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 six-month period ended June 30, 2026.

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 condensed interim consolidated financial statements for the six-month period ended June 30, 2026 (the "Interim Financial Statements") and the audited consolidated financial statements and notes thereto for the years ended December 31, 2025, and 2024 (the "Annual 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 August 27, 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. Márcio 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. Márcio 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 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 studies for a potential Bulk Sampling Test Mining ("BSTM") program at the former Plomosas Mine. The Plomosas Project is located on the southwestern edge of the Sierra Madre Occidental in Sinaloa, Mexico, approximately 140 kilometres southwest of the city of Victoria de Durango, Durango State (Figure 1). 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 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'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. Multiple epithermal veins and hydrothermal breccias have been identified 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). Based on that geological model, the Company is currently undertaking a 20,000-metre step-out drilling program along strike from the current San Marcial NI 43-101 Mineral Resource Estimate resource area ("Resource Area"), to support resource expansion. As security issues deteriorated in Sinaloa State in late 2025, management concluded that it would be safer to access and supply the project from Durango State. This involved transiting a secondary road that is infrequently maintained and passes through rugged and mountainous terrain. Despite a much longer trip (as compared to supplying from the Sinaloa side), the Company has been able to safely support the drilling from Durango. However, with the onset of the wet season in June, the road conditions continue to deteriorate, in spite of significant effort by the Company to keep it safely passable. Logistical support for the drilling program has been difficult and as a result, drilling production has been adversely affected and drilling costs have increased. It is unlikely that road conditions or drilling production will improve until the wet season ends later in the year. As a consequence, completion of the planned drill program is now expected in H1 2027. Upon completion of the current drilling program, the Company intends to update its Mineral Resource Estimate ("MRE"), followed by an integrated Preliminary Economic Assessment ("PEA") for the combined former Plomosas Mine and San Marcial deposit.

During the first half of 2026, engineering and scoping studies were advanced in support of the potential BSTM program in the former Plomosas Mine; all permits required to reinitiate mining and processing were identified: and initial planning for the integrated Preliminary Economic Assessment (PEA) commenced. This work included coordination with external consultants on gap analysis for defining key PEA parameters, review and confirmation of data availability in the Data Room, evaluation of low-grade mineralized material and tailings at Plomosas, preliminary production scenarios, and review of processing alternatives and pilot plant options.

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

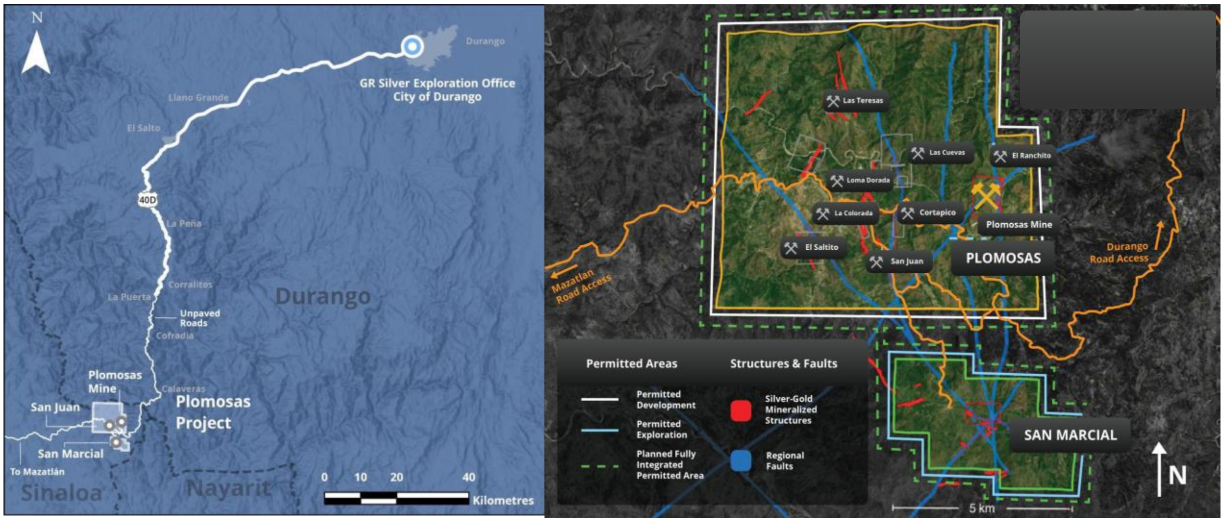
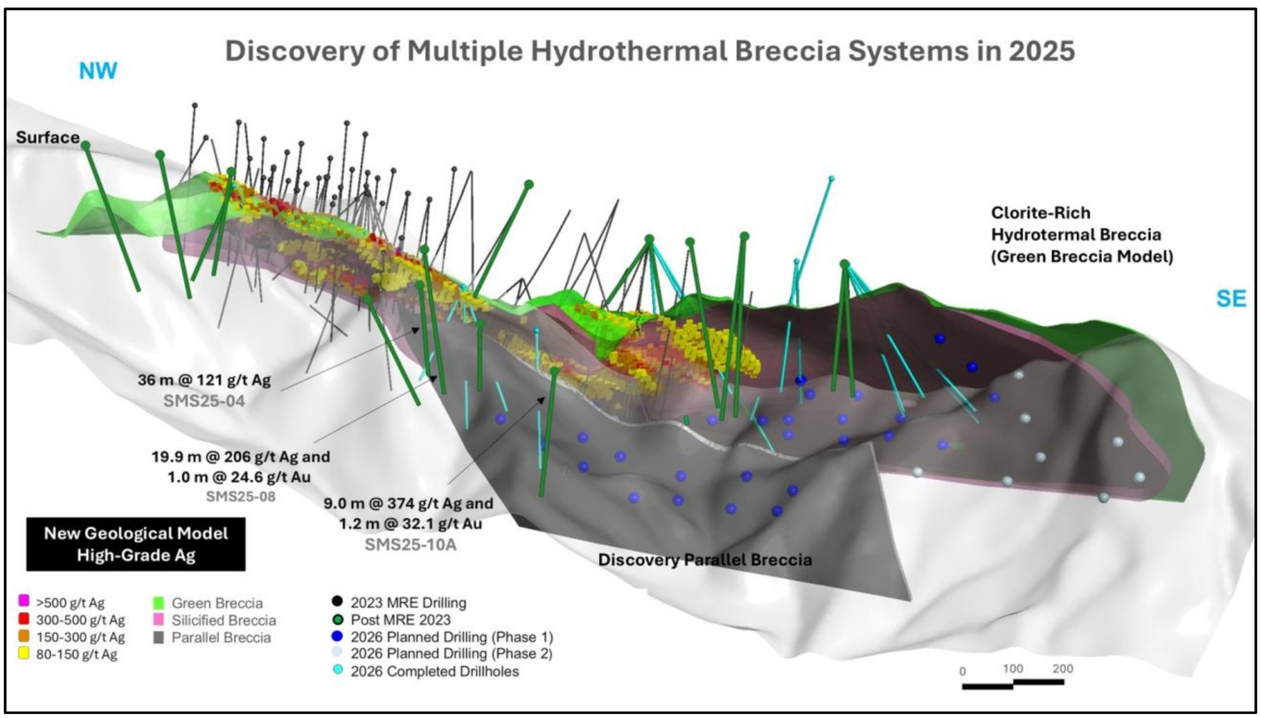


Figure 2: 3D Model San Marcial Area – Planned Step-Out Drilling Targets 2026 Program



Note: All intervals are down hole widths

CORPORATE ACTIVITIES – PERIOD ENDED JUNE 30, 2026, AND TO DATE OF MD&A

Financing Activities

During the period ended June 30, 2026, the Company raised $1,690,967 from the exercise of 7,636,924 warrants with an average exercise price of $0.22 per warrant.

During the period ended June 30, 2026, the Company raised $59,750 from the exercise of 320,000 stock options with an average price of $0.19 per stock option.

Subsequent to June 30, 2026, and to the date of this MD&A, the Company raised $155,059 from the exercise of 740,769 warrants with an exercise price of $0.22 per share.

Subsequent to June 30, 2026, and to the date of this MD&A, the Company raised $120,000 from the exercise of 600,000 stock options with an exercise price of $0.20 per share. Additionally, the Company raised $33,000 from the exercise of 100,000 stock options with an exercise price of $0.33 per share.

Corporate Developments

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, the Company 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.

Following best practices in governance, the Company announced on May 21, 2026, the resignation of Mr. Eric Zaunscherb from his position as Executive Chair of the Board of Directors to focus on the Interim President and Interim CEO roles. Mr. Larry Taddei was appointed Lead Independent Director.

On June 2, 2026, the Company announced the resignation of Mr. Daniel Schieber, Vice-President of Corporate Development and Corporate Relations.

On July 6, 2026, the Company appointed Mr. Eric Zaunscherb as permanent President and CEO.

Equity Compensation Granted

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.

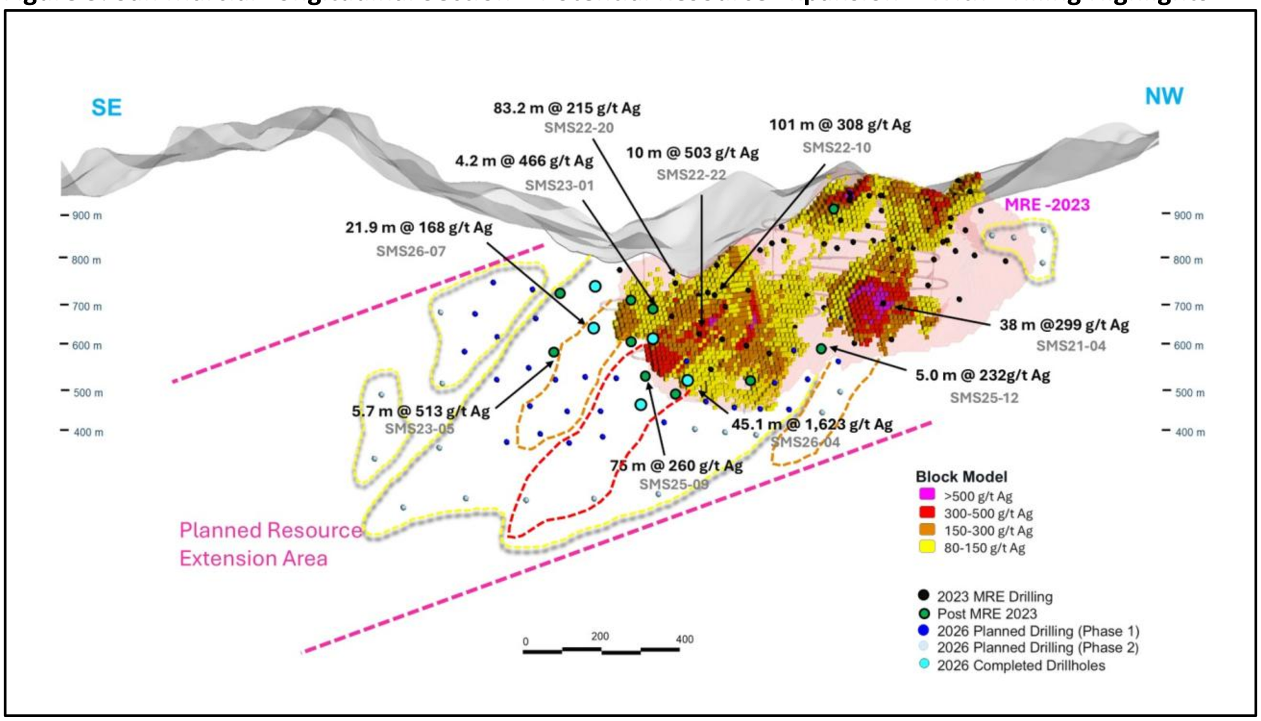
Exploration Updates

On February 5, 2026, the Company announced positive results from its metallurgical test work conducted as part of the BSTM program at the former Plomosas Mine. Highlights 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 was 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 little or no concerns over potential penalties or deleterious elements.

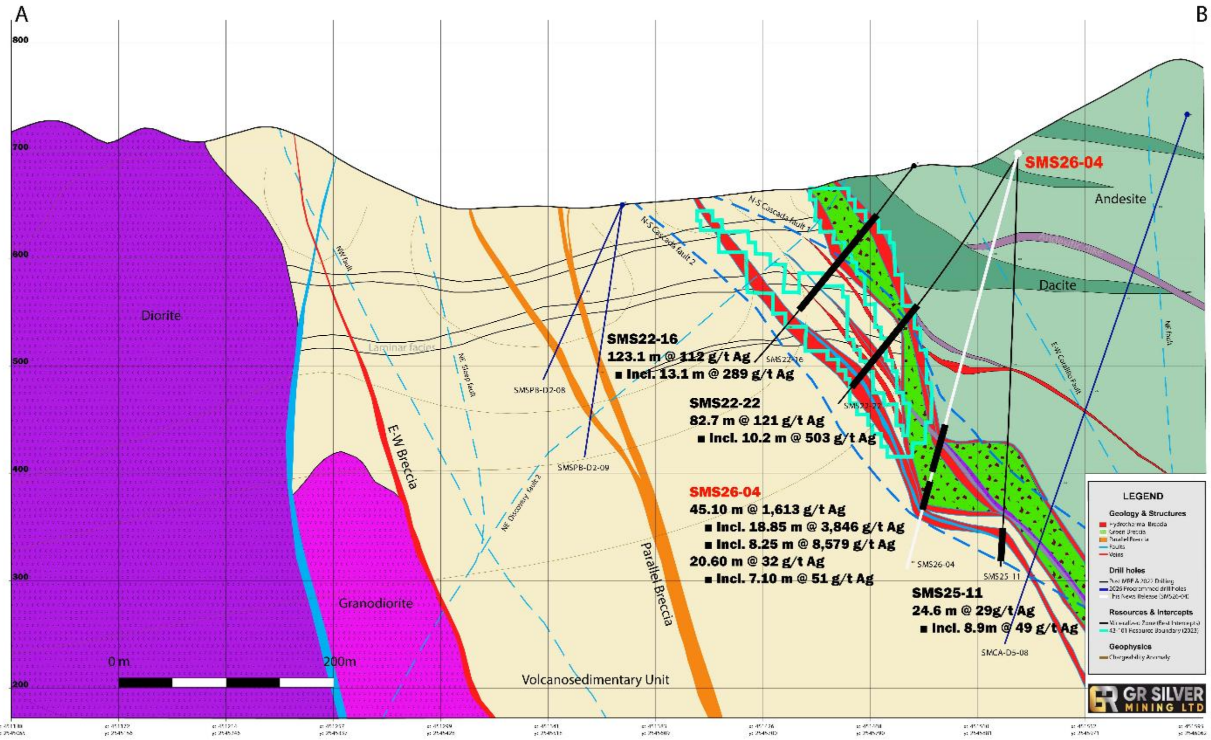
On February 18, 2026, the Company announced the mobilization of multiple drill rigs to the San Marcial Area of its wholly owned Plomosas Silver Project to commence the previously announced 20,000-metre step-out drilling program. The program targets resource expansion after the successful 2025 drill campaign. A MRE update and PEA are planned after the conclusion of the drill program. 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 security challenges in Sinaloa while ensuring the continuation of high operational standards at the Plomosas Project.

Figure 3: San Marcial Longitudinal Section – Potential Resource Expansion – With Drilling Highlights



Note: SMS26-04 intervals are true width, while intervals in other drill holes are down hole widths

Figure 4: Cross Section showing SMS26-04 in relation to SMS22-16, SMS22-22 and SMS25-11



Note: SMS26-04 intervals are true width, while intervals in other drill holes are down hole widths

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.

On May 19, 2026, GR Silver Mining reported its best ever drill results at San Marcial, with drill hole SMS26-04 returning 45.1 m true width ("TW") at 1,623 g/t Ag (Figure 3), including 8.25 m TW at 8,579 g/t Ag. The exceptional silver grades encountered in SMS26-04 highlight the strong structural control of the mineralizing system and further support the exploration potential of key inflection zones, including structural jogs and shear zones, as priority targets for additional high-grade mineralization (Figure 4). Results from SMS26-04 also confirm the continuity of near-surface mineralization previously intersected in drill holes SMS22-16, which returned 123.1 m at 112 g/t Ag (see News Release dated October 17, 2022), and SMS22-22, which returned 82.7 m at 121 g/t Ag (see News Release dated January 16, 2023) (Figure 4).

On May 21, 2026, the Company announced receipt from Mexico's *Secretaría de Medio Ambiente y Recursos Naturales* ("SEMARNAT") notification that preparation of a new *Manifestación de Impacto Ambiental* ("MIA"), an Environmental Impact Study, for the former Plomosas Mine will not be required.

On July 10, 2026, the Company released additional positive results – including 21.9 m TW at 168 g/t Ag (SMS26-07) - from its drilling program at San Marcial, confirming the extension of high-grade silver mineralization for an additional 150 metres to the southeast of the 2023 NI 43-101 MRE boundary. The results reported represent two separate target areas: 1) the SE Extension target, looking to expand the existing MRE to the southeast along the main, breccia-hosted structures; and 2) the Parallel Breccia target, which aims to understand the nature of prospective newly identified mineralized structures in the vicinity of the MRE.

OUTLOOK

Our Primary Objectives for 2026: Resource Growth and Advancement of Studies in Support of a BSTM and Integrated PEA

With its exploration efforts, GR Silver has continuously increased resources at the San Marcial Property since its acquisition. Recently completed studies by the Company, in partnership with CODES (University of Tasmania) and UNAM, have been published in internationally respected geological events, and recognize the merit of the San Marcial silver discovery associated with a Laramide-model intrusive porphyry setting. This partnership, under the supervision of Dr. Paula Montoya, unlocked key information to assist the Company in defining 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 encouraging drill intercepts, as well as several high-priority targets for further drilling. Four targets selected for step-out and exploration drilling were tested during 2025, providing the basis for the 2026 drilling program.

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 generated key information to support a much larger drilling program in 2026. The current drilling program is designed to expand silver resources in the vicinity of the existing MRE, as well as identifying new zones like the Parallel Breccia target. Results to date in 2026 enhance our confidence to significantly expand the silver resource potential at San Marcial.

GR Silver continues to be actively engaged in securing the necessary permits to advance the Plomosas Silver Project. On September 9, 2025, GR Silver received a key five-year drill permit for the San Marcial Area authorizing additional step-out and exploration drilling in an extensive area surrounding the current Resource Area. The five-year *Informe Preventivo* ("IP") issued by the *Secretaría de Medio Ambiente y Recursos Naturales* ("SEMARNAT"), allows 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 San Marcial grants the Company unlimited drilling metreage from 46 sites, in and around the Resource Area. The current 20,000-metre step-out drilling program at San Marcial is being undertaken by multiple drill rigs. Challenges with weather and security during 2026 have slowed the pace of the drilling and increased costs, with the program now expected to be completed in H1 2027. The program is expected to double the total metreage of drilling in and around the Resource Area, generating data necessary to support a MRE update upon conclusion of the drill program, followed by an integrated PEA.

Preliminary engineering and cost studies for a BSTM program at the historic Plomosas Mine were completed in late 2025 and early 2026. Management is currently assessing processing alternatives, including potential acquisition of a pilot plant or toll milling, subject to secure site access. An on-site pilot plant or toll milling are expected to allow the Company to process mineralized material available in the historic Plomosas Mine. This material can be accessed through existing mine infrastructure that will be rehabilitated as required.

As previously mentioned, the notification from SEMARNAT, confirming that preparation of a new MIA for the former Plomosas Mine will not be required, allows GR Silver to proceed in advancing its proposed BSTM program in a timelier manner. However, secondary permitting (including reactivation of the existing tailings storage facility) will still be required to initiate any production; this is also contingent on the aforementioned studies being cashflow positive.

OPERATIONAL HIGHLIGHTS – THE PLOMOSAS SILVER 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. The Plomosas Project concessions and their applicable royalties are detailed in Tables 1 and 2, respectively.

Table 1: 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

Table 2: Royalties applicable to GR Silver concessions

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
Minera La Rastra	<u>Concessions</u>: "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"	N/A

Name of Concession Owner	Concession & Royalty Details	Details of Buy-Back Rights
	Royalty: Monthly royalties are payable to Industrial Minera Mexico, S.A. de C.V., depending on the price of zinc (Zn), as indicated below: (a) 3.5% when the price of Zn is equal or more than US$1.50 per lb; (b) 3.0% when the price of Zn is equal or more than US$1.20 per lb; (c) 2.5% when the price of Zn is equal or more than US$1.00 per lb; and (d) 1.75% when the price of Zn is less than US$1.00 per lb	
Minera La Rastra	**Concessions**: "Plomosas", "Segunda Ampl. de Plomosas", "Continuación de Plomosas", "La Rastra 2", "San Juan"; "Potrero No. 2", "La Estrella", "El Potrero", "Plomosas 3", "Plomosas 2", "Rosario 4", "La Chispera", "La Rastra", "Rosario I", "Plomosas 4", "La Chispera II", "Los Arcos" and "Rosario II" **Royalty**: 2.0% NSR royalty payable to Royalty & Streaming Mexico, S.A. de C.V.	Minera La Rastra has the one-time right at any time to buy back half of this royalty (i.e. 1%) for US$1,000,000 plus VAT
Minera San Marcial	**Concessions**: "Mina de San Marcial" and "Ampliación San Marcial" **Royalty**: 3.0% NSR royalty payable to Met-Sin Industriales, S.A. de C.V.	Minera San Marcial has the right to buy back this royalty for US$600,000 plus VAT per 1%, which right can be exercised at any time and from time to time in whole or in part.
Minera San Marcial	**Concessions**: "Mina de San Marcial" and "Ampliación San Marcial" **Royalty**: 0.75% NSR royalty is payable to EMX Royalty Corporation	Minera San Marcial has the right to buy back this royalty for CAD$1,250,000 plus VAT, which right can be exercised at any time

Mining at the historical Plomosas Mine took place from 1986 to 2000, operated by IMMSA, a subsidiary of Grupo Mexico. A total of 2.5 Mt of ore were processed through a 600 t/d crushing-milling flotation circuit (Table 3). During the 14 years of operation, 67,600 t of lead concentrate and 31,400 t of zinc concentrate, with silver - gold credits, were produced. 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.

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. The 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.

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 that has recently been mined for gold. Artisanal workings are present, as well as shallow underground workings developed on a breccia, known as the San Juan Breccia.

Table 3: Plomosas Mine – Production History 1986-2000

Plomasas Historic Production Table 1986-2000

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

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

Numbers are rounded

*Source: Internal IMMSA reports

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

The Company has 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.

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 volcaniclastic–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. Emplacement of mineralization 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 shoots of mineralization.

The SE Area discovery within the San Marcial Property—highlighted by drill holes SMS22-10 and SMS26-04 — confirms an extension of high-grade silver mineralization plunging 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.

Drill hole SMS22-10 intersected 101.6 m averaging 308 g/t Ag in hydrothermal breccias and stockwork zones intensely altered to hematite–chlorite–calcite–quartz and hosting silver-rich mineralization with subordinate Pb–Zn–Au. Drill hole SMS26-04 intersected 45.1 m averaging 1,623 g/t Ag in a well-defined mineralized zone located at the upper contacts of the chlorite–hematite-rich breccias, associated with stockwork zones and andesitic to dioritic dykes emplaced along multiple structural intersections.

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. Drill hole 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 centre.

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 and Engineering Summaries

During the quarter ended June 30, 2026, the Company continued to pursue the expansion of silver resources at the San Marcial Area, continuing its 20,000-metre step-out drill program as outlined in the foregoing Exploration Updates section. The program has been influenced by the identification of a two-kilometre-long chargeability anomaly 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 ongoing step-out drilling program is to expand high-grade silver resources at the San Marcial Property exploiting the Company's understanding of silver mineralization controls and their continuity down-plunge, along strike, and on the edges of the anomaly. A summary of exploration activities completed during the first half of 2026 is illustrated in Table 4 as follows.

Table 4: Summary of Step-Out Drilling Program Activities at San Marcial in Q1 and Q2, 2026

Activity	Q1, 2026	Q2, 2026
Step-Out Drilling	1,812 metres drilled, 6 holes completed	3,157 metres drilled, 9 holes completed
Core Logging	1,389 metres logged	3,478 metres logged
Core Sampling	971 metres sampled	3,112 metres sampled
Samples to Lab	999 samples sent	4,157 samples sent

Engineering work continued through the quarter ended June 30, 2026, in support of the Company's BSTM program and in preparation for an integrated PEA. The Company's internal technical services team is working in conjunction with external construction and metallurgical consultants to identify and assess various options to purchase and install a pilot plant, as well as assess potential toll milling options. Both options are subject to safety and security considerations, as well as securing all necessary secondary permits. Delivery of the planned PEA is expected following the MRE update. During Q2 2026, BSTM and PEA support workstreams included the development of mining and metallurgical scenarios for Plomosas at varied throughput rates, preliminary economic and financial evaluations of those scenarios, assessment of pilot processing plant acquisition and rehabilitation alternatives, and preparation of technical and environmental information required for permitting. The team also advanced mine design and resource estimation work, while providing technical support for secondary permit applications related to a potential BSTM program at the former Plomosas Mine.

Plomosas Project 2023 NI 43-101 Mineral Resource Estimate

Following successful drilling in 2022, the Company completed an updated mineral resource estimate covering 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 5, and the Mineral Resource Estimate is broken down by area in Table 6. Parameters for the estimate are shown in Table 7.

Table 5: Plomosas Project, Mineral Resource Statement, ACS March 15, 2023, by Resource Category

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

Table 6: Plomosas Project, Mineral Resource Statement, ACS March 15, 2023 by Area

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

Numbers are rounded

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

(1) Mineral Resources which are not Mineral Reserves, do not have demonstrated economic viability

(2) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues

(3) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration

(4) The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council

Table 7: 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 Plomosas Project Resource Estimate adopts the key requirement 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. 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 8, 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 8: Recoveries for the San Marcial, Plomosas Mine, and San Juan–La Colorada Areas

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

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

OTHER PROJECTS

GR Silver subsidiaries hold title to the following additional mining concessions (Table 9) in the Rosario Mining District. The Company's non-core concessions remain available for partnership or outright purchase and outreach has been made to encourage potential monetization.

Table 9: Other Mining Concessions

No.	MINING CONCESSIONS	TITLE	SURFACE AREA (ha)
MINERA LA RASTRA, S.A. DE C.V.			
1	Rosario 4	212656	239.78
2	Rosario I	221093	406.69
3	Rosario II	228255	736.18
4	La Chispera	213510	10.00
5	La Chispera II	225866	226.07
6	Potrero No. 2	195916	221.00
7	El Potrero	203534	100.00

SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The following table sets out selected financial information with respect to the Company's Consolidated Interim Financial Statements for the six-month period ended June 30, 2026. The following should be read in conjunction with the Annual Financial Statements for the years ended December 31, 2025, and 2024.

	Three months ended		Six months ended	
Summary of Operations	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	$	$	$	$
Revenue	-	-	-	-
Total expenses	3,883,929	1,472,938	7,718,049	2,948,476
Net loss for the period	(1,167,383)	(1,485,223)	(3,594,535)	(2,956,271)
Loss per share - basic	(0.00)	(0.00)	(0.01)	(0.01)
Loss per share - diluted	(0.00)	(0.00)	(0.01)	(0.01)

Balance Sheet Summary	**June 30, 2026**	**December 31, 2025**
	$	$
Current assets	27,012,378	29,990,297
Non-current assets	8,773,069	8,147,805
Total assets	35,785,447	38,138,102
Current liabilities	996,011	2,025,882
Non-current liabilities	252,551	245,014
Total liabilities	1,248,562	2,270,896
Working capital	26,016,367	27,964,415

During the six-month period ended June 30, 2026, the Company had a net loss of $3,594,535 (2025 – $2,956,271). Total expenses increased to $7,718,049 (2025 - $2,948,476), an increase of $4,769,573 or 162%. The increase in total expenses for the period ended June 30, 2026, was primarily attributed to increased exploration and drilling activity at the San Marcial Area of the Plomosas Project. Other income for the six-month period ended June 30, 2026 also includes $2,500,000 in proceeds from a key man life insurance policy in connection with the passing of the Company's founder and CEO, Márcio Fonseca.

The Company's operations for the six-month period ended June 30, 2026, were focused on the continued exploration of the San Marcial Area of its Plomosas Project in Mexico. Exploration expenditures for the six-month period ended June 30, 2026, were $4,297,689 (2025 - $947,489).

Summary of significant Balance Sheet items for the six-month period ended June 30, 2026

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

- Cash decreased to $25,997,546 (December 31, 2025 - $29,503,941), a decrease of $3,506,395, primarily due to cash used in operations of $4,916,264 offset by gross proceeds received from the exercise of warrants totalling $1,690,967.
- Cash of $4,916,264 was utilized in operating activities for operations and exploration activity.

- Value added taxes (“VAT”) receivable increased to $969,744 (December 31, 2025 - $415,534) in relation to VAT incurred in relation to exploration activities in Mexico during the period.
- Accounts payable and accrued liabilities increased to $996,011 (December 31, 2025 - $932,337) an increase of $63,674 or 7%.
- Mining concession fees payable decreased to $Nil (December 31, 2025 - $1,093,545) due to the disposition of the Company’s subsidiary which occurred on February 23, 2026.
- Reclamation obligation of $252,551 (December 31, 2025 - $245,014) increased by $7,537 due to the accretion charged for the period.

Discussion of Results – Three-Month Period Ended June 30, 2026

The Company’s net loss for the three-month period ended June 30, 2026, was $1,167,383 (2025 – $1,485,223). During the three-month period the Company’s total expenses were $3,885,145 (2025 - $1,472,938).

Significant fluctuations during the three-month period included the following:

The Company incurred concession fees of $1,754 (2025 - $33,788). Concession fees during the period were paid or accrued as follows:

	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	Total
Concession fees - June 30, 2026	-	224	1,530	1,754
Concession fees - June 30, 2025	25,729	99	7,960	33,788

Consulting of $133,240 (2025 - $27,321) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of $66,101 (2025 - $37,472) 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 $2,437,864 (2025 - $567,750) as per the table below:

	June 30 2026	June 30, 2025
	$	$
Community relations	17,689	31,512
Consulting	112	-
Drilling	1,320,787	222,758
Engineering	97,064	-
Environmental and permitting	196,319	71,744
Field	511,793	151,459
Geochemistry	-	12,324
Geological	281,365	77,953
Metallurgical	543	-
Report preparation	12,192	-
Total	2,437,864	567,750

Exploration activities during the quarter focused on continued step-out drilling, with ongoing data re-processing, geological modelling, and data integration to support continued exploration of the new targets in the vicinity of the San Marcial discovery and resource. The Company also engaged in consulting and engineering activities in relation to the potential BSTM activities at the Plomosas Mine.

Investor relations of $298,619 (2025 - $65,044) 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 $214,877 (2025 - $74,008) related to general corporate administration, insurance, office supplies, and rent. During the period the Company relocated its administrative offices and core shack from Rosario to Mexico City and Durango respectively which resulted in additional costs for the period.

Professional fees of $121,966 (2025 - $124,310) were related to audit, legal, and accounting services.

Salaries and director's fees of $390,620 (2025 - $232,730) related to salaries paid to the President and CEO, employees in Mexico, and directors' fees paid in cash. During the current period the Company made additional hires in Mexico to accelerate progress towards achieving corporate milestones.

Share-based compensation of $124,966 (2025 - $263,762) related to the grant and vesting of certain equity instruments, including stock options, deferred share units, and performance share units.

Transfer agent and filing fees of $32,045 (2025 - $22,083) related to transfer agent, TSX-V sustaining fees, OTCQX fees, and SEDAR+ filing fees. The increase was related to the Company's movement from OTCQB to OTCQX as well as additional transfer agent fees as compared to the prior period.

Accretion expense on reclamation provision was $3,818 (2025 - $6,974) in relation to obligations related to camp reclamation.

Foreign exchange gain of $68,708 (2025 – $28,885 loss) 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 $138,058 (2025 – $4,168) related to interest paid or accrued in relation to deposits held in guaranteed investment certificates.

Other income of $2,516,855 (2025 – $19,406) includes $2,500,000 in proceeds from a key man life insurance policy in connection with the passing of the Company's founder and CEO, Márcio Fonseca. Other income also includes the rental of the Company's equipment in Mexico and other miscellaneous non-recurring items.

<u>Discussion of Results – Six-Month Period Ended June 30, 2026</u>

The Company's net loss for the six-month period ended June 30, 2026, was $3,594,535 (2025 – $2,956,271). During the period the Company's total expenses were $7,719,265 (2025 - $2,948,476).

Significant fluctuations during the six-month period included the following:

The Company incurred concession fees of $374,068 (2025 - $325,485). Concession fees during the period were paid or accrued as follows:

	Goldplay concessions Mexico	San Marcial Mexico	Plomosas Mexico	Total
Concession fees - June 30, 2026	196,601	22,721	154,746	374,068
Concession fees - June 30, 2025	155,757	19,891	149,837	325,485

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. Accordingly, the accrued concession fees related to Goldplay will not be paid by the Company.

Consulting of $236,685 (2025 - $70,264) related to fees for accounting, project investigation, and other operational services from independent contractors.

Depreciation of $116,224 (2025 - $83,436) 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 $4,297,689 (2025 - $947,489) as per the table below:

	June 30 2026	June 30, 2025
	$	$
Community relations	33,944	58,149
Consulting	11,360	-
Drilling	2,524,624	345,540
Engineering	189,330	-
Environmental and permitting	239,550	71,744
Field	773,809	253,444
Geochemistry	-	12,324
Geological	422,624	206,288
Metallurgical	19,940	-
Report preparation	82,508	-
Total	4,297,689	947,489

Exploration activities during the period focused on continued step-out drilling, with ongoing data re-processing, geological modelling, and data integration to support continued exploration of the new targets in the vicinity of the San Marcial discovery and resource. The Company also engaged in consulting and engineering activities in relation to the potential BSTM activities at the Plomosas Mine.

Investor relations of $579,031 (2025 - $187,450) 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 $427,566 (2025 - $158,335) related to general corporate administration, insurance, office supplies, and rent. During the period the Company relocated its administrative offices and core shack from Rosario to Mexico City and Durango respectively which resulted in additional costs for the period.

Professional fees of $213,440 (2025 - $211,287) were related to audit, legal, and accounting services.

Salaries and director’s fees of $780,380 (2025 - $231,387) related to salaries paid to the President and CEO, former CEO, employees in Mexico, and directors’ fees paid in cash. During the current period the Company made additional hires in Mexico to accelerate progress towards achieving corporate milestones.

Share-based compensation of $518,759 (2025 - $406,101) 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 $79,074 (2025 - $46,046) related to transfer agent, TSX-V sustaining fees, OTCQX fees, and SEDAR+ filing fees. The increase was related to the Company’s movement from OTCQB to OTCQX as well as additional transfer agent fees as compared to the prior period.

Accretion expense on reclamation provision was $7,537 (2025 - $6,974) in relation to obligations related to camp reclamation.

Foreign exchange gain of $11,266 (2025 – $44,955 loss) 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 $298,379 (2025 – $5,750) related to interest paid or accrued in relation to deposits held in guaranteed investment certificates.

During the period, 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 recognized a gain on disposition of $1,307,808 which primarily related to mining concession fees payable on the non-core Goldplay concessions.

Other income of $2,516,855 (2025 – $38,384) includes $2,500,000 in proceeds from a key man life insurance policy in connection with the passing of the Company's founder and CEO, Márcio Fonseca. Other income also includes the rental of the Company's equipment in Mexico and other miscellaneous non-recurring items.

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 June 30, 2026, the Company had a working capital of $26,016,367 (December 31, 2025 – $27,964,415).

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 recognized a gain on disposition of $1,307,808 which primarily related to mining concession fees payable on the non-core Goldplay concessions, which are no longer payable by the Company.

During the six-month period ended June 30, 2026, the Company completed the following equity transactions:

- Raised $1,690,967 from the exercise of 7,636,924 warrants with an average exercise price of $0.22 per warrant.
- Raised $59,750 from the exercise of 320,000 stock options with an average price of $0.19 per option.

Subsequent to June 30, 2026, and to the date of this MD&A:

- Raised $85,470 from the exercise of 388,500 warrants with an exercise price of $0.22 per warrant.

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

Net cash provided by (used in)	**June 30, 2026**	**June 30, 2025**
	$	$
Operating activities	(4,916,299)	(2,525,614)
Investing activities	(187,984)	(10,596)
Financing activities	1,597,888	3,496,995
Cash, beginning	29,503,941	1,162,255
Cash, end	25,997,546	2,123,040

Update on Prior Use of Proceeds Disclosure:

On August 13, 2025, the Company closed an underwritten private placement of 69,000,000 units at a price of $0.20 per unit raising gross proceeds of $13,800,000. The table below provides the disclosure the Company previously made about how it was going to use proceeds from the financing, an explanation of variances and the impact of the variances, if any, on the Company's ability to achieve its business objectives and milestones.

Use of Proceeds	Initial Estimated Amount - $	Actual Amount - $	Explanation of Variances and Impact
San Marcial Step-Out Drilling	4,065,000	3,875,225	Approximately 10 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Plomosas Mine bulk sample test mining program	4,630,000	1,334,911	Approximately 10 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Working capital and general corporate purposes	4,867,000	3,480,781	Approximately 10 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Total	13,562,000	8,690,917	

On December 17, 2025, the Company closed an underwritten private placement of 66,666,832 units at a price of $0.30 per unit raising gross proceeds of $20,000,050. The table below provides the disclosure the Company previously made about how it was going to use proceeds from the financing, an explanation of variances and the impact of the variances, if any, on the Company's ability to achieve its business objectives and milestones.

Use of Proceeds	Initial Estimated Amount - $	Actual Amount - $	Explanation of Variances and Impact
San Marcial Step-Out Drilling	14,576,000	3,425,397	Approximately 6 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Plomosas Mine bulk sample test mining program	5,185,000	1,049,759	Approximately 6 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Working capital and general corporate purposes	9,087,049	2,411,309	Approximately 6 months of actual expenditures are included in the actual amount spent since closing of the financing. There was no impact on the Company's ability to achieve its objectives and milestones.
Total	28,848,049	6,886,465	

SUMMARY OF QUARTERLY RESULTS

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

	June 30, 2026	March 31, 2026	December 31 2025	September 30, 2025
	$	$	$	$
Revenue	-	-	-	-
Net loss	(1,167,383)	(2,427,152)	(2,500,103)	(2,902,678)
Loss per share - basic	(0.00)	(0.01)	(0.01)	(0.01)
Loss per share - diluted	(0.00)	(0.01)	(0.01)	(0.01)
Total assets	35,785,447	36,636,163	38,138,102	20,966,292
Working capital	26,016,367	27,332,682	27,964,415	11,234,321

	June 30, 2025	March 31, 2025	December 31 2024	September 30, 2024
	$	$	$	$
Revenue	-	-	-	-
Net income (loss)	(1,485,223)	(1,471,048)	(1,339,307)	25,735,963
Earnings (loss) per share - basic	(0.00)	(0.00)	(0.02)	0.08
Earnings (loss) per share - diluted	(0.00)	(0.00)	(0.02)	0.07
Total assets	10,525,242	10,259,903	9,720,304	11,116,943
Working capital (deficiency)	981,010	496,694	34,152	635,851

During the quarter ended June 30, 2026, the Company recorded a net loss of $1,167,383. During the quarter, the Company’s total expenses were $3,883,929. The most significant items were consulting fees of $133,240, exploration expenditures of $2,437,864, investor relations of $298,619, office of $214,877, professional fees of $121,966, salaries and benefits of $390,620, and share-based compensation of $124,911. The Company also recorded other income of $2,516,855, including $2,500,000 in proceeds from a key man life insurance policy in connection with the passing of the Company’s founder and CEO, Márcio Fonseca.

During the quarter ended March 31, 2026, the Company recorded a net loss of $2,427,152. During the quarter, the Company’s total expenses were $3,834,120. The most significant items were concession fees of $372,314, consulting fees of $103,445, exploration expenditures of $1,859,825, investor relations of $280,412, office of $212,689, professional fees of $91,474, salaries and benefits of $389,760, and share-based compensation of $393,848. The Company also recorded a gain on disposition of Goldplay de Mexico S.A. de C.V. of $1,307,808.

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 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.

RELATED PARTY TRANSACTIONS

Key management personnel compensation for the periods ended was:

Key management personnel compensation	June 30, 2026	June 30, 2025
	$	$
Salaries	218,726	257,100
Consulting	110,000	43,500
Directors' fees	60,000	-
Share-based compensation	334,139	290,929
Total	722,865	591,529

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 June 30, 2026, was $8,412 (December 31, 2025 - $66,025) in salaries and consulting fees owing to related parties.

SHARE CAPITAL

Details of the Company’s capitalization are as follows:

	June 30, 2026	**Date of MD&A**
Common shares	509,365,533	512,158,013
Warrants	115,415,657	114,710,888
Stock options	9,938,334	9,238,334
DSUs	684,532	684,532
PSUs	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 period ended June 30, 2026, and the year ended December 31, 2025, the Company did not enter any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under “Related Party Transactions”.
2. During the period ended June 30, 2026, and the year ended December 31, 2025, officers of the Company were paid for their services as officers by the Company as noted above under “Related Party Transactions”.
3. During the period ended June 30, 2026, and the year ended December 31, 2025, 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:

	Period ended June 30, 2026	Year ended December 31, 2025	Year ended December 31, 2024
	$	$	$
Exploration and evaluation assets or expenditures	4,297,689	3,289,985	1,490,209
Expensed research and development	-	-	-
Intangible assets arising from development	-	-	-
General and administrative expenses	427,566	364,592	322,533
Other material costs expensed or recognized as assets	(943,442)	4,804,594	(21,097,585)
Total	3,781,813	8,459,171	(19,284,843)

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 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 condensed interim consolidated financial statements for the six-month period ended June 30, 2026.

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.

FORWARD-LOOKING STATEMENTS

This MD&A 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 MD&A. 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 MD&A.

ADDITIONAL SOURCES OF INFORMATION

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