant of additional DSUs in lieu of Director’s fees payable in cash. The Company expensed \$19,068, included in share-based compensation expense during the period ended March 31, 2025 (March 31, 2024 - \$Nil) related to the grant of DSUs that fully vest after one year.

DSU transactions are summarized as follows:

	Number of DSUs
Balance at December 31, 2023	-
Granted	315,862
Cancelled	(72,794)
Balance at December 31, 2024	243,068
Granted	145,452
Balance at March 31, 2025	388,520
Vested at March 31, 2025	-

**Performance Share Units (“PSU”)**

Under the LTIP, the Company may grant PSUs to any eligible participant under the LTIP. The PSUs will vest on the later of one year after their date of grant and the successful completion of specific short-term Key Performance Indicators provided the recipient is an eligible participant under the LTIP. During the year ended December 31, 2024, the Company issued 1,800,000 PSUs to executive officers of the Company. The Company expensed \$60,000, included in share-based compensation expense during the period ended March 31, 2025 (March 31, 2024 - \$Nil) related to the grant of 1,800,000 PSUs.

PSU transactions are summarized as follows:

	Number of PSUs
Balance at December 31, 2023	-
Granted	1,800,000
Balance at December 31, 2024 and March 31, 2025	1,800,000
Vested at December 31, 2024 and March 31, 2025	-

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**10. SHARE CAPITAL AND RESERVES (Continued)****Warrants**

The following common shares purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance at December 31, 2023	86,195,157	0.17
Issued	11,808,047	0.20
Exercised	(8,019,478)	0.13
Balance at December 31, 2024	89,983,726	0.18
Exercised	(11,938,520)	0.15
Expired	(16,598,787)	0.34
Balance at March 31, 2025	61,446,419	0.14

The weighted average remaining contractual life of warrants outstanding at March 31, 2025, was 0.97 (December 31, 2024 – 1.02) years.

Warrants outstanding are as follows:

Expiry date	Number of Warrants	Exercise Price
		\$
August 30, 2025	18,031,500	0.22
August 30, 2025	214,872	0.15
August 9, 2025	1,552,000	0.08
October 13, 2025	250,000	0.08
February 9, 2026	3,298,200	0.15
September 26, 2026	8,099,847	0.22
November 10, 2026	30,000,000	0.07
	61,446,419	

The weighted average Black-Scholes inputs for finders warrants granted are as follows:

	December 31, 2024
Risk-free interest rate	3.39%
Expected life (years)	2 years
Annualized volatility	78%
Dividend rate	0%



**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the period ended March 31, 2025, were:

- Recorded a reclassification of share compensation reserve of \$246,054 in relation to warrants exercised.

Significant non-cash transactions during the period ended March 31, 2024; were:

- Issued 358,200 agent warrants valued at \$8,499
- Received 296,710 common shares of Mako valued at \$691,344 in settlement of indemnification asset.

**12. SEGMENTED INFORMATION**

The business of the Company is the acquisition and exploration of mineral properties which is considered one business segment.

Geographic information of non-current assets is as follows:

March 31, 2025	Canada	Mexico	Total
	\$	\$	\$
Equipment	1,585	633,117	634,702
Exploration and evaluation assets	-	7,424,819	7,424,819
Value added tax receivable	-	246,807	246,807
Total	1,585	8,304,743	8,306,328

December 31, 2024	Canada	Mexico	Total
	\$	\$	\$
Equipment	1,585	679,081	680,666
Exploration and evaluation assets	-	7,424,819	7,424,819
Value added tax receivable	-	208,316	208,316
Total	1,585	8,312,216	8,313,801

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**13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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 carrying value of cash, receivables, accounts payable and accrued liabilities, and Mexico mining concession fees 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 in Canada is low 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 March 31, 2025, the Company had a cash balance of \$1,716,701 to settle current liabilities of \$1,456,881. 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'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. Concession fees past due are subject to accruing interest at rates set by the Government of Mexico. Such interest rates are publicly issued and applied against overdue amounts as accrued to the concession fees liability.

**GR SILVER MINING LTD.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2025

(Expressed in Canadian Dollars)

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**13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)***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 March 31, 2025, amounts exposed to foreign currency risk include cash of MXN\$5,097,446, value added tax receivable of MXN\$3,505,773 accounts payable of MXN\$6,080,141 and concession fees payable of MXN\$12,516,857. A 10% change in foreign exchange rates will affect profit or loss by approximately \$70,000.

*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.

**14. CAPITAL MANAGEMENT**

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options, DSUs, PSUs, and warrants.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition and exploration of exploration and evaluation assets.

The Company has historically relied on and currently relies on the equity markets to fund all its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.

**15. SUBSEQUENT EVENTS**

Subsequent to March 31, 2025:

- a) On April 2, 2025, the Company granted 154,836 deferred share units ("DSUs") to non-executive directors.
- b) 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.
- c) On May 27, 2025, the Company closed a non-brokered private placement of 14,190,000 units at a price of \$0.13 per unit for gross proceeds of \$1,844,700. 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 \$0.19 per warrant until May 27, 2027. The Company paid cash finders fees of \$104,442 and issued 803,400 agent warrants. Each agent warrant is exercisable into one common share at an exercise price of \$0.19 per share until May 27, 2027.