

## INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) provides relevant information on the financial condition and financial results of GR Silver Mining Ltd. (the “Company” or “GR Silver”) for the year ended December 31, 2025.

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 for the year ended December 31, 2025, and 2004 (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 IFRS Accounting 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 OTCQX under the ticker symbol “GRSLF”, and on the Frankfurt Stock Exchange under the ticker symbol “GPE”. The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. All information contained in this MD&A is current as of April 29, 2026, 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

Dr. Gilles Arseneau, P.Geo., 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. Dr. Arseneau is considered independent of the Company, as he is not a shareholder, officer, or 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 re-assayed by SGS de Mexico. 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).

## IN MEMORIAM – MÁRCIO FONSECA

On March 25, 2026, the Company announced the sudden passing of Mr. Márcio Fonseca, the Company's President, Chief Executive Officer, and Director. Mr. Fonseca was not only a founder of GR Silver, but also an integral part of the Company's management team and operations team in Mexico, a friend and a mentor.

Márcio built an extraordinary career spanning more than three decades in the global mining industry, defined by leadership, vision, and a remarkable ability to create value at every stage of a project's life cycle. Mr. Fonseca spent his entire career, working in the mining and mining finance sectors. He was a long-standing member of the Association of Professional Engineers and Geoscientists of the Province of BC, as well as the Australasian Institute of Mining and Metallurgy.

He began his journey as a geologist in Brazil, contributing to exploration, feasibility studies, and the development of major mineral deposits across Latin America. Early in his career, he played a role in advancing world-class projects, as well as completing a Masters in Mineral Project Appraisal at Imperial College in London, building a strong technical foundation that would shape his future success.

Márcio went on to spend nearly a decade with Macquarie Group, where he led and executed complex mining transactions around the world, managing deals ranging from \$10 million to \$250 million. His expertise in project evaluation, financing, and strategic decision-making made him a trusted leader in the investment community.

He later joined SilverCrest Mines as Vice President of Corporate Development, where he was instrumental in driving growth and positioning the company for its successful acquisition by First Majestic Silver Corp - delivering significant value to shareholders.

Most recently, as Founder, President, and CEO of GR Silver Mining Ltd., Márcio has led the Company with passion and purpose - building strong teams, shaping strategic direction, and unlocking the potential of key assets to pave the way for future growth. Márcio founded GR Silver with a vision of unlocking the untapped potential of a highly prospective geological setting within the Rosario Mining District of Sinaloa, Mexico.

Throughout his career, Márcio earned a reputation for identifying undervalued opportunities, advancing projects toward development, and contributing to significant discoveries and successful transactions worldwide.

Beyond the titles and achievements, Márcio's legacy is one of vision, leadership, mentorship, integrity, and commitment to excellence. He will be remembered fondly by all at GR Silver, and his impact on colleagues, partners, and the mining industry as a whole will be felt for years to come.

## DESCRIPTION OF BUSINESS

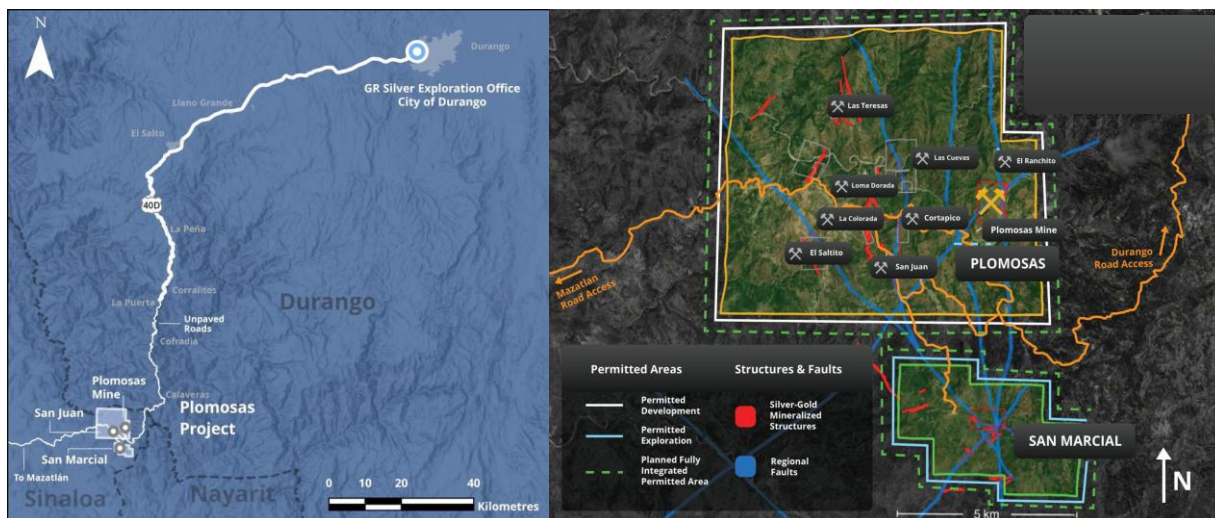
The Company is primarily in the business of drilling for potential silver resource expansion throughout the Plomosas Project, while advancing the Bulk Sampling Test Mining (“BSTM”) program at the Plomosas Property that will include installation of a pilot plant on site. The Plomosas Project is located on the southwestern edge of the Sierra Madre Occidental in Sinaloa, Mexico. Consistent with the Company’s business purpose, its focus is on the recently discovered San Marcial Property and the past producing permitted underground mine at the Plomosas Property, which are collectively known as the “Plomosas Project”. Together these properties comprise a core land package, along with numerous small-scale historical mine workings indicating potential for future resource growth. The Plomosas Project is located approximately 140 kilometres southwest of the city of Durango, in Durango State, Mexico (Figure 1). The Project covers a prolific mining area with established infrastructure, nearby historical precious metal producers, and other companies progressing development of precious and base metals mining projects.

The Company has identified multiple epithermal veins and hydrothermal breccias on the Plomosas Project. The successful 2025 step-out drilling program, together with modern modelling of all data, has delineated a porphyry-style geological setting with multiple targets for resource growth (Figure 2).

The Company’s main business activity is exploration through drilling of mineral exploration properties to define economic precious metal (silver and gold) and base metal deposits with the objective of potential mine development. The Company is currently undertaking a 20,000-metre step-out drilling program at shallow depth and along strike from the current San Marcial NI 43-101 mineral resource area (“Resource Area”), to support resource expansion. In addition, the Company continues to investigate a BSTM program on the Plomosas Property, Plomosas Mine, to support the potential installation of a pilot plant on site, which will make use of existing permits, and supported by engineering data completed as part of the BSTM program in 2025.

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 and Access from Durango, Mexico**



## CORPORATE ACTIVITIES – YEAR ENDED DECEMBER 31, 2025, AND TO DATE OF MD&A

### Financing Activities

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 finder's 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.

On August 13, 2025, the Company closed an underwritten brokered private placement of 69,000,000 units at a price of \$0.20 per unit for gross proceeds of \$13,800,000. 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 \$0.28 per warrant until August 13, 2028. The Company paid cash finders fees of \$828,000 and issued 4,140,000 broker warrants. Each broker warrant is exercisable into one unit at an exercise price of \$0.20 per share until August 13, 2028.

On December 17, 2025, the Company closed an underwritten brokered private placement of 66,666,832 units at a price of \$0.30 per unit for gross proceeds of \$20,000,050. 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 \$0.42 per warrant until December 17, 2028. The Company paid cash finders fees of \$1,195,827 and issued 3,986,090 broker warrants. Each broker warrant is exercisable into one unit at an exercise price of \$0.42 per share until December 17, 2028.

During the year ended December 31, 2025, the Company raised \$2,505,948 from the exercise of 17,203,764 warrants with an average exercise price of \$0.146 per warrant.

Subsequent to December 31, 2025, and to the date of this MD&A the Company raised \$1,583,748 from the exercise of 7,216,924 warrants with an average exercise price of \$0.219 per share.

Subsequent to December 31, 2025, the Company issued 320,000 common shares upon the exercise of stock options raising gross proceeds of \$59,750.

### Corporate Developments

On June 30, 2025, the Company announced the strengthening of its management structure by recognizing the contribution of the Company's team in recent successes, including discovering new silver mineralization, resource growth, improved financial condition, and positioning the Company for renewed growth. Founder, President and Chief Operating Officer (COO) Márcio Fonseca assumed the role of President and Chief Executive Officer. Mr. Eric Zaunscherb assumed the role of Executive Chair of the Board of Directors. Over the last few years, the geological team headed by Mr. Fonseca has fine-tuned the geological model at San Marcial leading to the SE Area discovery. Mr. Fonseca has also been fundamental in the Company's initiatives to improve its financial condition through corporate improvements in 2024. Luis Coto was promoted from Exploration Manager to Vice President, Exploration.

Mr. Coto played a key role in discovering the wide, high-grade silver-mineralized breccia at San Marcial, contributing significantly to the Company's resource growth.

On October 2, 2025, the Company announced the appointment of Mr. Daniel Schieber as Vice President of Corporate Development & Corporate Relations, to foster existing and new relationships with shareholders and implement corporate development marketing planning.

On October 15, 2025, the Company announced the resignation of Mr. Alejandro Cano, Vice President, Operations. The Company also announced that Mr. Robert Payment, currently serving as Chief Financial Officer (CFO), assumed the role of Corporate Secretary. Mr. Payment succeeds Mr. Blaine Bailey, who retired from the position.

On November 16, 2025, the Company announced the appointment of Dr. Castulo Molina Sotello as Country Manager Mexico. Dr. Molina was previously Senior Vice President for Mexico for Coeur Mining Inc. (Coeur) and also had extensive experience in the exploration and development of Coeur's Palmarejo Mine in Chihuahua.

On February 24, 2026, the Company announced the disposition of 100% of the issued and outstanding shares of Goldplay de Mexico, S.A. de C.V. ("Goldplay") held by the Company to an arm's length third party in exchange for a 1% NSR Royalty on the concessions owned by Goldplay. The Company also announced that it had graduated to the OTCQX Market and commenced trading thereon.

On March 26, 2026, GR Silver Mining announced the sudden passing of Mr. Márcio Fonseca, the Company's President, Chief Executive Officer, and Director. The Board of Directors of the Company appointed Mr. Eric Zaunscherb Interim President and Interim CEO; he previously served as the Company's CEO from February 28, 2022, to June 30, 2025.

#### Equity Compensation Granted

On January 6, 2025, the Company granted a total of 145,452 deferred share units ("DSUs") to the Company's non-executive directors for directors' 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.

On April 2, 2025, the Company granted 154,836 DSUs to the Company's non-executive directors for directors' fees relating to the calendar quarter ended March 31, 2025, which DSUs will vest one year after their date of grant in accordance with TSXV policies.

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.

On June 30, 2025, the Company granted 750,000 stock options to employees exercisable at a price of \$0.175 for a period of five years and fully vested on the date of grant.

On July 2, 2025, the Company granted 141,176 DSUs to the Company's non-executive directors for directors' fees related to the calendar quarter ended June 30, 2025, which DSUs will vest one year after their date of grant in accordance with TSXV policies.

On July 16, 2025, the Company granted 3,837,205 performance share units (“PSUs”) to certain executive officers of the Company vesting one year from the date of grant upon successful completion of specific 2025 Key Performance Indicators (KPI). The Board approved KPI include share price performance, ESG execution, execution of exploration programs, and successful launch of a BSTM program at the former Plomosas Mine.

On October 2, 2025, the Company granted 600,000 stock options exercisable at a price of \$0.33 for a period of five years to officers of the Company. The options vest 1/3 on grant, 1/3 on the first anniversary date, and 1/3 on the second anniversary date.

On February 24, 2026, the Company granted 750,000 stock options to consultants exercisable at a price of \$0.465 per share for a period of five years from the grant date. Of the total, 450,000 options vested on the grant date and 300,000 shall vest 25% on each of 3, 6, 9, and 12 months from their date of grant.

#### Exploration Updates

On March 3, 2025, the Company announced the resumption of field exploration, focusing on step-out drilling, targeting potential resource expansion at the San Marcial Area of the Plomosas Project, following up from successful modelling of wide silver intersections discovered by previous drilling programs, such as the intersection in hole SMS22-10 of 101.6 m averaging 308 g/t Ag.

On April 9, 2025, the Company announced a temporary suspension of field work at the Plomosas Project to allow time for the Government of Mexico to increase security and stability in the project region. The activities resumed on May 20, 2025, with drilling at the San Marcial Property, due to improved security conditions in the project region. Management continued to closely monitor the security situation assessing future alternatives to access the project from Durango instead of Sinaloa.

On July 8, 2025, the Company announced that it had initiated Phase I of a two-phase underground sampling program at the historical Plomosas Mine. The program was designed to refine the geological model used in the March 2023 NI 43-101 Mineral Resource Estimate (“MRE”), collect metallurgical data to support a proposed BSTM program, and enhance the existing underground sampling database in the following four months. Initial Phase I results returned higher-grade polymetallic mineralization than previously reported in the MRE with assay highlights including up to 3,993 g/t AgEq from chip and channel samples. These results demonstrate the continuity and quality of mineralization in previously unmined areas of the historical mine, supporting the decision to proceed with engineering work related to potential BSTM implementation, and potential installation of a pilot plant in 2026 pending satisfactory access to the project. The program benefits from existing permits and infrastructure, as well as access to 7.4 km of underground development, most of which remains in good condition. The BSTM program and engineering work was completed in early Q1/2026 with subsequent assessment by the company of alternatives to identify suitable pilot plants for acquisition in Mexico.

On July 25, 2025, the Company announced initial results from its Step-Out Drilling Program at the San Marcial Area confirming extensions of the silver mineralization outside of the MRE boundaries in the NW Extension and a discovery of Parallel Breccias undrilled to that date nearby and SW of the MRE. Initial results confirm the presence of wide, shallow, silver-mineralized hydrothermal breccias, with notable intercepts including:

- **SMS25-05:** 26.0 m at 122 g/t AgEq from surface, including 11.9 m at 214 g/t AgEq and 0.9 m at 716 g/t AgEq. (NW Extension)
- **SMS25-04:** 36.0 m at 144 g/t AgEq from surface, including a high-grade interval of 0.3 m at 2,008 g/t AgEq. (Parallel Breccia)
- **SMS25-03:** 0.2 m at 2,359 g/t AgEq at 175.1 m downhole (Parallel Breccia).

The Step-Out Drilling Program was aimed at defining potential resource expansion beyond the limits of the MRE down-dip and down-plunge from the SE Area of the San Marcial Property, towards the SE Extension (Figure 3). Drilling has identified a close relationship between predominantly silver mineralized zones hosted in wide hydrothermal breccias along NE- and NW-trending structural corridors, associated with a recently identified district-scale intrusive Laramide porphyry-style system. The recently compiled, detailed 3D geological, geochemical and structural model, which is the result of interdisciplinary studies and a modern exploration approach, has significantly expanded the footprint and exploration potential outside of the MRE.

On August 21, 2025, the Company announced results from its ongoing Step-Out Drilling Program at the San Marcial Area in the SE Extension. The drilling, focused on areas adjacent to the 2023 NI 43-101 Resource Area, and targeted down-dip and along-strike extensions of known mineralization using the new, recently completed deposit model.

Key highlights included:

- **Hole SMS25-09 (SE Extension San Marcial)**, intersected 75 m at 293 g/t AgEq, including multiple intervals exceeding 1,000 g/t AgEq. The hole tested 3D geophysical anomalies and successfully confirmed continuity of the main high-grade mineralized structures beyond the Resource Area. Drilling returned a broad, 75 m wide, silver-dominant zone with frequent boiling textures (indicative of a high-grade silver mineralized epithermal system),
- **Hole SMS25-09 (SE Extension, San Marcial)** also intersected a wide chlorite–hematite hydrothermal breccia within a favorable structural setting formed by intersecting NW and NE regional structures. This configuration may host sizeable geological traps in porous volcanoclastic rocks, significantly enhancing the potential for resource expansion at San Marcial. The high-grade silver mineralization remains open down-dip and down-plunge, which is the target for the 2026 drilling program.
- **Hole SMS25-08 (Parallel Breccia)** confirmed the down-dip continuity of silver mineralization 45 m below trenching results, intersecting:
  - 19.9 m at 250 g/t AgEq, including:
    - 3.7 m at 557 g/t AgEq
    - 4.2 m at 350 g/t AgEq
    - 1.3 m at 954 g/t AgEqAt depth, SMS25-08 also discovered a new high-grade gold-silver vein: 1.0 m at 1,685 g/t AgEq (24.6 g/t Au, 13 g/t Ag).
- **Hole SMS25-07A (Parallel Breccia)** intercepted shallow, wide silver zones including:
  - 11.1 m at 71 g/t AgEq, 125 m along strike from previously reported SMS25-04 (36 m at 114 g/t AgEq).

These results highlight silver predominant mineralization continuity at shallow depths and along major structural trends, supporting the potential for resource expansion.

On September 9, 2025, the Company announced the major milestone of being granted a key 5-year surface drill permit for the San Marcial Property, with 46 pre-defined drill sites and unlimited metres of drilling during the tenor of this permit. This permit authorized additional step-out drilling to target an extensive area surrounding the MRE. The five-year *Informe Preventivo* ("IP") issued by the *Secretaría de Medio Ambiente y Recursos Naturales* ("SEMARNAT") allows for step-out drill holes at 46 different drill sites to be initiated in 2026. The permit provides for flexibility for on going step-out drilling and resource growth in the San Marcial Area in the coming year prior to advancing the project towards future development following a planned resource estimation update.

On September 24, 2025, the Company announced, as part of the step-out drilling program outside of the MRE, initiation of drilling in the Parallel Breccia Target, aiming to define new mineralized zones for future resource growth. Initial drill holes were successful with confirmation of new silver mineralized zones at shallow depth.

Key highlights included:

- **Hole SMS25-10A (Parallel Breccia)** intersected 9 m at 374 g/t Ag, including significant grades of Cu and W, from 24.0 m down hole, and 33 m at 1.44 g/t Au from 122.7 m down hole. The presence of Cu and W support the geological modelling, associating the wide silver mineralization hosted in hydrothermal breccias to a Laramide porphyry-style intrusive recently mapped in the vicinities of the MRE.
- **Hole SMS25-10A (Parallel Breccia)** is the farthest southeast that a drill hole has been drilled in the Parallel Breccia Target to date and indicates continuity of the mineralized structure over at least 500 metres from the Resource Area.

On October 15, 2025, the Company reported the results of Phase II of the BSTM program at the Plomosas Mine. Phase II incorporated additional sampling to support ongoing metallurgical test work at the *Servicio Geológico Mexicano* laboratory.

The BSTM progressed in 2025 towards the following key objectives:

1. Confirmation of the presence of high-grade silver mineralized material at 21 selected areas; Phase II mapping and channel sampling in the 21 underground areas; further definition and mapping of accessible underground areas in the historical Plomosas Mine.
2. Identification of high-grade, previously blasted, mineralized material, that could be a potential stockpile for pilot plant feed.
3. Completion of metallurgical test work and preliminary process engineering cost assessment: collection of representative samples to confirm recoveries estimated by previous test work; establish initial process design criteria (including work indices) to form the basis for preliminary flow sheets and technical specifications for identification of suitable pilot plants for acquisition in Mexico.

Highlights from the Phase II Underground Sampling Program, targeting delineation of high-grade silver zones inside the historical Plomosas mine were:

#### Level 975

- 6.7 m at 1,040 g/t AgEq\*, consisting of 903 g/t Ag, 0.03 g/t Au, 1.4% Pb, and 1.7% Zn
- 1.2 m at 2,365 g/t AgEq, consisting of 2,264 g/t Ag, 0.08 g/t Au, 0.5% Pb, and 0.9% Zn

**Ramp 3**

- 4.2 m at 1,018 g/t AgEq, consisting of 49 g/t Ag, 5.12 g/t Au, 6.9% Pb, and 5.9% Zn, including 0.5 m at 2,256 g/t AgEq, consisting of 102 g/t Ag, 35.7 g/t Au, 4.3% Pb, and 14.2% Zn

\* AgEq calculations using US\$20.00/oz Ag, US\$1,600/oz Au, US\$0.90/lb Pb, US\$1.10/lb Zn and US\$3.00/lb Cu, with metallurgical recoveries of Ag – 74%, Au – 86%, Pb – 69%, Zn – 75% and Cu – 80%.  $Ag Eq = ((Ag\ grade \times Ag\ Price \times Ag\ recovery) + (Au\ grade \times Au\ price \times Au\ recovery) + (Pb\ grade \times Pb\ price \times Pb\ recovery) + (Zn\ grade \times Zn\ price \times Zn\ recovery) + (Cu\ grade \times Cu\ price \times Cu\ recovery)) / (Ag\ price \times Ag\ recovery)$ . True width not estimated as there is insufficient data from the mineralized zones to determine the true widths of the intervals with any confidence

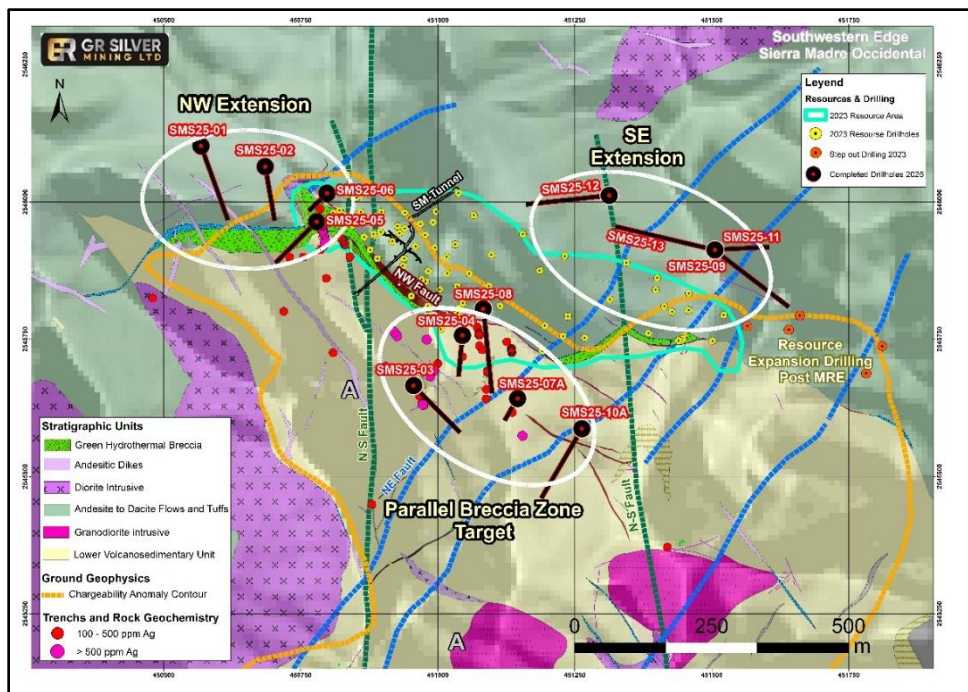
On November 19, 2025, with progress of the Step-Out Drilling Program at the San Marcial Area, the Company announced results from drill hole SMS25-12, extending the mineralization approximately 75 m below the current San Marcial Resource Area in the Plomosas Project.

**Key highlights included:**

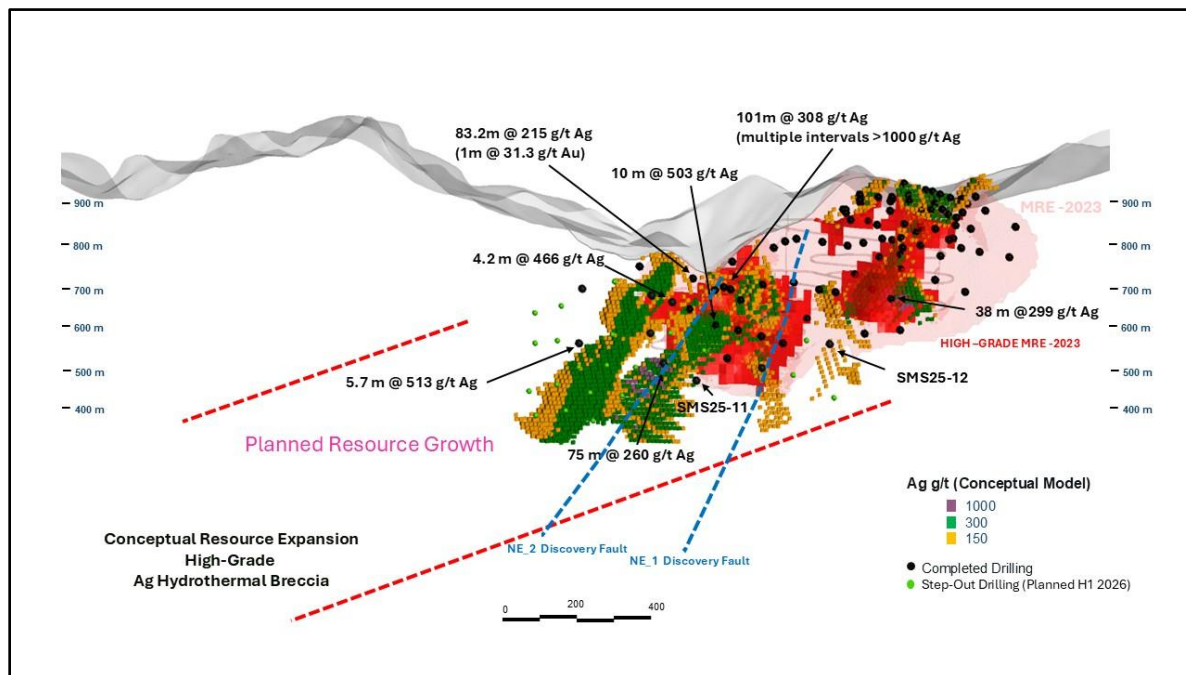
- **SMS25-12** intersected two distinct mineralized zones at shallow depth.
  - 5.0 m at 232 g/t Ag, from 332.6 m down hole, including
    - 0.9 m at 956 g/t Ag,
    - 0.2 m at 2,602 g/t Ag, and
    - 0.3 m at 1,061 g/t Ag
  - 8.8 m at 121g/t Ag including 2.0 m at 284 g/t Ag
- **SMS25-11** intersected wide silver mineralization, 25 m at 29 g/t Ag, suggesting that more attractive silver mineralized zones may be hosted laterally to the recently reported SMS25-09 wide, high-grade intercept of 75 m at 260 g/t Ag.

The step-out drilling intersected two silver mineralized zones with multiple intervals of high-grade silver, confirming the potential to expand the silver mineralization beyond the previous Resource Area boundary and remains open at depth as shown in Figure 2 and Figure 3.

**Figure 2: Geological Map San Marcial Area – Step-Out Drilling Targets 2025 Program**



**Figure 3: Longitudinal Section Looking to the SW – Location SMS25-11 and SMS25-12 – Potential Resource Expansion**



On February 5, 2026, the Company announced positive results from its metallurgical test work studies conducted as part of the BSTM program at the former Plomosas Mine. Highlight conclusions included:

- A return of sampled and composited feed grades of 595 g/t AgEq and 585 g/t AgEq.
- Rougher test work confirmed high precious metals recoveries of 71.5% for Ag and 77.9% for Au into a lead rougher concentrate.
- Cleaner test work successful in achieving an increase in gold recoveries into the lead cleaner concentrate vs the test work conducted in 2021.
- The concentrates produced are within acceptable commercial specifications with no concerns over potential penalties or deleterious elements.

On February 18, 2026, the Company announced the mobilization of multiple drill rigs to the San Marcial Area of its wholly owned Plomosas Silver Project to commence the previously announced 20,000-metre step-out drilling program. The program targets resource expansion after successful 2025 drill campaign. A Mineral resource update and Preliminary Economic Assessment are planned for late 2026. The Company’s exploration office has been relocated to Durango, with access to the Plomosas Project now managed from Durango State. This relocation addresses recent operational challenges in Sinaloa while ensuring the continuation of high operational standards at the Plomosas Project.

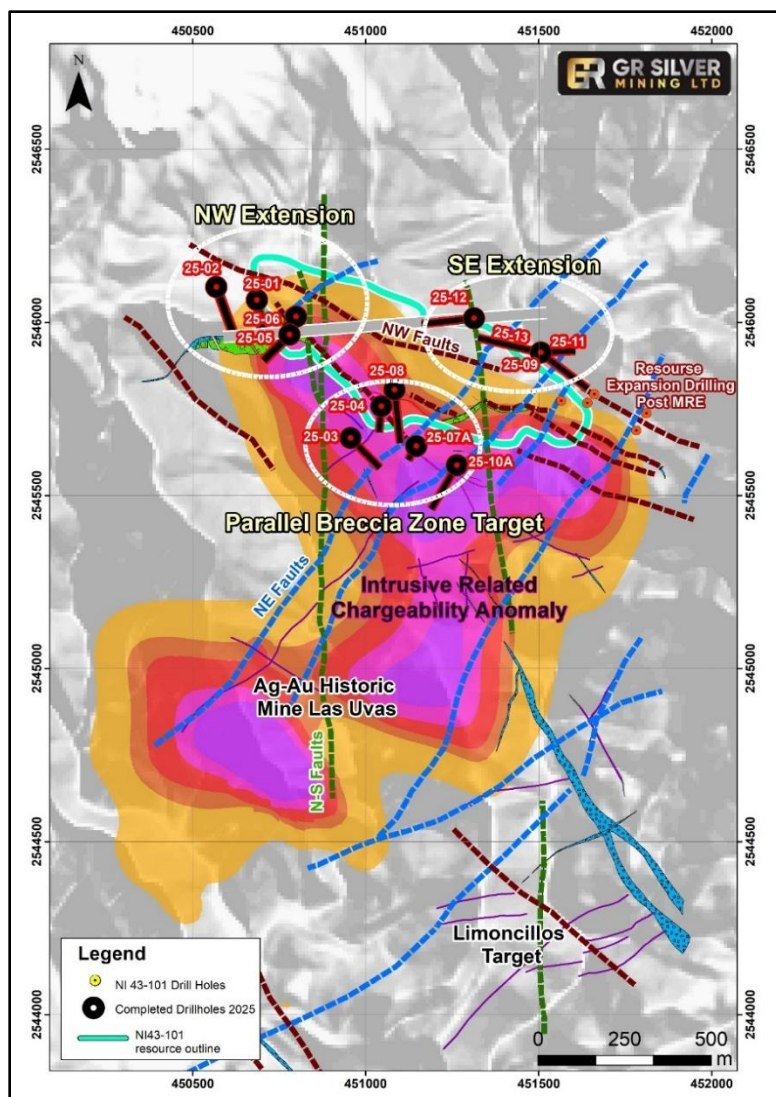
On April 22, 2026, the Company announced results from drill holes SMS26-01 and SMS26-03 in the SE Area of San Marcial that confirm the continuity of high-grade silver mineralization up to 500 metres down dip from surface. Two silver-mineralized zones were intersected, including multiple intervals of high-grade silver, near the 2023 Expansion Drilling Program, and located on the same cross section as SMS25-09, which returned 75.2 m at 260 g/t Ag. SMS26-01 and SMS26-03 represent the first drill holes completed in the SE Area as part of the 2026 Step-Out Drilling Program. The program is currently supported by two drill rigs on site, with additional rigs in transit to complete the planned 20,000 metres by H2 2026.

## OPERATIONAL HIGHLIGHTS

### Property and Resource Highlights

During the year ended December 31, 2025, the Company continued to pursue the expansion of silver resources at the San Marcial Area, with the discovery of parallel hydrothermal breccias hosting wide silver mineralization at shallow depth and progressing step-out drilling in the SE Extension of the San Marcial Property. This resulted in the expansion of the mineralized footprint in the vicinity of the current MRE (Figure 3). The integration of all exploration data using modern software has been a key step in understanding silver mineralization controls in a new geological setting within the San Marcial Property, particularly as related to discovery drill hole SMS22-10, which intersected 101.6 m at 308 g/t Ag and, more recently, SMS25-09, which intersected 75 m at 260 g/t Ag. The recent success, that defined continuous wide, high-grade silver mineralization down-dip and along strike, provided key information to support 2025 step-out drilling and follow-up drilling planned for 2026.

**Figure 4: General View of the San Marcial Area, including the Step-Out Drilling Targets**



Step-out drilling through 2025 concentrated in three areas where wide hydrothermal breccias hosting silver predominant mineralization were successfully intersected at shallow depth. The Company deployed two third-party contract drill rigs and one owner-operated drill rig during the 2025 drilling program. A summary of activities completed is illustrated on Table 1 as follows.

**Table 1: Summary of Step-Out Drilling Program Activities at the San Marcial Property (2025)**

| Activity                                  | Results               | Notes             |
|---|-----------------------|-------------------|
| Step-Out Drilling                         | 2,245 metres drilled  | 5 holes completed |
| Drill hole Samples Submitted for Assaying | 3,511 samples assayed |                   |

**Table 2: Summary of BSTM Program Activities on the Plomosas Property (July – September 2025)**

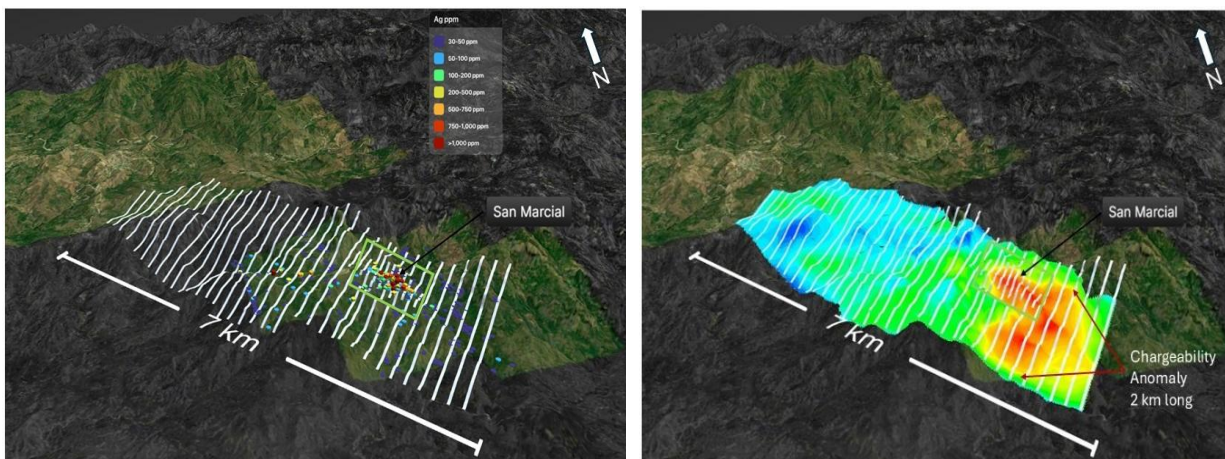
| Activity                                    | Data Collected  | Notes   |
|---|---|---|
| BSTM (Phase I) Underground Channel Sampling | 21 initial channel and chip samples collected and assayed to review silver-gold-lead-zinc grades. Use data to assist in the definition of upcoming metallurgical test work and Phase II sampling. | Definition of 21 readily accessible and previously developed sites in the underground mine for potential plant feed for the BSTM.   |
| Geological Mapping                          | Review and field mapping of new areas with surface or shallow underground exposure of silver mineralized hydrothermal breccias in the vicinity of the current 2023 NI 43-101 resource.            | Use geological knowledge based on historical 3D data modelling to explore for silver predominant mineralization in wide mineralized zones at surface or at shallow-depth. |
| Underground Samples                         | 292 samples collected and assayed.  | Supporting engineering studies for BSTM.  |

The Company has integrated multi-disciplinary data using modern processing tools and 3D modelling in association with renowned ore deposit modelling centers at the University of Tasmania (CODES) and National Autonomous University of Mexico (“UNAM”) to unlock the understanding of recently discovered wide silver predominant mineralization related to Laramide porphyry-style intrusive bodies on the western edge of the Sierra Madre Occidental. This exercise has refined the delineation of mineralization controls that assist in the planning of future step-out drilling programs in progress for 2026. A new geological model, presenting the key geological relationship between porphyry-style intrusive and wide, high-grade silver mineralized hydrothermal breccias, has also been developed. The areas currently prioritized for on-going step-out and resource expansion drilling (shown in Figure 4) are located along major regional structures where silver predominant mineralization commonly occurs in high porosity volcanoclastic units crosscut by NW-SE and N-S oriented structures.

The Step-Out Drilling Program has been influenced by the definition of a 2 km long chargeability anomaly (Figure 5) during the Company’s extensive ground IP survey. The current MRE sits on the NW edge of the anomaly, with indications that 80% of the anomaly remains untested. The focus of the upcoming step-out

drilling is to expand silver resources at the San Marcial Property exploiting the Company’s better understanding of silver mineralization controls and their continuity down-plunge, along strike, and on the edges of the anomaly.

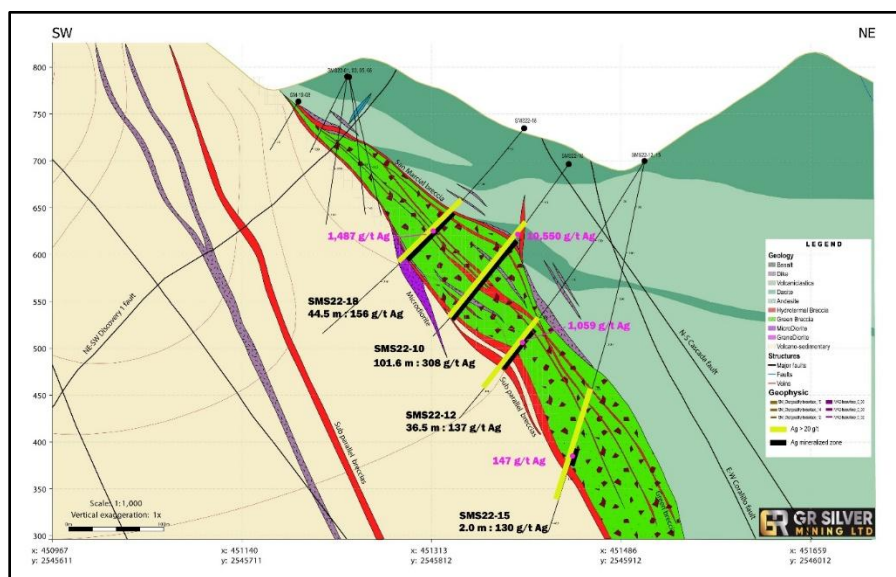
**Figure 5: Chargeability Anomaly in the San Marcial Property, a Key Exploration Target**



The geological cross section illustrating the geometry of the wide silver zones (Figure 6), represents improved understanding gained through 3D data modelling of recent drill hole discoveries. It also highlights the exploration potential of the San Marcial Property on the edges of the chargeability anomaly, supporting potential new areas for resource expansion.

Recent discoveries from the step-out drilling program, including mineralized epithermal stockwork systems with gold mineralization, provide important proof of concept in extending the San Marcial resource mineralization. The presence of wide high-grade silver mineralization associated with large intrusive units (diorites-granodiorites) and the presence of gold mineralization in the vicinity of the MRE, were also defined.

**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 4, and the Mineral Resource Estimate is broken down by area in Table 5. Parameters for the estimate are shown in Table 6. The combined Mineral Resource Estimate was unaffected by the disposition of Marlin Gold Mining Ltd (“Marlin”) in 2024.

**Table 4: 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 5: 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 6: 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 test work 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 10).

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 4) 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.

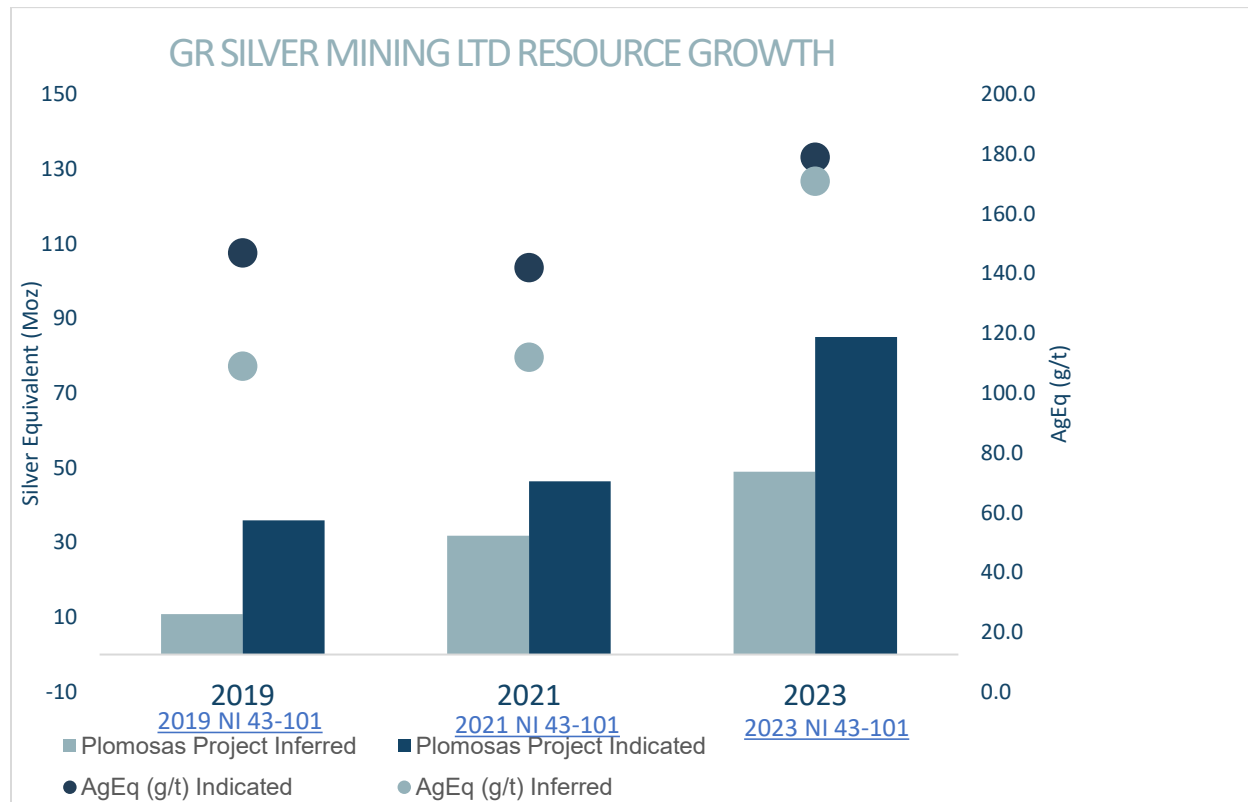
**Plomosas Mine Area**

- 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)

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

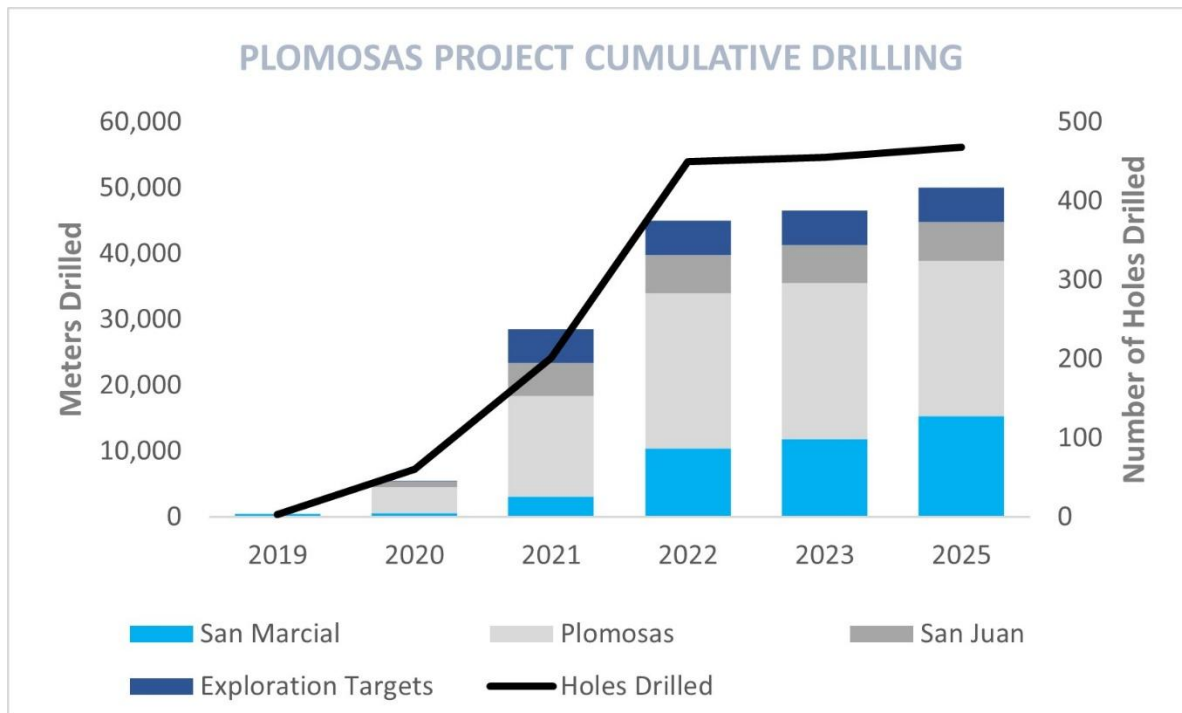


GR Silver has been actively and efficiently drilling the Plomosas Project. GR Silver owned and third-party drilling contractors are sourced as needed. Figure 8 illustrates the cumulative metres of drilling already completed by GR Silver in the Plomosas Project.

GR Silver carried out drilling programs on the Plomosas Project from 2019 to 2022, with additional step-out drilling in 2023 and 2025 not included in the MRE. 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 513 drill holes on the Plomosas Project, for a total of approximately 51,500 metres (Figure 8). Of this total, 121 holes were drilled on the San Marcial Property for a total of approximately 15,500 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 58 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 5,250 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 7 and 11, 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 7: Plomosas Project (San Marcial and Plomosas Properties)**

| AREA                 | No. | MINING CONCESSIONS        | OWNERSHIP#         | TITLE  | SURFACE AREA (ha) |
|----------------------|-----|---------------------------|--------------------|--------|-------------------|
| San Marcial Property | 1   | Mina San Marcial          | Minera San Marcial | 180998 | 119.0000          |
|                      | 2   | Ampliacion San Marcial    | Minera San Marcial | 211650 | 1131.0000         |
| Plomosas Property    | 3   | Plomosas                  | Minera La Rastra   | 168698 | 12.0000           |
|                      | 4   | Segunda Ampl. de Plomosas | Minera La Rastra   | 168699 | 100.0000          |
|                      | 5   | Continuacion de Plomosas  | Minera La Rastra   | 168700 | 12.0000           |
|                      | 6   | La Rastra 2               | Minera La Rastra   | 183443 | 25.4275           |
|                      | 7   | San Juan                  | Minera La Rastra   | 188174 | 24.5725           |
|                      | 8   | La Estrella               | Minera La Rastra   | 202188 | 261.6800          |
|                      | 9   | Plomosas 3                | Minera La Rastra   | 209251 | 23.2700           |
|                      | 10  | Plomosas 2                | Minera La Rastra   | 210152 | 83.5000           |
|                      | 11  | La Rastra                 | Minera La Rastra   | 214304 | 5396.0027         |
|                      | 12  | Plomosas 4                | Minera La Rastra   | 225024 | 420.9633          |
|                      | 13  | Los Arcos                 | Minera La Rastra   | 226222 | 214.1300          |

In addition, the Plomosas Property includes mineralization at the San Juan-La Colorada Area, located approximately three kilometres west of the Plomosas Mine, and near the eastern margin of a small, third-party held concession currently being mined for gold. Artisanal workings are present, as well as shallow underground workings developed on a breccia, known as the San Juan Breccia.

On May 6, 2021, following a successful three-year period of exploration and resource expansion under an option agreement, GR Silver acquired 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. Several 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 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.

Mining 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 8). 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, 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 8: 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. |       |                  |         |         |         |         |         |         |         |         |         |         |         |         |         |        |
| Concept  | Unit  | Production Years |         |         |         |         |         |         |         |         |         |         |         |         |         |        |
|  |       | 1986             | 1987    | 1988    | 1989    | 1990    | 1991    | 1992    | 1993    | 1994    | 1995    | 1996    | 1997    | 1998    | 1999    | 2000   |
| <b>ORE MILLED</b>  | 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>  | t     |                  |         |         |         |         |         |         |         |         |         |         |         |         |         |        |
| Pb   |       | 2,856            | 3,269   | 4,308   | 4,995   | 8,886   | 9,865   | 6,915   | 2,407   | 3,983   | 3,484   | 3,650   | 3,371   | 3,280   | 4,138   | 2,240  |
| Bulk   |       | 381              | 56      | 56      | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0      |
| Zn   |       | 0                | 0       | 0       | 0       | 0       | 0       | 2,190   | 1,629   | 3,155   | 3,884   | 4,116   | 4,566   | 5,053   | 4,300   | 2,466  |

Numbers are rounded

\*Source: Internal IMMSA reports

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

## Geology

The Plomosas Project lies along the southwestern margin of the Sierra Madre Occidental (SMO), a geological province formed through Mesozoic–Cenozoic magmatic and tectonic processes associated with the paleo-subduction of the Pacific Plate beneath North America and the subsequent opening of the Gulf of California. The local geology can be divided into two principal rock packages. The younger sequence consists of bimodal volcanic rocks dominated by andesitic pyroclastic units, tuffs, and lava flows. These units rest unconformably on a basal Jurassic volcanoclastic–sedimentary succession.

Mineralization across the Plomosas Property is expressed as a series of intermediate- to low-sulfidation epithermal systems, observed in the San Marcial Area, the Plomosas Mine Area, and the San Juan–La Colorada Areas. Multiple mineralizing pulses have been documented, each linked to the tectonic evolution of the SMO from the Jurassic through the Cretaceous and into the Miocene.

The San Marcial Property displays characteristics of a long-lived, intermediate- to high-sulfidation, silver-rich epithermal system. Petrographic and mineralogical analyses have identified at least four multi-phase mineralizing events. The main mineralized structure is primarily hosted within tectono-hydrothermal breccias composed of hematite and chlorite, with abundant calcite and subordinate quartz. Silver sulphides occur as fine disseminations, accompanied by crosscutting, multi-stage quartz–calcite veins and stockworks that host polymetallic (Ag–Pb–Zn–Au) mineralization. The San Marcial deposit is strongly structural controlled. Ore emplacement occurred along extensional NW–SE and E–W trends, later overprinted by NE–SW and N–S structures. Intersections between these structural orientations are interpreted to localize high-grade ore shoots.

The SE Area discovery within the San Marcial Property—highlighted by drillhole SMS22-10—confirms an extension of high-grade silver mineralization approximately 250 metres southeast of the original resource along a NW–SE-trending contact zone. Lithology plays a key role, with hydrothermal breccias developed along the boundary between Jurassic volcano-sedimentary rocks and overlying Oligocene andesite–dacite volcanic sequences.

Drillhole SMS22-10 intersected up to 100 metres of hydrothermal breccias and stockwork zones intensely altered to hematite–chlorite–calcite–quartz and hosting silver-rich mineralization with subordinate Pb–Zn–Au. The Company is evaluating the potential for further south-eastward continuity along this contact, which remains exposed for at least an additional 750 metres.

In 2025, a set of parallel hydrothermal breccias were identified within the basal volcano-sedimentary unit at San Marcial. These features may significantly expand the exploration footprint southwest of the main resource area. Drillhole SMS25-10A intersected high-grade silver with an increased gold component in these parallel breccias. The presence of high-temperature mineral assemblages (quartz–tourmaline–chlorite–actinolite) indicates proximity to a potential intrusive center.

In the Plomosas Mine Area, polymetallic hydrothermal breccia mineralization (Pb–Zn–Au–Ag) occurs mainly as massive to semi-massive sulphides, as well as disseminations, veins, stockworks, and sulphide veinlets hosted within brecciated rhyolitic and andesitic tuffs. These breccias are controlled by a predominantly N–S-oriented, shallow-dipping fault zone that dips to the west. Quartz and calcite are the dominant gangue minerals. The sulphide assemblage includes sphalerite > galena > pyrite, with minor chalcopyrite > bornite > covellite. Silver-bearing minerals such as acanthite, argentite, and jalpaite are common near the top of the system. Late-stage Ag–Au-rich epithermal quartz veins associated with

high-angle faults crosscut earlier Pb–Zn–Ag mineralization and locally enrich the system, forming precious-metal-dominant zones.

In the San Juan–La Colorada Areas, a large intermediate- to low-sulfidation epithermal gold–silver system is hosted predominantly in high-angle fault structures, while Pb–Zn–Ag mineralization is preferentially localized within NW–SE-trending, east-dipping, shallow-angle faults.

#### Exploration Year ended 2025

Exploration activities in the year ended December 31, 2025, focused on the step-out drilling program supporting potential resource expansion in the vicinity of the San Marcial Resource. The reader is directed to the Exploration Updates section following the Description of Business.

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

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

| Metal  | Price (US\$) <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 Objectives for 2026: Resource Growth and Pilot Plant Implementation**

With its exploration efforts, the Company has continuously increased resources at the San Marcial Property since its acquisition. The Company believes that the recently completed studies in partnership with CODES (University of Tasmania) and UNAM, with awarded publication in internationally recognized geological events, provides recognition of the merit of the discovery of a large silver predominant resource area on the southwestern edge of the Sierra Madre Occidental associated with Laramide intrusive porphyry setting. This partnership, with the supervision of Dr. Paula Montoya, unlocked key information to assist the Company to define new mineralized zones that collectively may be comparable to other major silver districts in the Sierra Madre Occidental. Importantly, fine-tuning of the geological model at San Marcial has already yielded several high-priority targets for further drilling. Four of these targets were selected for step-out and exploration drilling and tested during 2025, supporting the continuity of the drilling program in 2026. The Company is planning to complete approximately 20,000 metres of step-out drilling at the San Marcial Area in 2026.

Management recognizes that the Company's greatest value driver is the expansion of mineralization at the highly prospective San Marcial Property supported by all studies completed to date. The successful 2025 step-out drilling program has generated key information to support continuity of a much larger drilling program in 2026. The planned additional step-out drilling program could not only expand silver resources in the vicinity of the existing MRE but also identify new zones like the recently discovered Parallel Breccia.

GR Silver has been engaged in securing the necessary permits for expanded drill programs on the San Marcial Property. On September 9, 2025, GR Silver received a key 5-year drill permit for the San Marcial Area authorizing additional step-out and exploration drilling in an extensive area surrounding the current NI 43-101 Resource Area. The five-year *Informe Preventivo* ("IP") issued by the *Secretaría de Medio Ambiente y Recursos Naturales* ("SEMARNAT"), will allow for the drilling of step-out and exploration holes at 46 new drill sites in the San Marcial Area.

The 5-year surface drilling permit obtained for the San Marcial Area provides the Company unlimited meterage for drilling from 46 sites in the vicinity of the MRE, which are expected to host multiple drill rigs in the H1/2026. This additional step-out drilling is expected to double the total meterage of drilling in the Resource Area and nearby areas creating key elements to support future resource estimation updates in 2026. This will be followed up by completion of the first ever Preliminary Economic Assessment for the San Marcial Property, integrated with the Plomosas Property.

Preliminary engineering and cost studies for a pilot plant at the historic Plomosas Mine were completed at the end of 2025 and management is currently assessing alternatives for acquisition of the pilot plant and related equipment in Mexico, with potential installation on site in H2/2026 subject to secure site access. The pilot plant is expected to allow the Company to process material available in the historic Plomosas Mine, accessed by existing mine infrastructure.

## OTHER PROJECTS

GR Silver subsidiaries hold title to the following additional mining concessions (Table 10) in the Rosario Mining District. Applicable royalties are noted in Table 11.

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

**Table 10: Other Mining Concessions**

| No.                                   | MINING CONCESSIONS | TITLE  | SURFACE AREA (ha) |
|---------------------------------------|--------------------|--------|-------------------|
| <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            |

## ROYALTIES

A summary of royalties applicable to GR Silver's mining concessions is included in the following Table 11.

**TABLE 11: Royalties applicable to GR Silver concessions**

| Name of Concession Owner | Concession & Royalty Details   | Details of Buy-Back Rights  |
|--------------------------|--|---|
| <b>Minera La Rastra</b>  | <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:<br/>                     (a) 3.5% when the price of Zn is equal or more than US\$1.50 per lb;<br/>                     (b) 3.0% when the price of Zn is equal or more than US\$1.20 per lb;<br/>                     (c) 2.5% when the price of Zn is equal or more than US\$1.00 per lb;<br/>                     and<br/>                     (d) 1.75% when the price of Zn is less than US\$1.00 per lb</p> | N/A   |
| <b>Minera La Rastra</b>  | <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>  | 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 |

| Name of Concession Owner  | Concession & Royalty Details   | Details of Buy-Back Rights   |
|---------------------------|--|--|
|                           | <b>Royalty:</b> 2.0% NSR royalty payable to Royalty & Streaming Mexico, S.A. de C.V.   |  |
| <b>Minera San Marcial</b> | <b>Concessions:</b> "Mina de San Marcial" and "Ampliación San Marcial"<br><b>Royalty:</b> 3.0% NSR royalty payable to Met-Sin Industriales, S.A. de C.V. | Minera San Marcial has the right to buy back this royalty for US\$600,000 plus VAT per 1%, which right can be exercised at any time and from time to time in whole or in part. |
| <b>Minera San Marcial</b> | <b>Concessions:</b> "Mina de San Marcial" and "Ampliación San Marcial"<br><b>Royalty:</b> 0.75% NSR royalty is payable to EMX Royalty Corporation        | Minera San Marcial has the right to buy back this royalty for CAD\$1,250,000 plus VAT, which right can be exercised at any time  |

## SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The following table sets out selected financial information with respect to the Company's Consolidated Financial Statements for the years ended December 31, 2025, and 2024. The following should be read in conjunction with the Annual Financial Statements for the years ended December 31, 2023, 2024, and 2025.

| Summary of Operations             | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|-----------------------------------|-------------------|-------------------|-------------------|
|                                   | \$                | \$                | \$                |
| Revenue                           | -                 | -                 | -                 |
| Total expenses                    | 8,228,942         | 12,643,830        | 15,033,499        |
| Net income (loss) for the period  | (8,359,052)       | 19,284,843        | (25,597,989)      |
| Income (loss) per share - basic   | (0.02)            | 0.06              | (0.10)            |
| Income (loss) per share - diluted | (0.02)            | 0.06              | (0.10)            |

| Balance Sheet Summary        | December 31, 2025 | December 31, 2024 | December 31, 2023 |
|------------------------------|-------------------|-------------------|-------------------|
|                              | \$                | \$                | \$                |
| Current assets               | 29,990,297        | 1,406,503         | 322,332           |
| Non-current assets           | 8,147,805         | 8,313,801         | 10,401,117        |
| Total assets                 | 38,138,102        | 9,720,304         | 10,723,449        |
| Current liabilities          | 2,025,882         | 1,372,351         | 24,028,561        |
| Non-current liabilities      | 245,014           | 526,120           | 2,847,403         |
| Total liabilities            | 2,270,896         | 1,898,471         | 26,875,964        |
| Working capital (deficiency) | 27,964,415        | 34,152            | (23,706,229)      |

During the year ended December 31, 2025, the Company had a net loss of \$8,359,052 (December 31, 2024, net income of – \$19,284,843). Total expenses decreased to \$8,228,942 (December 31, 2024 - \$12,643,830), a decrease of \$4,414,888 or 35%. The decrease in total expenses for the year ended December 31, 2025, was primarily attributed to reduced expenditures in relation to the disposition of Marlin Gold Mining Ltd. ("Marlin") which closed July 16, 2024. During the year ended December 31, 2025,

the Company recorded concession fees of \$747,973 (December 31, 2024 - \$7,831,788), a decrease of \$7,083,815 or 90% due to the disposition of the La Trinidad project held by Marlin. The net income for the year ended December 31, 2024, was primarily related to a gain on the disposition of Marlin of \$24,398,896 and the retirement of concession fees, which had become statute barred, of \$6,496,684 offset by total expenses and other items.

The Company's operations for the year ended December 31, 2025, were focused on the continued exploration of the San Marcial Area of its Plomosas Project in Mexico. Exploration expenditures for the year ended December 31, 2025, were \$3,289,985 (December 31, 2024 - \$1,490,209). The Company's working capital at December 31, 2025, improved to \$27,964,415 (December 31, 2024 - \$34,152) due to equity financings completed during the year which raised gross proceeds of \$35,644,750 as well as from the exercise of warrants which raised \$2,505,948.

### **Summary of significant Balance Sheet items for the year ended December 31, 2025**

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

- Cash increased to \$29,503,941 (December 31, 2024 - \$1,162,225), an increase of \$28,341,686, due to equity financings completed which raised aggregate gross proceeds of \$35,644,750 as well as \$2,505,948 from the exercise of warrants.
- Raised gross proceeds of \$2,505,948 from the exercise of warrants.
- Raised gross proceeds of \$1,844,700 in a non-brokered private placement financing of 14,190,000 units at a price of \$0.13 per unit.
- Raised gross proceeds of \$13,800,000 in an underwritten private placement financing of 69,000,000 units at a price of \$0.20 per unit.
- Raised gross proceeds of \$20,000,050 in an underwritten private placement financing of 66,666,832 units at a price of \$0.30 per unit.
- Incurred cash-based share issue costs of \$2,696,528 in relation to private placements completed during the period.
- Cash of \$7,159,932 was utilized in operating activities for operations and exploration activity.
- Value added taxes ("VAT") receivable increased to \$415,534 (December 31, 2024 - \$208,316) in relation to VAT incurred during the period in Mexico.
- Exploration and evaluation assets of \$7,129,308 (December 31, 2024 - \$7,424,819) decreased by \$295,511 in relation to the change in estimates of the timing of reclamation obligations.
- Accounts payable and accrued liabilities increased to \$932,337 (December 31, 2024 - \$631,496) an increase of \$300,841 or 48%.
- Mining concession fees payable increased to \$1,093,545 (December 31, 2024 - \$740,855) an increase of \$352,690 which is related to the non-core Goldplay concessions that will not be further developed by the Company and were disposed of subsequent to year end.
- Reclamation obligation of \$245,014 (December 31, 2024 - \$526,120) decreased by \$281,106 due to the change in estimates of the timing of expected reclamation activities net of accretion expense for the year of \$14,405.

### **Discussion of results – Fourth Quarter Ended December 31, 2025**

The Company's net loss for the three-month period ended December 31, 2025, was \$2,500,103 (December 31, 2024 - \$1,339,307). During the period the Company's total expenses were \$2,378,530

(December 31, 2024 - \$1,048,822). Significant fluctuations during the three-month period included the following:

The Company incurred concession fees of \$47,367 (December 31, 2024 - \$25,138). The expense for the period primarily related to fees charged in relation to the non-core Goldplay Concessions.

Consulting of \$73,159 (December 31, 2024 - \$44,700) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of \$48,138 (December 31, 2024 - \$33,826) related to depreciation of the Company's equipment. The increase during the period was consistent with additional equipment acquired during the period.

Exploration expenditures were \$979,973 (December 31, 2024 - \$287,608) as per the table below:

|                             | December 31,<br>2025 | December 31,<br>2024 |
|-----------------------------|----------------------|----------------------|
|                             | \$                   | \$                   |
| Community relations         | 40,722               | 28,907               |
| Consulting                  | 63,771               | 1,853                |
| Drilling                    | 316,339              | 1,866                |
| Engineering                 | 164,185              | -                    |
| Environmental / reclamation | 11,611               | 8,188                |
| Field                       | 136,259              | 55,582               |
| Geochemistry                | 239                  | (224)                |
| Geological                  | 171,591              | 191,436              |
| Metallurgical               | 75,256               | -                    |
| <b>Total</b>                | <b>979,973</b>       | <b>287,608</b>       |

Exploration activities during the quarter focused on recommencement of drilling, with 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.

Investor relations of \$212,146 (December 31, 2024 - \$57,868) related to the Company's engagement with ICP as the Company's Market Maker, corporate content creation, as well as the Company's participation and presentations at corporate investor events.

Office expense of \$116,325 (December 31, 2024 - \$40,757) related to general corporate administration, insurance, office supplies, and rent.

Professional fees of \$147,936 (December 31, 2024 - \$124,694) were related to Audit, legal, and accounting services.

Salaries and director's fees of \$369,938 (December 31, 2024 - \$250,322) related to salaries paid to the CEO, Executive Chairman, employees in Mexico, and directors' fees paid in cash. During the current period the Company was more active in exploration-drilling and also made additional hires of executive positions in corporate development-corporate relations to accelerate progress towards achieving corporate milestones.

Share-based compensation of \$281,718 (December 31, 2024 - \$144,801) 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 or vested relative to the prior period.

Transfer agent and filing fees of \$31,679 (December 31, 2024 - \$12,381) related to transfer agent, TSX-V sustaining fees, OTCQB fees, and SEDAR+ filing fees. The increase was consistent with an increase in equity transactions during the current period.

Accretion expense on reclamation provision was \$3,744 (December 31, 2024 - \$Nil) in relation to obligations related to camp reclamation. During the current period the Company re-assessed the estimates of its reclamation provisions related to camp closures to reflect revised estimated dates of closure.

Foreign exchange loss of \$53,636 (December 31, 2024 - \$272,349) 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.

Interest income of \$62,170 (December 31, 2024 - expense of \$66) related to interest paid or accrued in relation to deposits held in guaranteed investment certificates.

Gain on disposition of Marlin Gold Mining Ltd. ("Marlin") of \$Nil (December 31, 2024 - \$132,054) 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.

Provision for value added tax of \$143,758 (December 31, 2024 - \$78,499) related to the provision of VAT for which the timing of collection is considered uncertain.

Other income of \$17,395 (December 31, 2024 - expense of \$71,029) related to the rental of the Company's equipment in Mexico and other miscellaneous non-recurring items.

#### **Discussion of results – Year Ended December 31, 2025**

The Company's net loss for the year ended December 31, 2025, was \$8,359,052 (December 31, 2024, net income of - \$19,284,843). During the year the Company's total expenses were \$8,228,942 (December 31, 2024 - \$12,643,830). Significant fluctuations during the nine-months included the following:

The Company incurred concession fees of \$747,973 (December 31, 2024 - \$7,831,788). The reduction resulted from the Company's disposition of Marlin, and a corresponding reduction of concession fees related to the La Trinidad Project.

Consulting of \$268,117 (December 31, 2024 - \$109,695) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of \$177,822 (December 31, 2024 - \$179,143) related to depreciation of the Company's equipment. The Company disposed of certain exploration equipment in the prior year and acquired certain exploration equipment in the current year therefore depreciation was generally in line in both cases.

Exploration expenditures were \$3,289,985 (December 31, 2024 - \$1,490,209) as per the table below:

|                             | December 31,<br>2025 | December 31,<br>2024 |
|-----------------------------|----------------------|----------------------|
|                             | \$                   | \$                   |
| Community relations         | 138,995              | 540,415              |
| Consulting                  | 116,887              | 1,853                |
| Drilling                    | 1,511,606            | 951                  |
| Engineering                 | 267,093              | -                    |
| Environmental / reclamation | 150,252              | 23,733               |
| Field                       | 482,970              | 341,175              |
| Geochemistry                | 15,668               | 10,080               |
| Geological                  | 514,751              | 572,002              |
| Metallurgical               | 91,763               | -                    |
| <b>Total</b>                | <b>3,289,985</b>     | <b>1,490,209</b>     |

Exploration activities during the year focused on recommencement of drilling, with 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.

Investor relations of \$564,831 (December 31, 2024 - \$148,401) related to the Company's engagement with ICP as the Company's Market Maker, corporate content creation, as well as the Company's participation and presentations at corporate investor events.

Office expense of \$364,592 (December 31, 2024 - \$322,533) related to general corporate administration, insurance, office supplies, and rent.

Professional fees of \$485,286 (December 31, 2024 - \$770,627) were related to Audit, legal, and accounting services. The decrease can be attributed to lower transactional activity during the current year as the Company was engaged in strategic activities such as the sale of Marlin Gold Mining Ltd. and the Waiver and release entered with Mako Mining Corp in the prior year.

Salaries and directors' fees of \$1,121,345 (December 31, 2024 - \$933,765) related to salaries paid to the CEO, Executive Chairman, employees in Mexico, and directors' fees paid in cash. During the current period the Company was more active in exploration and also made additional hires to accelerate progress towards achieving corporate milestones.

Share-based compensation of \$950,255 (December 31, 2024 - \$747,564) related to the 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 and vested relative to the prior year.

Transfer agent and filing fees of \$100,248 (December 31, 2024 - \$62,867) related to transfer agent, TSX-V sustaining fees, OTCQB fees, and SEDAR+ filing fees. The increase was consistent with an increase in equity transactions during the current period.

Travel of \$158,488 (December 31, 2024 - \$47,238) related to site visits and travel to Mexico by executive management to advance the Company's exploration objectives as well as travel to investor conferences.

Accretion expense on reclamation provision was \$14,405 (December 31, 2024 - \$5,335) in relation to obligations related to camp reclamation. During the current year the Company re-assessed the estimates of its reclamation provisions related to camp closures to reflect revised estimated dates of closure.

Foreign exchange loss of \$159,376 (December 31, 2024 – gain of \$92,790) 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.

Interest income of \$104,933 (December 31, 2024 – expense of \$1,960) related to interest paid or accrued in relation to deposits held in guaranteed investment certificates.

The December 31, 2024, 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.

The December 31, 2024, 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.

Loss on sale of equipment of \$Nil (December 31, 2024 – loss of \$68,814) related to the disposition of non-essential exploration equipment.

Provision for value added tax of \$143,758 (December 31, 2024 – recovery of \$314,898) related to the provision of VAT for which the timing of collection is considered uncertain. In the prior year the Company recovered amounts which had previously been provisioned.

The December 31, 2024, retirement of concession fees of \$6,496,684 related to concession fees associated with the La Trinidad Project which became statute barred and were therefore no longer payable.

Other income of \$82,496 (December 31, 2024 – \$342,647) related to the rental of the Company’s equipment in Mexico and other miscellaneous non-recurring items. In the prior period the Company engaged in bulk processing of material by contract mining operators on the Company’s non-core mineral concessions which did not occur in the current period.

## 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 of December 31, 2025, the Company had a working capital of \$27,964,415 (December 31, 2024 – working capital of \$34,152). Included in current liabilities is \$1,093,545 in relation to Mexico concession fees payable for the Company’s Goldplay concessions.

On February 23, 2026, the Company closed the disposition of its subsidiary Goldplay de Mexico S.A. de C.V. (“Goldplay”) in exchange for a 1% royalty on the mining concessions owned by Goldplay. In relation to the disposition of Goldplay the Company no longer has any obligation to pay the concession fees that were payable as at year end.

During the year ended December 31, 2025, the Company completed the following equity transactions:

- On May 27, 2025, the Company raised gross proceeds of \$1,844,700 in a non-brokered private placement financing of 14,190,000 units at a price of \$0.13 per unit. 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 \$0.19 per warrant until May 27, 2027. The Company paid cash finders fees of \$104,442 and issued 803,400 agent warrants on the same terms.
- Issued 17,203,764 common shares upon the exercise of warrants for proceeds of \$2,505,948.
- On August 13, 2025, the Company closed a brokered private placement of 69,000,000 units at a price of \$0.20 per unit for gross proceeds of \$13,800,000. 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 \$0.28 per warrant until August 13, 2028. The Company paid cash finders fees of \$828,000 and issued 4,140,000 broker warrants. Each broker warrant is exercisable into one unit at an exercise price of \$0.20 per share until August 13, 2028.
- On December 17, 2025, the Company closed a brokered private placement of 66,666,832 units at a price of \$0.30 per unit for gross proceeds of \$20,000,050. 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 \$0.42 per warrant until December 17, 2028. The Company paid cash finders fees of \$1,195,827 and issued 3,986,090 broker warrants. Each broker warrant is exercisable into one unit at an exercise price of \$0.30 per share until December 17, 2028.

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

| <b>Net cash provided by (used in)</b> | <b>December 31<br/>2025</b> | <b>December 31<br/>2024</b> |
|---------------------------------------|-----------------------------|-----------------------------|
|                                       | \$                          | \$                          |
| Operating activities                  | (7,159,932)                 | (4,490,124)                 |
| Investing activities                  | (100,119)                   | 1,609,865                   |
| Financing activities                  | 35,601,737                  | 3,941,941                   |
| Cash, beginning                       | 1,162,255                   | 100,573                     |
| Cash, end                             | 29,503,941                  | 1,162,255                   |

Update on Prior Use of Proceeds Disclosure:

| <b>Financing</b>   | <b>Principal purpose as previously<br/>disclosed to September 30, 2025</b>  | <b>Financing<br/>Amount,<br/>net of<br/>share<br/>issue costs<br/>\$</b> | <b>Estimated<br/>Actual<br/>Expenditures<br/>\$</b> |
|--|---|--|---|
| 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 Plomosas Project   | 2,220,372  | 2,220,372   |
| Non-brokered private placement May 27, 2025, of 14,190,000 units at a price of \$0.13 per unit       | Exploration on the San Marcial Area of the Plomosas Project and general working capital.  | 1,713,217  | 1,713,217   |
| Underwritten private placement August 13, 2025, of 69,000,000 units at a price of \$0.20 per unit    | Step-out drilling on the San Marcial Area of the Plomosas Project, Plomosas Mine Area Bulk Sampling, and general working capital. | 12,692,995   | 1,996,647   |
| Underwritten private placement December 17, 2025, of 66,666,832 units at a price of \$0.30 per unit  | Step-out drilling on the San Marcial Area of the Plomosas Project, Plomosas Mine Area Bulk Sampling, and general working capital. | 18,842,010   | Nil   |

## SUMMARY OF QUARTERLY RESULTS

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

|                                     | December 31<br>2025 | September 30,<br>2025 | June 30,<br>2025 | March 31,<br>2025 |
|-------------------------------------|---------------------|-----------------------|------------------|-------------------|
|                                     | \$                  | \$                    | \$               | \$                |
| Revenue                             | -                   | -                     | -                | -                 |
| Net loss                            | (2,500,103)         | (2,902,678)           | (1,485,223)      | (1,471,048)       |
| Earnings (loss) per share - basic   | (0.01)              | (0.01)                | (0.00)           | (0.00)            |
| Earnings (loss) per share - diluted | (0.01)              | (0.01)                | (0.00)           | (0.00)            |
| Total assets                        | 38,138,102          | 20,966,292            | 10,525,242       | 10,259,903        |
| Working capital                     | 27,964,415          | 11,234,321            | 981,010          | 496,694           |

|                                     | December 31<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 |
|-------------------------------------|---------------------|-----------------------|------------------|-------------------|
|                                     | \$                  | \$                    | \$               | \$                |
| Revenue                             | -                   | -                     | -                | -                 |
| 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           | 11,116,943            | 10,215,975       | 10,232,676        |
| Working capital (deficiency)        | 34,152              | 635,851               | (27,358,404)     | (29,098,544)      |

During the quarter ended December 31, 2025, the Company recorded a net loss of \$2,500,103. During the quarter the Company's total expenses were \$2,378,530, the most significant items were consulting fees of \$73,159, exploration expenditures of \$979,973, investor relations of \$212,146, office of \$116,325, professional fees of \$147,936, salaries and benefits of \$369,938, and share-based compensation of \$281,718.

During the quarter ended September 30, 2025, the Company recorded a net loss of \$2,822,682. During the quarter the Company's total expenses were \$2,821,939, the most significant items were concession fees of \$375,121, consulting fees of \$154,694, exploration expenditures of \$1,362,523, investor relations of \$165,235, office of \$89,931, professional fees of \$126,063, salaries and benefits of \$287,290, and share-based compensation of \$192,271.

During the quarter ended June 30, 2025, the Company recorded a net loss of \$1,485,223. During the quarter the Company's total expenses were \$1,472,938, the most significant items were exploration expenditures of \$567,750, investor relations of \$65,044, professional fees of \$74,009, salaries and benefits of \$232,730, and share-based compensation of \$263,762.

During the quarter ended March 31, 2025, the Company recorded a net loss of \$1,471,048. During the quarter the Company's total expenses were \$1,475,538, the most significant items were concession fees of \$291,697, exploration expenditures of \$379,739, investor relations of \$122,406, salaries and benefits of \$231,387, and share-based compensation of \$142,339.

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.

## RELATED PARTY TRANSACTIONS

Key management personnel compensation for the periods ended was:

|   | December 31,<br>2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
|   | \$                   | \$                   |
| Salary paid to Marcio Fonseca (President and CEO)                           | 272,500              | 260,000              |
| Salary paid to Eric Zaunscherb (Executive Chairman, Director)               | 100,000              | 100,000              |
| Consulting fees paid to Robert Payment (CFO and Corporate Secretary)        | 91,000               | 17,000               |
| Consulting fees paid to Daniel Schieber (VP Corp. Dev. and Corp. Relations) | 35,100               | -                    |
| Salary paid to Luis Coto (VP Exploration)                                   | 52,956               | -                    |
| Salary paid to Alejandro Cano (Former VP Operations, Mexico)                | 51,400               | -                    |
| Consulting fees paid to Blaine Bailey (Former CFO and Corporate Secretary)  | -                    | 78,000               |
| Consulting fees paid to Trevor Wolfe (Director)                             | -                    | 1,968                |
| Director fees paid to Trevor Woolfe   | 15,000               | -                    |
| Director fees paid to Larry Taddei  | 15,000               | -                    |
| Director fees paid to Jessica Van Den Akker                                 | 15,000               | -                    |
| Director fees paid to Brent McFarlane                                       | 15,000               | -                    |
| Stock based compensation to Directors and Officers                          | 785,473              | 561,329              |
| <b>Total</b>  | <b>1,448,429</b>     | <b>1,018,297</b>     |

|   | December 31,<br>2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
| <b>Share-based compensation</b>                     |                      |                      |
|   | \$                   | \$                   |
| Marcio Fonseca (President and CEO)                  | 174,465              | 125,401              |
| Eric Zaunscherb (Executive Chairman, Director)      | 132,744              | 125,401              |
| Robert Payment (CFO and Corporate Secretary)        | 97,788               | 33,019               |
| Daniel Schieber (VP Corp. Dev. and Corp. Relations) | 41,721               | -                    |
| Blaine Bailey (Former CFO and Corporate Secretary)  | 40,000               | 117,148              |
| Trevor Woolfe (Director)                            | 36,977               | 57,396               |
| Larry Taddei (Director)                             | 36,977               | 30,505               |
| Jessica Van Den Akker (Director)                    | 29,647               | 19,720               |
| Brent McFarlane (Director)                          | 29,647               | 19,720               |
| Alejandro Cano (Former VP Operations, Mexico )      | 55,235               | -                    |
| Luis Coto (VP Exploration)                          | 110,272              | -                    |
| Fernando Berdegue (Former Director)                 | -                    | 33,019               |
| <b>Total</b>  | <b>785,473</b>       | <b>561,329</b>       |

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.

Included in accounts payable and accrued liabilities at December 31, 2025, were the following balances owing to officers and directors of the Company:

|   | December 31,<br>2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
|   | \$                   | \$                   |
| Marcio Fonseca (President and CEO)                  | 11,875               | -                    |
| Eric Zaunscherb (Executive Chairman, Director)      | 4,167                | -                    |
| Robert Payment (CFO and Corporate Secretary)        | 8,583                | -                    |
| Daniel Schieber (VP Corp. Dev. and Corp. Relations) | 11,400               | -                    |
| Trevor Woolfe (Director)                            | 7,500                | -                    |
| Larry Taddei (Director)                             | 7,500                | -                    |
| Jessica Van Den Akker (Director)                    | 7,500                | -                    |
| Brent McFarlane (Director)                          | 7,500                | -                    |
| <b>Total</b>  | <b>66,025</b>        | <b>-</b>             |

## SHARE CAPITAL

Details of the Company's capitalization are as follows:

|               | December 31,<br>2025 | Date of MD&A |
|---------------|----------------------|--------------|
| Common shares | 501,408,609          | 509,095,533  |
| Warrants      | 122,052,581          | 114,685,657  |
| Stock options | 11,103,334           | 11,533,334   |
| DSUs          | 684,532              | 684,532      |
| PSUs          | 2,590,908            | 2,590,908    |

## 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, 2025, and 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, 2025, and 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, 2025, and 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<br>December 31,<br>2025 | Year ended<br>December 31,<br>2024 | Year ended<br>December 31,<br>2023 |
|---|------------------------------------|------------------------------------|------------------------------------|
|   | \$                                 | \$                                 | \$                                 |
| Exploration and evaluation assets or expenditures     | 3,289,985                          | 1,490,209                          | 4,082,583                          |
| Expensed research and development                     | -                                  | -                                  | -                                  |
| Intangible assets arising from development            | -                                  | -                                  | -                                  |
| General and administrative expenses                   | 364,592                            | 322,533                            | 471,543                            |
| Other material costs expensed or recognized as assets | 4,804,594                          | (21,097,585)                       | 21,043,863                         |
| <b>Total</b>  | <b>8,459,171</b>                   | <b>(19,284,843)</b>                | <b>25,597,989</b>                  |

## 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.

Effective December 1, 2025, the Company entered into an agreement with Oak Hill Financial Inc. ("Oak Hill") to provide investor relations services and capital markets advisory services to the Company, including providing strategic advice with respect to the development and dissemination of marketing materials and advising on initiatives to increase the Company's profile and visibility within the investment community. The agreement is subject to TSX Venture Exchange ("TSXV") approval and is for an initial four-month term, which commenced on December 1, 2025. Thereafter, the Company may, in its sole discretion, extend the term of the agreement on a month-to-month basis. The Company is paying Oak Hill \$12,000 per month to provide services under the agreement. The fee paid by the Company to Oak Hill under the agreement is for services only. The Company and Oak Hill act at arm's length. Oak Hill is based in Toronto, Ontario, and specializes in leveraging the most effective investment, growth and exposure strategies for small to mid-size companies through an integrated approach to relationship development and corporate communications.

Effective January 1, 2026, the Company entered into an agreement with Red Cloud Financial Services Inc. ("Red Cloud") to provide marketing services to the Company. The initial term of the agreement is from January 1, 2026 - December 31, 2027, and thereafter will automatically renew on a month-to-month basis. After December 31, 2027, the agreement may be terminated by either party upon one month's written notice to the other. Prior to December 31, 2027, the contract may be terminated by mutual agreement of the parties. The agreement is subject to TSXV approval. The Company is paying Red Cloud \$10,000/month to provide services under the agreement. The fee to be paid by the Company to Red Cloud under the agreement is for services only. The Company and Red Cloud act at arm's length. Red Cloud is based in Toronto, Ontario, and has established itself as a leading independent research and equity capital markets (ECM) services provider, specifically focused on the mining industry.

Effective January 1, 2026, the Company entered into a consulting agreement with Redwood Empire Financial Communications LLC ("Redwood") pursuant to which Redwood will provide investor relations services to the Company commencing January 1, 2026 and ending on December 31, 2026, subject to either party being able to terminate the agreement after July 1, 2026 and following any 3-month period thereafter for any reason, or immediately in the event of breach by either party. Redwood focuses on global investor relations for junior and small cap companies specializing at exposing companies to a wide audience of investment professionals.

Pursuant to the agreement, the Company will pay US\$7,500/month to Redwood to provide services to the Company, including liaison with the financial community and shareholders, development and implementation of corporate presentations and other communications, and other public relations services. The fee to be paid by the Company to Redwood under the agreement is for services only. The Company and Redwood act at arm's length.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's 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 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 consolidated financial statements include the carrying value and the recoverability of the exploration and evaluation assets included in the consolidated statement of financial position, the assumptions used to determine the fair value of share-based payments in the 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, 2025, 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, 2025.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Refer to Note 13 of the Company's consolidated financial statements for the year ended December 31, 2025.

## RISKS AND UNCERTAINTIES

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company's other public disclosures, including the risk factors disclosed in the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2025, prior to making any investment in the Company's common shares.

The risk factors described in the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2025, do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the

Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

#### *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 .

#### *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 lives of some of its 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*

The Company's business, financial condition and results of operations may be adversely affected by international conflicts and geopolitical instability, including war, military action, terrorism, sanctions and related international responses. These events have resulted in, and may continue to result in, significant volatility in global commodity prices, financial markets and supply chains. Iran is currently involved in an active armed conflict with the United States and its allies, contributing to heightened instability in the Middle East. This conflict has disrupted regional security and may impact global energy markets and key shipping routes, including the Strait of Hormuz. Any escalation or prolongation of the conflict could lead to increased commodity prices, higher operating costs, supply chain disruptions and broader financial market volatility. In addition, ongoing conflicts such as Russia's invasion of Ukraine, together with expanding sanctions and trade restrictions, continue to affect global economic conditions and may further disrupt trade flows, financial systems and supply chains. The extent and duration of these conflicts and related international responses remain uncertain. These developments may adversely affect the Company's operations, counterparties, access to capital and overall market conditions, and may exacerbate other risks described in this MD&A.

#### *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.

### *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.

### *Financing Risks*

The Company expects to incur ongoing operating losses for the foreseeable future, has no source of operating cash flow, and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Financings are subject to regulatory review and approval. The Company cannot guarantee that such approval will be obtained and/or will be obtained without amendment to the terms of the finance

#### *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 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 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.

#### **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.