



Guanajuato
Silver CO
LTD

Management's Discussion and Analysis

For the three months ended March 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Guanajuato Silver Company Ltd. ("GSilver" or the "Company"), for the three months ended March 31, 2026, and the related notes contained therein (the "Financial Statements") which were prepared in accordance with International Accounting Standard No 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Company's audited consolidated financials statements for the year ended December 31, 2025. The Company uses certain non-IFRS financial measures in this MD&A as described under "Non-IFRS Measures". Additional information relating to the Company, including the most recently filed Annual Information Form (the "Annual Information Form"), is available on SEDAR at www.sedarplus.ca. All amounts are expressed in thousands of United States ("US") dollars unless otherwise stated. Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences. This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained therein. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of May 26, 2026, unless otherwise stated.

QUALIFIED PERSON

The scientific and technical information contained in this MD&A relating to the Company's mines and mineral projects has been reviewed and approved by William Gehlen, Director of the Company. Mr. Gehlen is a Certified Professional Geologist with the American Institute of Professional Geologists (No. 10626) and a Qualified Person with the meaning of National Instrument 43-101, "Standards for Disclosure of Mineral Projects."

Mr. Gehlen has reviewed and verified technical data disclosed in this MD&A and has not detected any significant QA/QC issues during review of the data and is not aware of any sampling, recovery or other factors that could materially affect the accuracy or reliability of the drilling data referred to herein. The verification of data underlying the disclosed information includes reviewing compiled assay data; QA/QC performance of blank samples, duplicates and certified reference materials; and grade calculation formulas.

FORWARD-LOOKING STATEMENTS

Certain sections of this MD&A contain forward-looking statements and forward-looking information within the meaning of applicable securities legislation. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company's future financial condition, results of operations, plans, budgets, objectives, performance or business developments including, among other things, cash flow forecasts, disclosure regarding policy, potential acquisitions, mining operations, production forecasts, exploration and work programs, permitting and drilling plans and the timing thereof, the performance characteristics of the Company's mining projects including production rates, quantity and grades of metals produced and revenue derived therefrom, development and exploration programs and anticipated results thereof, projections of market prices and costs, supply and demand for gold, silver and other precious or base metals, expectations regarding the ability to raise capital and to acquire mineral resources or mineral reserves through acquisitions or development, treatment under governmental regulatory regimes and tax laws, anticipated results and impacts of litigation, and capital expenditure programs, the timing and methods of financing thereof, the Company's plans and objectives with respect to Bolañitos, and other statements regarding future plans, expectations, guidance, projections, objectives, estimates and forecasts. Forward-looking statements and forward-looking information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions, natural disasters, wars, invasions or other armed conflicts, a global pandemic or otherwise; (2) permitting, access, production, development and exploration at the Company's mining projects (including, without limitation, land acquisitions) being consistent with the Company's current expectations; (3) the Company's assessment and interpretation of potential geological structures and mineralization including estimates of the location, quantity and grade of mineral resources and mineralized material at its mining properties being accurate in all material respects; (4) the sufficiency of the Company's current working capital to successfully ramp-up production of concentrate from the Company's Valenciana, San Ignacio and Topia mines in accordance with the Company's budgeted costs, timing and expectations (5) the ability of the Company to successfully integrate Bolañitos into its existing operations on a basis consistent with the Company's current expectations including the availability of excess processing and tailings capacity at CMC; (6) the ability of the Company to execute its contract mining strategy at the Topia mine and processing plant; (7) actual production rates, quantity and grade of metals, and revenue derived from, and capital and operating costs of, its mining projects being consistent with current expectations; (8) certain price assumptions for gold, silver, zinc, lead and other metals; (9) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (10) the ability of the Company to generate positive cash flow from operations and the timing thereof, (11)



labor and materials costs increasing on a basis consistent with the Company's current expectations; (12) the availability and timing of additional financing being consistent with the Company's current expectations; (13) the Company's ability to obtain regulatory approvals and permits in a timely manner and on terms consistent with current expectations; (14) political developments in Mexico including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company's current expectations; (15) the exchange rate between the Canadian dollar and the U.S. dollar or between the U.S. dollar and the Mexican Peso being approximately consistent with current levels; (16) key personnel will continue their employment with the Company and the Company will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost efficient manner; and (17) the absence of any material adverse effects arising as a result of political instability, tariffs, wars, terrorism, sabotage, vandalism, theft, labor disputes, natural disasters, adverse weather and climate related events, equipment failures, elevated inflation and interest rates, adverse changes in government legislation or the socio-economic conditions affecting the Company's mining projects or the mining industry in general.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of gold, silver, zinc, lead or other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Mexico, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration, development and production activities; employee relations; the speculative nature of silver and gold exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of mineral resources or mineral reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; the impact of tariffs; and contests over title to properties, particularly title to undeveloped properties and the ability of the Company to accomplish its plans and objectives with respect to Bolañitos within the expected timing. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and silver, gold and other metals concentrate losses including theft (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). See also "Risks and Uncertainties" herein. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There is also uncertainty about the implications of any global pandemic that may occur, ongoing global conflicts, inflation, higher interest rates, and the impact they will have on the Company's operations, personnel, supply chains, ability to access properties or procure exploration equipment, contractors, and other personnel on a timely basis or at all and economic activity in general. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in the Company's other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements and the Annual Information Form. These factors are not intended to represent a complete list of the factors that could affect the Company, and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward-looking statements and forward-looking information contained herein are based on information available as of the date of this MD&A.



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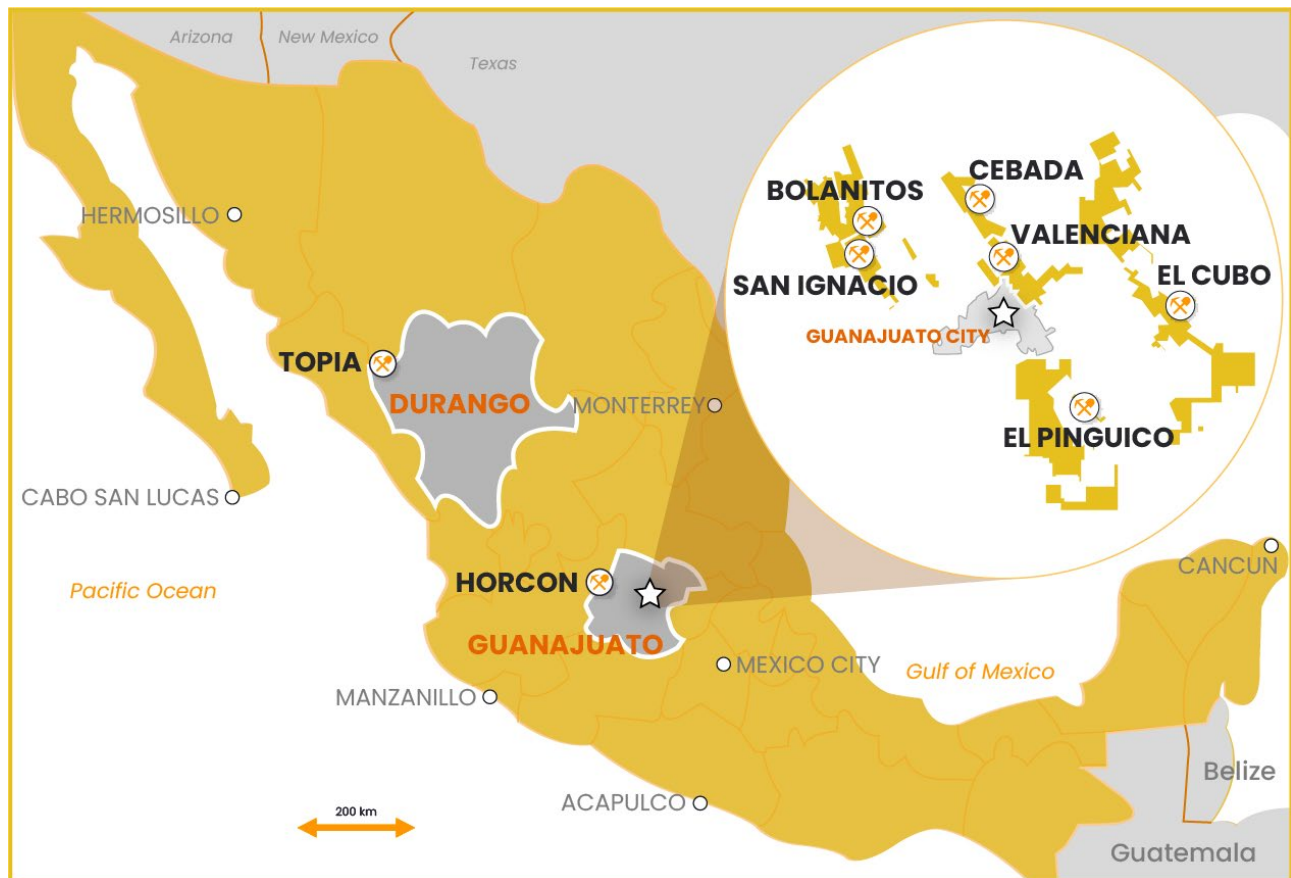


COMPANY HISTORY, OVERVIEW & STRATEGY

Guanajuato Silver ("GSilver") is a growing precious metals producer; at the start of the first quarter of fiscal 2026, the Company was operating four silver mines in Central Mexico. In the state of Guanajuato, the Company produces silver and gold from the El Cubo Mines Complex, the Valenciana Mines Complex ("VMC") and the San Ignacio Mine; the Company also produces silver, gold, lead and zinc from the Topia Mines Complex located in Durango, Mexico. On January 15, 2026, the Company completed the acquisition of Bolañitos gold-silver mine ("Bolañitos"), which is also located in Guanajuato, and sits adjacent to San Ignacio Mine. Because of this transaction, the Company now operates five mines in Central Mexico.

The Company was incorporated under the *Business Corporations Act* of British Columbia in 1978 and is a publicly traded company on the TSX Venture Exchange ("TSXV") and quoted on the OTCQX over-the-counter market in the USA under the symbol "GSVRF". The Company's head office, as well as its registered and records offices, is located at Suite 578 – 999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

The Company's focus is to develop mining operations within central Mexico through the advancement of its existing mineral concessions and through acquisition of additional operations and mineral resources and reserves.



General location of the Company's mines

Going concern

For the three months ended March 31, 2026, the Company generated net income of \$5,701. However, as at March 31, 2026, the Company has an accumulated deficit of \$157,267 and has significant accounts payable and accrued liabilities and provisions for legal contingencies totaling \$40,991. These factors give rise to material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management has taken steps to manage the Company's liquidity, including extending payment terms with suppliers and settling certain liabilities through the issuance of the Company's common shares. However, Management may be required to raise additional capital and is considering new debt financing and is also considering raising additional equity financing. The Company has an active At-The-Market ("ATM") equity offering program. Under this program, the Company may, from time to time, issue and sell common shares in accordance with the terms of the ATM. The continuing operations of the Company are dependent in the near-term on its ability to obtain additional financing and in the longer-term on a combination of additional financing and the generation of cash flows from operations. Management is of the opinion that sufficient funds will be obtained from external financing and cash flows from operations to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing or cash flows from operations will not be available on a timely basis or on terms acceptable to the Company.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a responsible mining company, GSilver understands the significance of Environmental, Social, and Governance (“ESG”) factors in the Company’s mining operations. The Company pledges to conduct its business sustainably and conscientiously, striving to generate long-term value for its shareholders while minimizing any adverse impact on the environment and society. GSilver’s management firmly believes that responsible mining is both a moral obligation and a business necessity. Consequently, the Company endeavors to adhere to high ethical and compliance standards, ensuring that it operates transparently and with integrity. GSilver’s commitment to ESG values is not only fundamental to its business strategy but also critical to securing the trust and support of its customers, investors, employees, and communities where the Company operates. The Company’s core areas of focus are outlined below; alongside tangible actions it is taking to accomplish and maintain these objectives.

Health and Safety 	Ethics and Governance 	Environmental Impact 	People, Community and Culture 
<ul style="list-style-type: none"> • Breast Cancer Prevention Program in Local Communities in Coordination with the Health Ministry • Support 2 health clinics adjacent to Cubo and Valenciana • Health and Environment Programs for our personnel • Water not intended for human consumption was provided to several local communities 	<ul style="list-style-type: none"> • “Joint efforts” program with local and state governments: roads, infrastructure, transportation, etc. • Code of Ethics and Business Conduct, Whistleblower and Anti-Bribery and Anti-Corruption policies in place • Code of Prevention, Safety, Health and Sustainability policy 	<ul style="list-style-type: none"> • Ongoing reforestation and refuse cleanup campaigns • Synergy with local authorities to fix waste management at our operations • Implementing a hydraulic backfill procedure that will have an immediate positive environmental impact at VMC • Implementing drystack tailings at El Cubo • Implementation of Environmental Training Programs in Community Schools 	<ul style="list-style-type: none"> • 14% of the entire Mexican operations workforce are female • 99.9% of our Mexico operations are staffed by Mexican employees (1474 as of March 31st, 2026) • Engagement and collaboration with the University of Guanajuato, including an internship and social service program • Improvement of local community buildings, homes and schools and technology access. Monthly clean up brigades • Curator of the Guanajuato Mining Museum at Valenciana. A key component of Guanajuato’s UNESCO World Heritage Status



ACQUISITION OF BOLAÑITOS

The Company entered into a definitive agreement (the “Bolañitos Agreement”) dated November 21, 2025 to acquire the Bolañitos gold-silver mine (“Bolañitos”) located in Guanajuato, Mexico, from Endeavour Silver Corp. (TSX:EDR) (“Endeavour”) for total consideration of up to \$50 million (the “Bolañitos Transaction”), consisting of (i) upfront consideration of \$40 million that was paid in combination of cash and common shares on closing and (ii) contingent consideration of \$10 million; the Bolañitos Transaction closed on January 15, 2026.

Transaction Terms

GSilver acquired all of the outstanding shares of Minera Bolañitos S.A. de C.V., a subsidiary of Endeavour, that holds all the mining assets located in the Guanajuato district currently held by Endeavour. Bolañitos is being acquired for total upfront consideration at closing of US\$40 million (the “Upfront Consideration”), which is comprised of US\$30 million in cash and 36,908,363 of GSilver common shares (“Guanajuato Shares”) at a deemed price of US\$0.2709413 (Cdn\$0.3815) per share for a total value of US\$10 million. The value of the Guanajuato Shares upon closing was US\$20,182 (CAD\$28,182). In addition to the Upfront Consideration, GSilver will make two contingent payments to Endeavour (the “Contingent Payments”), each being US\$5 million, upon achieving production of two million ounces of silver-equivalent and four million ounces of silver-equivalent, respectively. Each Contingent Payment will be satisfied 50% in cash and 50% in Guanajuato Shares (“Contingent Shares”), subject to the Maximum Percentage (as defined below).

The number of Contingent Shares issuable to Endeavour is subject to a maximum ownership percentage of 9.9% (the “Maximum Percentage”). If the issuance of Contingent Shares would result in Endeavour holding more than the Maximum Percentage, the value of any excess contingent payment amount (after issuing shares up to 9.9%) shall be payable in cash.

Any Contingent Shares shall be issued at a price (the “Contingent Share Issue Price”) equal to the greater of (i) the volume weighted average trading price of the shares (“VWAP”) on the TSXV for the 10 consecutive trading days immediately preceding the applicable milestone payment date (the “Market Price”) converted to United States dollars using the average exchange rate posted by the Bank of Canada on the day preceding the applicable milestone payment date, and (ii) the minimum price permitted by the TSXV (which is US\$0.18909). The maximum number of Contingent Shares issuable for all Contingent Payments is 26,442,434 shares. Any additional Contingent Shares will be subject to the prior approval of the TSXV. If applicable, GSilver will make a cash payment to Endeavour equal to any shortfall between the aggregate Contingent Share Issue Price and the Market Price, at the time of each Contingent Payment.

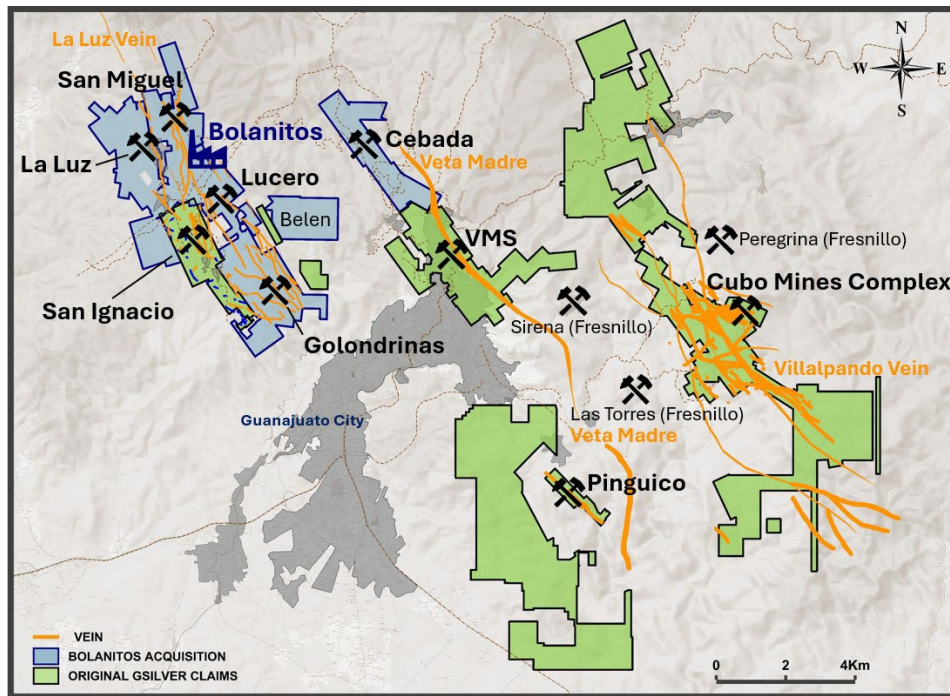
In connection with the Bolañitos Transaction, Endeavour and GSilver entered into an investor rights agreement (the “Investor Rights Agreement”) which includes, among other things, participation rights in favour of Endeavour. Pursuant to the Investor Rights Agreement, Endeavour has also agreed to vote its Common Shares in accordance with recommendations of the Company’s board of directors in respect of general matters for a period of 12 months and to certain restrictions on transfer on the Common Shares issued on closing. All Common Shares issued on closing are subject to voluntary restrictions on transfer for a period of 12 months, after which 50% of the Common Shares will be subject to restrictions for an additional two years. The Common Shares are also subject to a statutory hold period that expires on May 16, 2026.

The Bolañitos Transaction is arm’s length and no finder’s fees were paid in connection with the Bolañitos Transaction.

Bolañitos Property Details

Bolañitos consists of 29 mining concessions totaling 3,046 hectares. Bolañitos is the Company’s fifth producing precious metals mine in Mexico. As Bolañitos is adjacent to the Company’s San Ignacio mine, the Bolañitos Transaction will allow for the incorporation of material produced from the San Ignacio Mine into the Bolañitos mines complex expecting to generate improved economics and expanded mine life. Mineralized material mined at San Ignacio will now be transported to the nearby 1,600 tonne per day Bolañitos flotation plant. The map below shows the location of Bolañitos relative to three of the existing mines of the Company, which are shaded in green.





2025 production at Bolañitos totaled 1,829,957 silver-equivalent (AgEq) ounces from 393,940 tonnes grading 57 g/t silver and 1.37 g/t gold for 608,388 ounces of silver and 15,270 ounces of gold. Silver and gold recoveries were 84.0% and 87.9% respectively. AgEq was calculated at 80:1 silver to gold ratio (see Endeavour MD&A for the year ended December 31, 2025). Production at Bolañitos has been relatively consistent for several years and will add incrementally to the Company's total annual production.

Table 1: Historic Bolañitos production from 2021-2025. Source: See Endeavour Management's Discussion & Analysis for the Years Ended December 31, 2025, December 31, 2024, December 31, 2023, December 31, 2022, and December 31, 2021, filed by Endeavour on SEDAR+.

Historic Bolañitos Production					
	2025	2024	2023	2022	2021
Silver production (oz)	608,388	452,627	567,466	622,892	491,212
Gold production (oz)	15,270	25,230	22,903	21,813	24,652
Silver-Equivalent* production (oz)	1,829,957	2,471,027	2,399,706	2,367,932	2,463,572
Ore processed (t)	393,940	427,646	44,973	422,239	418,514
Silver grade / gold grade (g/t)	57 / 1.37	39 / 1.98	47 / 1.82	52 / 1.77	42 / 2.02

*80:1 Silver:Gold ratio

The Company has filed a National Instrument 43-101 Technical Report (the "Bolañitos Report"). The Bolañitos Report was prepared by Hard Rock Consulting, LLC, with an effective date of March 19, 2026, and supports the disclosure made by the Company in its news releases dated November 24, 2025, and January 15, 2026. The Bolañitos Report has been filed under the Company's SEDAR+ profile and can be viewed at sedarplus.ca.

Mineral Reserve Estimate



Table 1: Mineral Reserve Estimate, Effective Date December 31st, 2025

Classification	Mine Area	Tonnes (kt)	Diluted Grades			Contained Metal		
			Ag (g/t)	Au (g/t)	AgEq (g/t)	Ag (koz)	Au (koz)	AgEq (koz)
Proven	La Luz	39.4	50	1.53	188	63.7	1.9	238.4
	Lucero	5.9	83	1.12	184	15.8	0.2	35.0
	San Miguel	12.8	55	1.75	212	22.5	0.7	87.3
Proven Total		58.2	55	1.54	193	102.0	2.9	360.7
Probable	La Luz	75.0	118	1.05	213	285.2	2.5	513.4
	Lucero	192.4	64	1.04	157	395.4	6.4	973.7
	San Miguel	63.2	62	1.40	188	126.2	2.9	382.7
Probable Total		330.6	76	1.11	176	806.9	11.8	1,869.8
Total Proven and Probable Reserves		388.7	73	1.17	178	908.8	14.7	2,230.5

Notes to accompany Mineral Reserves table:

- The effective date of the diluted Mineral Reserves estimate is December 31, 2025. The Qualified Person for the estimate, Mr. Jeffery Choquette, PE, of Hard Rock Consulting, LLC, is independent of Guanajuato Silver Company Ltd.
- Mineral Reserves are reported at the point of delivery to the process plant using the 2014 CIM Definition Standards.
- A 134 g/t AgEq cut-off is used for reporting the Mineral Reserves at La Luz and San Miguel and a 135 g/t AgEq cut-off is used for reporting Mineral Reserves at Lucero.
- Cut-off grade calculations are based on an average mining cost of \$US51.91/t, a processing cost of \$US26.28/t, a G&A cost of \$US15.93/t, a non-deductible of \$US0.44/t, and a 1% NSR Government Royalty.
- Metallurgical recoveries for cut-off grade calculations were 85.3% for silver and 90.1% for gold.
- Price assumptions are \$US30.00 per troy ounce for silver and \$US2,550.00 per troy ounce for gold for resource cut-off calculations.
- Silver equivalents are based on a 90:1 silver to gold price ratio using the following formula: $AgEq = Ag + (Au * Equivalent\ Factor)$ where $Equivalent\ Factor = ((Au\ price * Au\ Recovery) / (Ag\ price * Ag\ Recovery))$.
- A combined internal and external dilution factor of 66% was factored into the Mineral Reserves estimates along with a 91.6% ore loss factor.
- Tonnage and grade estimates are in metric units.
- Mineral Reserve tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

Mineral Resource Estimate

Table 2: Mineral Resource Estimate, Effective Date December 31st, 2025

Classification	Tonnes	Grade			Metal Content		
		Ag (g/t)	Au (g/t)	AgEq (g/t)	Ag (oz)	Au (oz)	AgEq (oz)
Measured	45,000	114	2.5	335	165,000	4,000	487,000
Indicated	938,000	105	2.3	310	3,167,000	69,000	9,352,000
Measured & indicated	983,000	105	2.3	311	3,332,000	73,000	9,839,000
Inferred	1,021,000	126	2.0	310	4,130,000	67,000	10,185,000

- The effective date of the undiluted in-situ Mineral Resource estimate is December 31, 2025. The Qualified Person for the estimate, Mr. Richard A. Schwering, SME-RM of Hard Rock Consulting, LLC, is independent of Guanajuato Silver Company Ltd.
- Mineral Resources are reported exclusive of Mineral Reserves.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any or all part of the mineral resources will be converted into mineral reserves.
- Inferred Mineral Resources are that part of a mineral resource for which the grade or quality are estimated on the basis of limited geological evidence and sampling. Inferred Mineral Resources do not have demonstrated economic viability and may not be converted to a Mineral Reserve. It is reasonably expected, though not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- Mineral Resources are reported using multiple silver equivalent cut-offs based on production area. silver equivalent cut-off grades are 134 g/t for veins located in the La Luz and San Miguel production areas, 135 g/t for veins located in the Lucero production area, 140 g/t for the remaining veins at Bolafitos.
- Cut-off grade calculations are based on an average mining cost of US \$51.91/t, a processing cost of US \$26.28/t, a G&A cost of US \$15.93/t, a non-deductible of US \$0.44/t, and a 1%NSR Government Royalty.
- Metallurgical recoveries for cut-off grade calculations were 85.3% for silver and 90.1% for gold.
- Price assumptions are US \$30.00 per troy ounce for silver and US \$2,550.00 per troy ounce for gold for resource cut-off calculations.
- Silver equivalents are based on a 90:1 silver to gold price ratio calculated using the following formula: $AgEq = Ag + (Au * Equivalent\ Factor)$ where $Equivalent\ Factor = ((Au\ price * Au\ Recovery) / (Ag\ price * Ag\ Recovery))$.
- Rounding may result in apparent differences when summing tonnes, grade and contained metal content. Tonnage and grade measurements are in metric units. Grades are reported in grams per tonne (g/t). Contained metal is reported as troy ounces (oz)



Additional information regarding the Bolañitos mine project can be found in the technical report dated April 23, 2026 (effective date March 19, 2026) titled "NI 43-101 Technical Report: Updated Mineral Resource and Reserve Estimates for the Bolañitos Project, Guanajuato State, Mexico" and prepared by Mr. Richard A. Schwering, SME-RM, P.G., Jeffery Choquette, P.E., Brian Arthur, SME-RM., each employees or contractors of Hard Rock Consulting, LLC and Douglas Grant Feasby, P. Eng. Of P&E Mining Consultants Inc., which is available on SEDAR+ at www.sedarplus.ca.

The scientific and technical information set out under the heading "Mineral Resources Estimate" has been reviewed and approved by Richard A. Schwering, SME-RM, P.G. an employee of Hard Rock Consulting, LLC and a Qualified Person as defined by National Instrument 43-101. Mr. Schwering is independent of the Company.

The scientific and technical information set out under the heading "Mineral Reserve Estimate" has been reviewed and approved by Jeffery Choquette, P.E. an employee of Hard Rock Consulting, LLC and a Qualified Person as defined by National Instrument 43-101. Mr. Choquette is independent of the Company.



OPERATIONAL AND DEVELOPMENT ACTIVITIES

During the first quarter of 2026, the Company continued to advance operational improvement initiatives across its mines and processing facilities, while continuing with the integration of the newly acquired Bolañitos mine.

Consolidated	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Tonnes Milled	122,471	128,060	(4%)
Total silver ounces produced	339,104	380,406	(11%)
Total gold ounces produced	4,295	3,347	28%
Total lead pounds produced	815,100	699,294	17%
Total zinc pounds produced	921,516	909,029	1%
Silver equivalent ounces produced ⁽¹⁾	616,445	738,006	(16%)
Total production cost (\$ thousands)	25,144	13,983	80%
Production cost per tonne (\$) ⁽⁴⁾	205.31	109.19	88%
Cash cost per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	41.57	19.19	117%
AISC per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	53.43	23.41	128%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

Consolidated plant throughput for the quarter was 122,471 tonnes, a 4% decrease from 128,060 tonnes in the first quarter of 2025. The decrease was primarily due to a reduction in production at Valenciana, lower tailings reprocessing at El Cubo, and a reduction in third party mineralized material at El Cubo; partially offset by the addition of Bolañitos. The first quarter declines in tonnes at El Cubo and Valenciana were partially due to increased focus on controlling dilution to improve head grades, particularly at Valenciana, where the Cata plant was placed on care and maintenance and mineralized material was transported to El Cubo for processing. During the first quarter of 2026, total production amounted to 616,445 ounces of silver equivalent.

Silver production during the first quarter of 2026 was 339,104 ounces, 11% lower than 380,406 ounce in the same quarter of 2025. The decrease in production was primarily due to lower production at El Cubo and Valenciana; partially offset by the addition of Bolañitos to the portfolio. Reductions at El Cubo included decreased production from mining operations, a decrease in third party processed material, and a decrease in tailings reprocessing.

Gold production for the first quarter of 2026 totaled 4,295 ounces, 28% higher than 3,347 ounces in the same quarter of 2025, which was driven by the addition of Bolañitos; partially offset by lower production at El Cubo due to the reduction of third party mineralized material, a reduction of tailings reprocessing at El Cubo, and lower production at Valenciana.

Base metal production for the first quarter of 2026 totalled 815,100 pounds of lead and 921,516 pounds of zinc, increases of 17% and 1%, respectively, from the same quarter of 2025. The increases were attributed to higher grades at Topia.

Production cost during the quarter was \$25,144, an 80% increase from \$13,983 from the first quarter of 2025. The increase was primarily attributed to the addition of Bolañitos to the portfolio. Production cost per tonne in Q1 2026 was \$205.31, approximately 88% higher than \$109.19 in Q1 2025. The addition was primarily due to higher commodity prices, increased mining duties, increased infill drilling at the operations, lower availability of third-party material, and lower productivity in GSilver's operations. Cash cost per silver equivalent ounce was \$41.57 in Q1 2026, representing a 117% increase from \$19.19 in Q1 2025. The increase was due to higher production costs and lower amounts of produced silver. Consolidated All-in Sustaining Cash Cost per silver equivalent ounce in Q1 2026 was \$53.43 per ounce, 128% higher than \$23.41 in Q1 2025.

(Cash cost per silver equivalent and AISC per AgEq ounce and production cost per tonne are non-IFRS financial measures with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30).



Bolañitos Mine

	Three Months Ended		% Change
	March 31, 2026	March 31, 2025	
Tonnes Milled	61,849	-	100%
Average silver grade (g/t)	41.86	-	100%
Silver recovery (%)	87.6	-	100%
Total silver ounces produced	72,897	-	100%
Average gold grade (g/t)	1.36	-	100%
Gold recovery (%)	90.0	-	100%
Total gold ounces produced	2,428	-	100%
Silver equivalent ounces produced ⁽¹⁾	214,567	-	100%
Total production cost (\$ thousands)	8,195	-	100%
Production cost per tonne (\$) ⁽⁴⁾	132.51	-	100%
Cash costs per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	38.97	-	100%
AISC cost per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	44.95	-	100%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

During the three months ended March 31, 2026, 61,849 tonnes of mineralized material from Bolañitos were processed. GSilver began recording production at Bolañitos from January 15, 2026, following the acquisition of the mine. Tonnes processed at Bolañitos were negatively affected in February as two bolters were out of service for required maintenance. The bolters were recommissioned in late March, and subsequent to the quarter, an additional leased bolter was added to the fleet. An additional third-party miner was contracted during the quarter (arrival in late April) to assist in adding capital development.

Silver production was 72,897 ounces during Q1 2026, with average silver grade and recovery 41.86 g/t and 87.6%. Based on the silver grades processed during Q1, recoveries were in line with expectations.

Gold production during Q1 2026 totaled 2,428 ounces with average gold grade and recovery during the quarter at 1.36 g/t and 90%. Based on the gold grades processed during Q1, recoveries were in line with expectations.

Production cost during the quarter was \$8,195. Production cost per tonne in Q1 2026 was \$132.51. Cash cost and all-in Sustaining Cost per silver equivalent ounce in Q1 2026 was \$38.97 and \$44.95, respectively



El Cubo Mine Complex (CMC)

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Tonnes Milled	29,769	68,296	(56%)
Average silver grade (g/t)	84.94	82.00	4%
Silver recovery (%)	77.8	71.7	8%
Total silver ounces produced	63,263	129,171	(51%)
Average gold grade (g/t)	1.19	1.01	17%
Gold recovery (%)	82.7	80.3	3%
Total gold ounces produced	942	1,786	(47%)
Silver equivalent ounces produced ⁽¹⁾	118,184	289,378	(59%)
Total production cost (\$ thousands)	4,169	4,497	(7%)
Production cost per tonne (\$) ⁽⁴⁾	140.06	65.84	113%
Cash cost per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	35.93	15.90	126%
AISC per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	44.52	17.82	150%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

During the three months ended March 31, 2026, 29,769 tonnes of material from El Cubo were processed, 56% lower than the 68,296 tonnes processed in the same quarter of 2025. The decrease was primarily related to a decrease in available stopes due to a lack of development in 2026, a reduction in processing of Mastrantos IV tailings material, and the elimination of third-party materials during the quarter. During the quarter the Company contracted a third-party to complete capital development activities within the mine to increase stope availability in H2 2026.

Silver production was 63,263 ounces during Q1 2026, down 51% from 129,171 ounces in Q1 2025. The average silver grade and recovery during the quarter was 84.94 g/t and 77.8%, a 4% and 8% increase, respectively, over the 82 g/t and 71.7% recovery in Q1 2025. The increases in recovery were primarily related to the lower volume of tailing reprocessing, which has lower overall recoveries. Based on the silver grades processed during Q1, recoveries were in line with expectations.

Gold production during Q1 2026 totaled 942 ounces, 47% lower than the 1,786 ounces produced in Q1 2025. The average gold grade and recovery during the quarter was 1.19 g/t and 82.7%, representing 17% and 3% increases, respectively, from the 1.01 g/t and 80.3% recovery in Q1 2025. Based on the gold grades processed during Q1, recoveries were in line with expectations.

Total production cost during the quarter was \$4,169 a 7% decrease from \$4,497 from the first quarter of 2025. The decrease was primarily attributed to reduction in purchased third party material and reduced production volumes. Production cost per tonne in Q1 2026 was \$140.06, approximately 113% higher than \$65.84 in Q1 2025. The addition was primarily due to reduced production volumes, reduced tailings reprocessing, increases in fresh rock production, increased infill drilling costs and higher mining duties related to higher metals prices. Cash cost per silver equivalent ounce was \$35.93 in Q1 2026, representing a 126% increase from \$15.90 in Q1 2025. The increase was due to higher production costs and lower amounts of produced silver. All-in Sustaining Cost per silver equivalent ounce in Q1 2026 was \$44.52 per ounce, 150% higher than \$17.82 in Q1 2025.



Valenciana Mines Complex (VMC)

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Tonnes Milled	8,686	28,788	(70%)
Average silver grade (g/t)	99.49	74.83	33%
Silver recovery (%)	82.5	84.9	(3%)
Total silver ounces produced	23,223	58,779	(60%)
Average gold grade (g/t)	1.20	0.84	43%
Gold recovery (%)	87.7	80.1	10%
Total gold ounces produced	301	624	(52%)
Silver equivalent ounces produced ⁽¹⁾	40,851	114,739	(66%)
Total production cost (\$ thousands)	2,654	2,928	(9%)
Production cost per tonne (\$) ⁽⁴⁾	305.55	101.71	200%
Cash cost per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	72.56	25.90	180%
AISC per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	83.54	29.13	187%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

During the three months ended March 31, 2026, 8,686 tonnes of mineralized material from Valenciana were processed at El Cubo processing plant, 70% lower than the 28,788 tonnes processed in the same quarter of 2025. The decrease was primarily related to a decrease in available stopes due to a lack of development in 2026, a reduction in processing of Mastrantos IV tailings material, and the elimination of third-party materials during the quarter.

Silver production was 23,223 ounces during Q1 2026, down 60% from 58,779 ounces in Q1 2025. The average silver grade and recovery during the quarter was 99.49 g/t and 82.5%, a 33% increase and 3% decrease, respectively, over the 74.83 g/t and 84.9% recovery in Q1 2025. The increase in silver grade was primarily related to higher cutoff grades during the quarter required to transport material to the El Cubo plant for processing. The decrease in recovery was primarily due to the high percentage of historic backfill being processed versus fresh rock. Based on the silver grades for both fresh and backfill material processed during Q1, recoveries were in line with expectations.

Gold production during Q1 2026 totaled 301 ounces, 52% lower than the 624 ounces produced in Q1 2025. The average gold grade and recovery during the quarter was 1.20 g/t and 87.7%, representing 43% and 10% increases, respectively, from the 0.84 g/t and 80.1% recovery in Q1 2025. The increase in gold grade was primarily related to higher cutoff grades during the quarter required to transport material to El Cubo plant for processing. Based on the gold grades processed during Q1, recoveries were in line with expectations.

Total production cost during the quarter was \$2,654, a 9% decrease from \$2,928 from the first quarter of 2025. The decrease was primarily attributed to the Company placing the Cata plant on care and maintenance and reduced production volumes. Production cost per tonne in Q1 2026 was \$305.55, approximately 200% higher than \$101.71 in Q1 2025. The addition was primarily due to increased grade selectivity resulting from higher cutoffs required to transport mineralized material to El Cubo for processing as well as care and maintenance costs related to the Cata plant and tailings facility. Cash cost per silver equivalent ounce was \$72.56 in Q1 2026, representing a 180% increase from \$25.90 in Q1 2025. The increase was due to lower amounts of produced silver. All-in Sustaining Cost per silver equivalent ounce in Q1 2026 was \$83.54 per ounce, 187% higher than \$29.13 in Q1 2025.



San Ignacio Mine

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Tonnes Milled	10,654	16,946	(37%)
Average silver grade (g/t)	80.36	42.93	87%
Silver recovery (%)	84.6	74.6	13%
Total silver ounces produced	23,285	17,445	33%
Average gold grade (g/t)	1.02	1.34	(24%)
Gold recovery (%)	86.5	87.4	(1%)
Total gold ounces produced	303	639	(53%)
Silver equivalent ounces produced ⁽¹⁾	40,999	74,768	(45%)
Total production cost (\$ thousands)	2,035	1,879	8%
Production cost per tonne (\$) ⁽⁴⁾	190.97	110.89	72%
Cash cost per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	48.99	25.50	92%
AISC per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	55.50	27.77	100%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

During the three months ended March 31, 2026, 10,654 tonnes of material from San Ignacio were processed at El Cubo (3,851 tonnes) and Bolañitos (6,803 tonnes), 37% lower than the 16,946 tonnes processed in the same quarter of 2025. The decrease was primarily related to a decrease in available stopes due to a lack of development in 2026.

Silver production was 23,285 ounces during Q1 2026, up 33% from 17,445 ounces in Q1 2025. The average silver grade and recovery during the quarter was 80.36 g/t and 84.6%, an 87% and 13% increase, respectively, over the 42.93 g/t and 74.6% recovery in Q1 2025. The increase in silver grade was primarily grade variation in the mine plans. Based on the silver grades processed during Q1, recoveries were in line with expectations.

Gold production during Q1 2026 totaled 303 ounces, 53% lower than the 639 ounces produced in Q1 2025. The average gold grade and recovery during the quarter was 1.02 g/t and 86.5%, representing 24% and 1% decreases, respectively, from the 1.34 g/t and 87.4% recovery in Q1 2025. The decrease in gold grade was primarily related to grade variation in the mine plan. Based on the gold grades processed during Q1, recoveries were in line with expectations.

Total production cost during the quarter was \$2,035, an 8% increase from \$1,879 from the first quarter of 2025. The increase was primarily attributed to higher infill drilling costs and mining duties. Production cost per tonne in Q1 2026 was \$190.97, approximately 72% higher than \$110.89 in Q1 2025. The addition was primarily due to increases in infill drilling costs and lower production volumes. Cash cost per silver equivalent ounce was \$48.99 in Q1 2026, representing a 92% increase from \$25.50 in Q1 2025. The increase was due to higher production costs and lower amounts of produced silver. All-in sustaining cost per silver equivalent ounce in Q1 2026 was \$55.50 per ounce, 100% higher than \$27.77 in Q1 2025.



Topia Mine

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Tonnes Milled	11,513	14,030	(18%)
Average silver grade (g/t)	448.16	408.31	10%
Silver recovery (%)	94.3	95.0	(1%)
Total silver ounces produced	156,436	175,012	(11%)
Average gold grade (g/t)	1.20	0.90	33%
Gold recovery (%)	72.3	73.3	(1%)
Total gold ounces produced	321	299	7%
Average lead grade (lbs)	3.50	2.43	44%
Lead recovery (%)	91.8	92.9	(1%)
Total lead pounds produced	815,100	699,294	17%
Average zinc grade (lbs)	4.28	3.46	24%
Zinc recovery (%)	84.7	84.9	0%
Total zinc pounds produced	921,516	909,029	1%
Silver equivalent ounces produced ⁽¹⁾	201,844	259,121	(22%)
Total production cost (\$thousands)	8,091	4,679	73%
Production cost per tonne (\$) ⁽⁴⁾	702.76	333.52	111%
Cash costs per AgEq ounce produced (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	39.87	18.09	120%
AISC per AgEq ounce produced (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	42.51	18.40	131%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.
3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.
4. Cash cost per silver equivalent, cost per tonne and AISC per AgEq ounce are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

During the three months ended March 31, 2026, 11,513 tonnes of mineralized material from Topia were processed, 18% lower than the 14,030 tonnes processed in the same quarter of 2025. The decrease was primarily related to a decrease in available stopes due to a lack of development in 2026 (2,517 tonnes).

Silver production was 156,436 ounces during Q1 2026, down 11% from 175,012 ounces in Q1 2025. The average silver grade and recovery during the quarter was 448.16 g/t and 94.3%, a 10% increase and 1% decrease, respectively, over the 408.31 g/t and 95% recovery in Q1 2025. The increase in silver grade was primarily due to grade variation in the mine plans. Based on the silver grades processed during Q1, recoveries were in line with expectations.

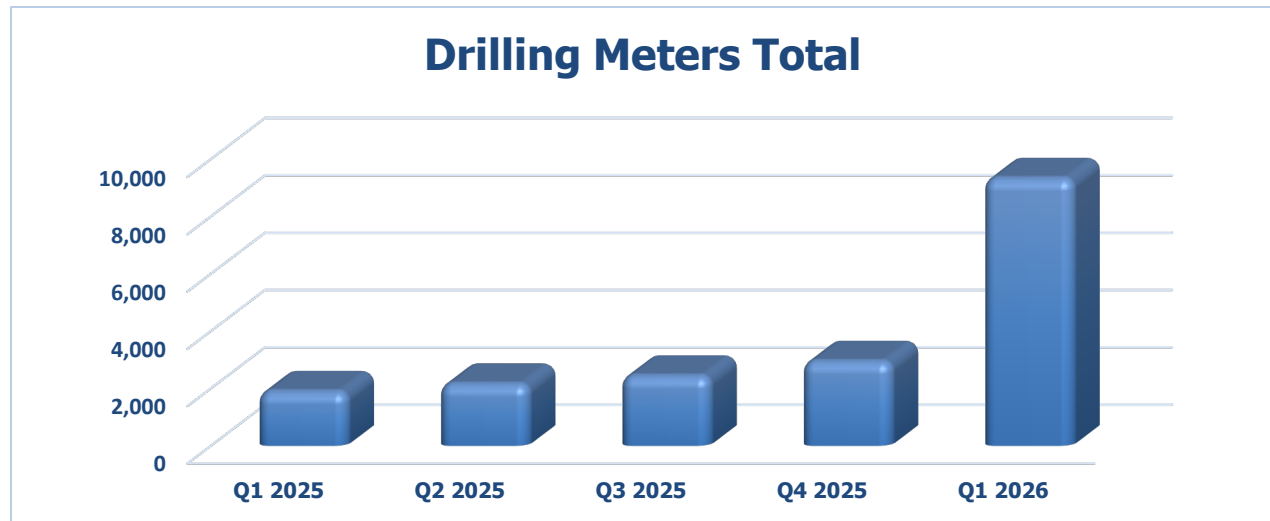
Gold production during Q1 2026 totaled 321 ounces, 7% higher than the 299 ounces produced in Q1 2025. The average gold grade and recovery during the quarter was 1.20 g/t and 72.3%, representing 33% and 1% decreases, respectively, from the 0.90 g/t and 73.3% recovery in Q1 2025. The increase in gold grade was primarily related to grade variation in the mine plan. Based on the gold grades processed during Q1, recoveries were in line with expectations.

Base metal production during Q1 2026 totaled 815,100 pounds of lead and 921,516 pounds of zinc, up 17% and 1% from the 699,294 pounds of lead and 909,029 pounds of zinc produced during Q1 2025. The average lead grade and recovery during the quarter was 3.50% and 91.8%, representing a 44% increase and 1% decrease, respectively, from the 2.43% and 92.9% recovery in Q1 2025. The increase in lead grades was primarily related to grade variation in the mine plan. The average zinc grade and recovery during the quarter was 4.28% and 84.7%, representing a 24% increase in grade and stable recovery versus the 3.46% and 84.9% recovery in Q1 2025.



Total production cost during the quarter was \$8,091, a 73% increase from \$4,679 from Q1 2025. The increase was primarily attributed to higher metals prices as the contract mining companies utilized by the Company have sliding scale contracts that pay based on a combination of delivered grade and metals prices. Production cost per tonne in Q1 2026 was \$702.76, approximately 111% higher than \$333.52 in Q1 2025. The addition was primarily due to higher metals prices and lower production volumes. Cash cost per silver equivalent ounce was \$39.87 in Q1 2026, representing a 120% increase from \$18.09 in Q1 2025. The increase was due to higher production cost and lower amounts of produced silver. All-in Sustaining cash cost per silver equivalent ounce in Q1 2026 was \$42.51 per ounce, 131% higher than \$18.4 in Q1 2025.

EXPLORATION ACTIVITIES



During the first quarter of 2026, the Company advanced both infill and exploration drilling activities across its core assets, with the goal of increasing the mineral resources available to operations and refining geologic interpretations. A total of 54 drill holes were completed across the portfolio, including 41 infill holes and 13 exploration holes. A total of 9,333 meters were drilled in Q1 2026, an increase of 364% from the 2,013 meters from Q1 2025. Total drilling in Q1 2026 was comprised of 5,099 meters of infill and 4,234 meters of exploration drilling.

During the quarter, the Company took significant strides to increase its drilling activities, including arrival of an additional contract drill at El Cubo, securing a contract drill for Valenciana, and purchase contracts executed for two new Ingetrol drills that will be delivered to Bolañitos in Q2 2026. Additionally, the company’s two surface drills were overhauled during the quarter.

At Bolañitos, during Q1 2026, the Company drilled 13 holes totaling 2,266 meters comprised entirely of infill drilling. Drilling during the quarter focused on adding definition to the Daniela and Bolañitos veins and splays. Two additional underground drills were secured during the quarter with delivery dates expected in late May 2026. Additionally, the Company is preparing various permitting applications for surface drilling programs at Bolañitos that would begin later in 2026.

At El Cubo, during Q1 2026, the Company drilled 10 holes totaling 2,163 meters, a 123% increase over 972 meters drilled in Q1 2025. Activities focused on underground drilling while preparations are being made to carry out a surface drilling program in H2 2026. Two exploration drill holes were completed at the Jessica vein totalling 722 meters and eight infill drill holes were completed across the Villalpando, Dolores, San Nicolas, and San Eusebio veins totaling 1,441 meters.

At San Ignacio, during Q1 2026, the Company drilled 13 holes totalling 972 meters, compared to zero meters drilled in Q1 2025. The drilling at San Ignacio was focused entirely on infill drilling within the Santo Nino, Nombre de Dios (I and II), and Santa Ana veins. The Company expects to add another drill to San Ignacio in Q2 2026 as well as completion of a surface exploration drilling campaign in late H2 2026, pending permit approval.

At Topia, during Q1 2026, the Company drilled 18 holes totaling 3,932 meters, an 596% increase over the 565 meters drilled in Q1 2025. The drilling at Topia was focused on infill drilling at the Durangueno and Hormiguera zones as well as exploration drilling at the Union Del Pueblo, Hormiguera, and Argentina veins. A total of 7 infill holes and 11 exploration holes were drilled, representing approximately 423 meters and 3,509 meters, respectively.

No drilling was completed at Valenciana during Q1 2026 versus 477 meters in Q1 2025. The Company executed a contract during the quarter with a third-party driller that was mobilized in April 2026.



QA/QC

The Company adheres to thorough QA/QC procedures and practices that exceed standard regulatory requirements when managing the Company's testing and sampling. Drill core was first reviewed by a Company geologist, who identified and marked intervals for sampling. The marked sample intervals were then cut in half with a diamond saw; half of the core was left in the core box and the other half was removed, placed in plastic bags, sealed and labeled. Intervals and unique sample numbers are recorded on the drill logs and the samples are sequenced with standards and blanks inserted according to a predefined QA/QC procedure. The samples are maintained under security on site until they are shipped to the analytical lab. The analytical work reported on herein was performed by the Company's local laboratory, located at the Valenciana Mines Complex at Ex-Hacienda de Bustos in Guanajuato City. This laboratory is owned and operated by the Company and is not independent. To validate the Company's assay results and preparation procedures, GSilver customarily sends additional random samples representing approximately 20% of all analytical samples to one of two ISO certified labs: Quimico Platinum, located at Silao, Guanajuato or Bureau Veritas located in Hermosillo, Sonora, Mexico. Both laboratories are certified at the ISO/IEC (International Organization for Standardization/International Electrotechnical Commission) geo-analytical laboratory and are independent of GSilver and its "qualified person". Core samples were subject to crushing at a minimum of 70% passing two millimetres, followed by pulverizing of a 250-gram split to 85% passing 75 microns. Gold determination was via standard atomic absorption (AA) finish 30-gram fire assay (FA) analysis, in addition to silver and 34-element using fire assay and gravimetry termination. Following industry-standard procedures, blank and standard samples were inserted into the sample sequence and sent to the laboratory for analysis. Data verification of the analytical results included a statistical analysis of the standards and blanks that must pass certain parameters for acceptance to ensure accurate and verifiable results. As of the date of this MD&A, the Company has not yet received the results of the random samples sent to the independent laboratory.



OPERATING HIGHLIGHTS

Commercial production at the El Cubo Mines Complex ("CMC") commenced on October 1, 2021. The Valenciana Mines Complex ("VMC"), the San Ignacio mine ("San Ignacio") and the Cata mill facility, and the Topia Mines Complex ("Topia") were acquired on August 4, 2022. Topia had continuous production throughout the acquisition. The San Ignacio mine recommenced production in August 2022 and production at the Valenciana mine also began in August 2022. Recommissioning of the Cata plant began in December 2022 with processing commencing in January 2023.

The acquisition of Bolañitos was completed on January 15, 2026. Results from operations at Bolañitos are included in GSilver's financial statements effective January 16, 2026.

The following table summarizes the Company's consolidated operating results for the three months ended March 31, 2026 and 2025:

CONSOLIDATED	Three months ended		
	March 31, 2026	March 31, 2025	% Change
Operating			
Tonnes mined	119,478	123,604	(3%)
Tonnes milled	122,471	128,060	(4%)
Average tonnes milled per day	1,361	1,525	(11%)
Average silver grade (g/t)	97.96	110.97	(12%)
Average gold grade (g/t)	1.26	1.01	25%
Average silver recovery (%)	87.80	83.3	5%
Average gold recovery (%)	86.30	80.8	7%
Silver ounces produced	339,104	380,406	(11%)
Gold ounces produced	4,295	3,347	28%
Lead produced (lbs)	815,100	699,294	17%
Zinc produced (lbs)	921,516	909,029	1%
Silver equivalent ("AgEq") ounces produced ⁽¹⁾	616,445	738,006	(16%)
Silver ounces sold	317,961	376,995	(16%)
Gold ounces sold	4,000	3,429	17%
Lead sold (lbs)	737,756	722,168	2%
Zinc sold (lbs)	918,056	918,693	0%
AgEq ounces sold ⁽¹⁾	579,221	742,969	(22%)
Cost per tonne (\$) ⁽⁴⁾	205.31	109.19	88%
Cash cost per AgEq ounce (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	41.57	19.19	117%
AISC per AgEq ounce (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	53.43	23.41	128%
Diamond Drilling			
Villalpando/El Cubo Drilling (metres)	2,163	972	123%
Valenciana Mine (metres)	-	477	(100%)
San Ignacio Mine (metres)	972	-	100%
Topia Mine (metres)	3,932	565	596%
Bolañitos (metres)	2,266	-	100%

1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.

2. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.

3. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.

4. Mine operating cash flow before taxes, Cash cost per silver equivalent, cost per tonne, AISC per AgEq ounce, EBITDA, Adjusted EBITDA and working capital are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.



FIRST QUARTER PRODUCTION SUMMARY

Q1 2026 - Production Summary	Bolañitos	El Cubo Mines Complex	Valenciana Mines Complex	San Ignacio Mine	Topia	Consolidated
Tonnes mined	61,599	27,912	8,000	9,902	12,065	119,478
Tonnes milled	61,849	29,769	8,686	10,654	11,513	122,471
Silver ounces produced	72,897	63,263	23,223	23,285	156,436	339,104
Gold ounces produced	2,428	942	301	303	321	4,295
Lead produced (lbs)	-	-	-	-	815,100	815,100
Zinc produced (lbs)	-	-	-	-	921,516	921,516
Silver equivalent ("AgEq") ounces produced ⁽¹⁾	214,567	118,184	40,851	40,999	201,844	616,445
Silver ounces sold	70,839	57,414	21,015	20,348	148,345	317,961
Gold ounces sold	2,326	839	265	286	284	4,000
Lead sold (lbs)	-	-	-	-	737,756	737,756
Zinc sold (lbs)	-	-	-	-	918,056	918,056
AgEq ounces sold ⁽¹⁾	207,895	106,704	36,671	37,191	190,760	579,221
Cost per tonne ⁽⁵⁾	132.51	140.06	305.55	190.97	702.76	205.31
Cash cost per AgEq ounce ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾	38.97	35.93	72.56	48.99	39.87	41.57
AISC per AgEq ounce ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾	44.95	44.52	83.54	55.50	42.51	53.43

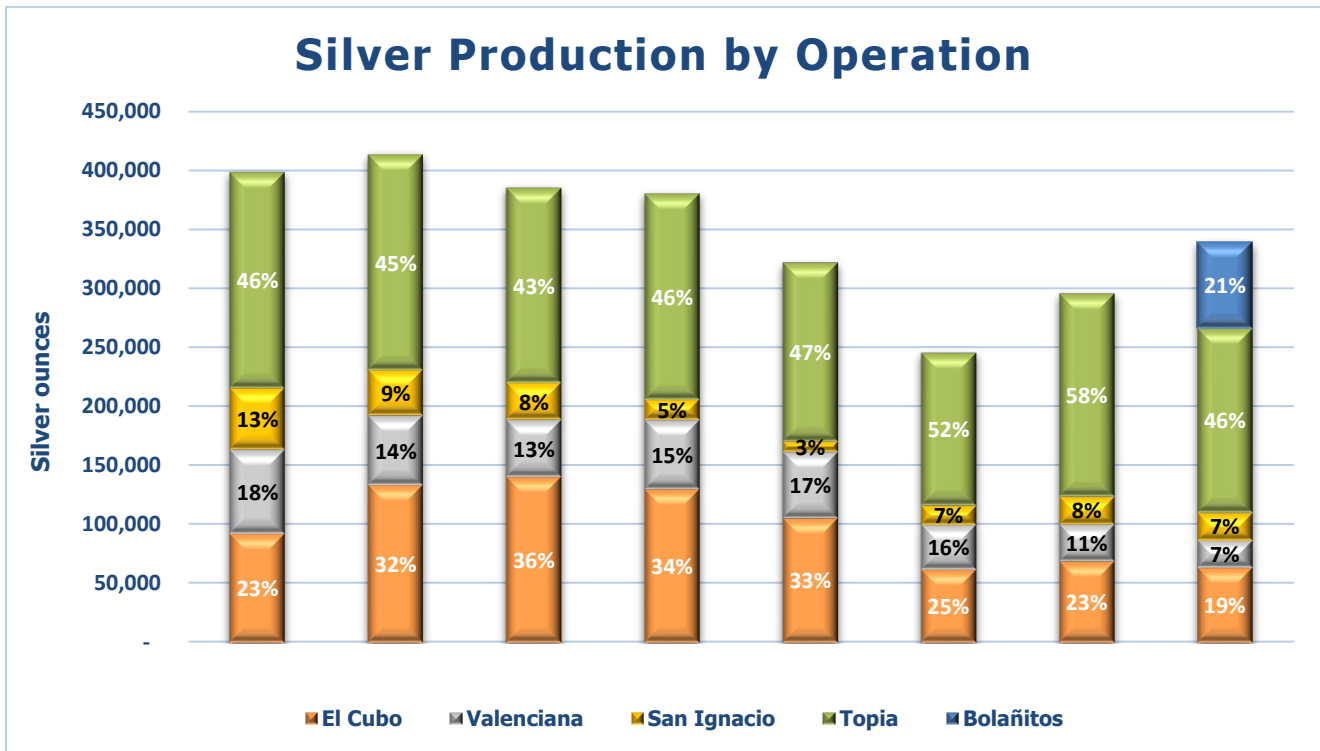
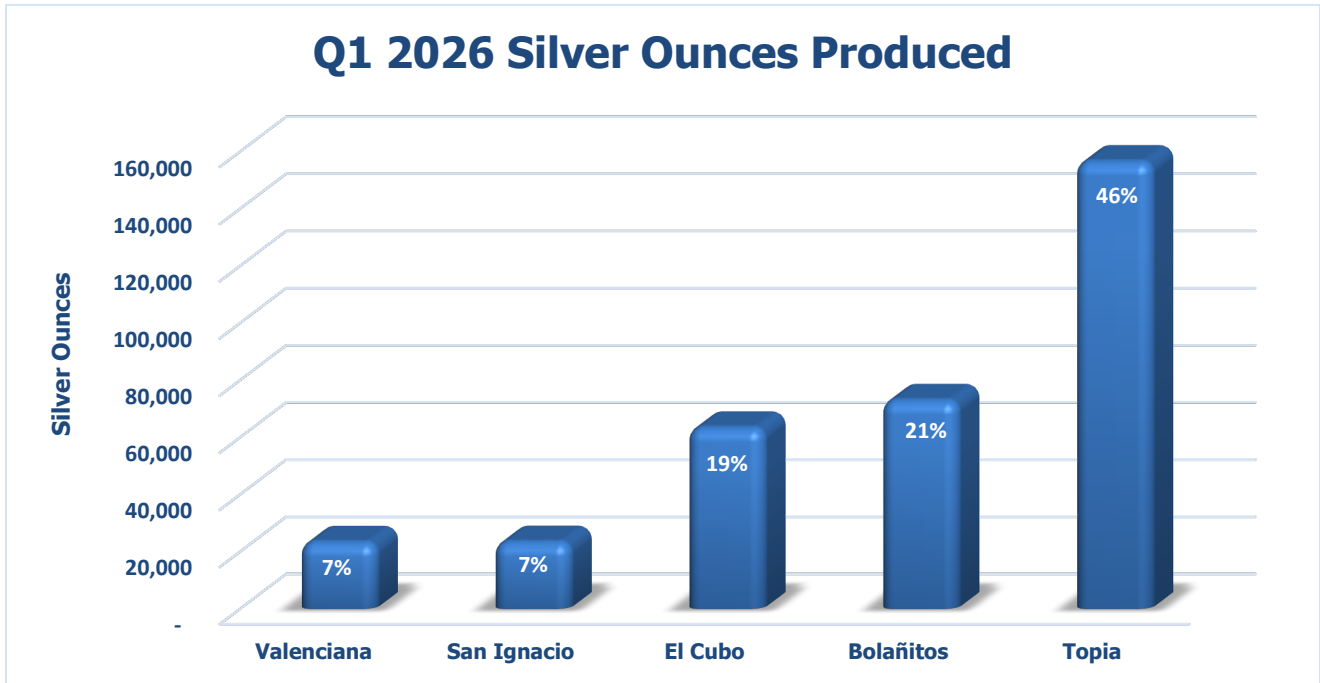
1. Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026. This also applies to the chart below this table.

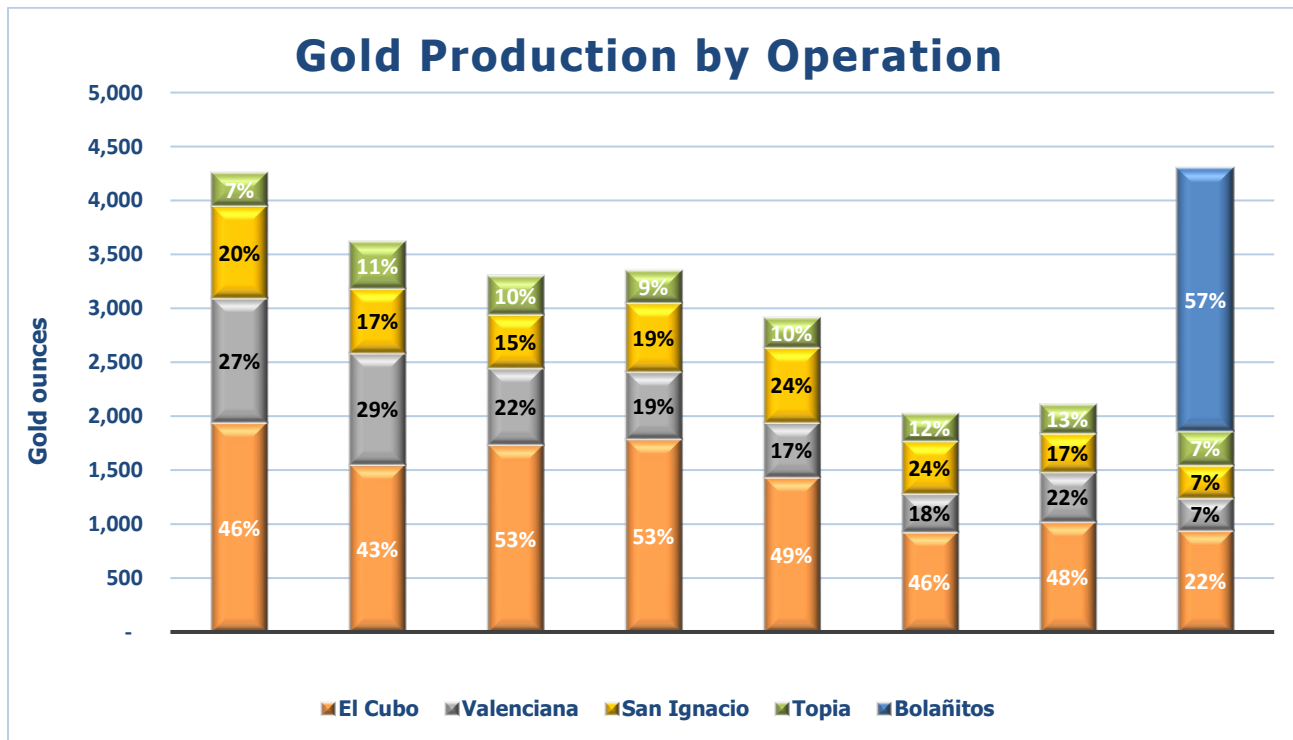
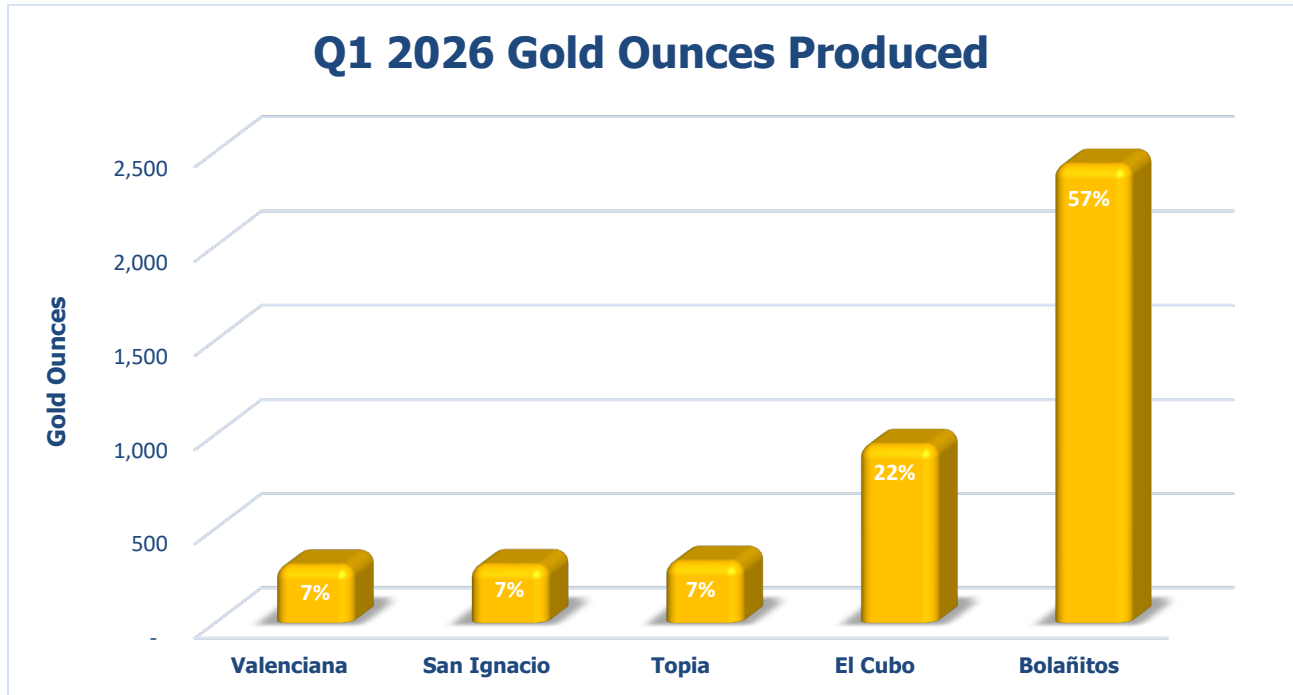
2. Production costs include mining, milling, and direct overhead at the operation sites See reconciliation on page 31.

3. Cash cost per silver equivalent ounce include mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.

4. AISC per AgEq oz include mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.

5. Cash cost per silver equivalent, AISC per AgEq ounce and cost per tonne are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.





FINANCIAL HIGHLIGHTS

The financial results were as follows for the three months ended March 31, 2026 and 2025:

CONSOLIDATED	Three months ended		
	March 31, 2026	March 31, 2025	% Change
	\$	\$	
Revenue	43,052	21,330	102%
Cost of Sales	(28,744)	(16,485)	74%
Production costs	(25,144)	(13,983)	80%
Transportation and selling costs	(1,118)	(608)	84%
Inventory changes	1,775	(408)	535%
Mine operating cash flow before taxes ⁽⁵⁾⁽⁷⁾	18,565	6,331	193%
Depreciation and depletion	(4,257)	(1,486)	186%
Mine operating income	14,308	4,845	195%
General and Administration	(3,759)	(1,931)	95%
SBC Compensation	(194)	(98)	98%
Exploration	(520)	(328)	59%
Care & maintenance	(536)	-	100%
Foreign exchange gain (loss)	803	(239)	436%
Other operating income (expenses)	404	138	193%
Interest and finance costs, net	(474)	(1,140)	(58%)
Loss on derivatives	(1,589)	(2,847)	(44%)
Other finance (expense) income, net	(125)	1	(12,600%)
Income (loss) before income taxes	8,318	(1,599)	620%
Current income tax expense	(3,178)	(674)	372%
Deferred income tax recovery	561	-	100%
Net income (loss)	5,701	(2,273)	351%
Income (loss) per share - basic and diluted	0.01	(0.00)	367%
Weighted Average Shares Outstanding – basic (thousands)	712,349	472,187	51%
Weighted Average Shares Outstanding – diluted (thousands)	758,636	472,187	61%
EBITDA ^{(1) (5)}	13,073	1,064	1,129%
Adjusted EBITDA ^{(2) (5)}	14,828	4,103	261%
Cash cost AgEq per ounce ^{(3) (5)}	41.57	19.19	117%
AISC cost per AgEq ounce ^{(4) (5)}	53.43	23.41	128%
Realized silver price per ounce ⁽⁶⁾	84.45	31.88	165%
Realized gold price per ounce ⁽⁶⁾	4,977.33	2,842.80	75%
Realized lead price per pound ⁽⁶⁾	0.88	0.89	(2%)
Realized zinc price per pound ⁽⁶⁾	1.47	1.29	14%
Sustaining capital expenditures	3,424	927	269%
Working capital ⁽⁵⁾	5,491	(17,812)	131%

1. See Reconciliation of Earnings before interest, taxes, depreciation, and amortization on page 31.

2. See reconciliation of Adjusted EBITDA on page 31.

3. Cash cost per silver equivalent ounce includes mining, processing, and direct overhead. See Reconciliation to IFRS on page 32.

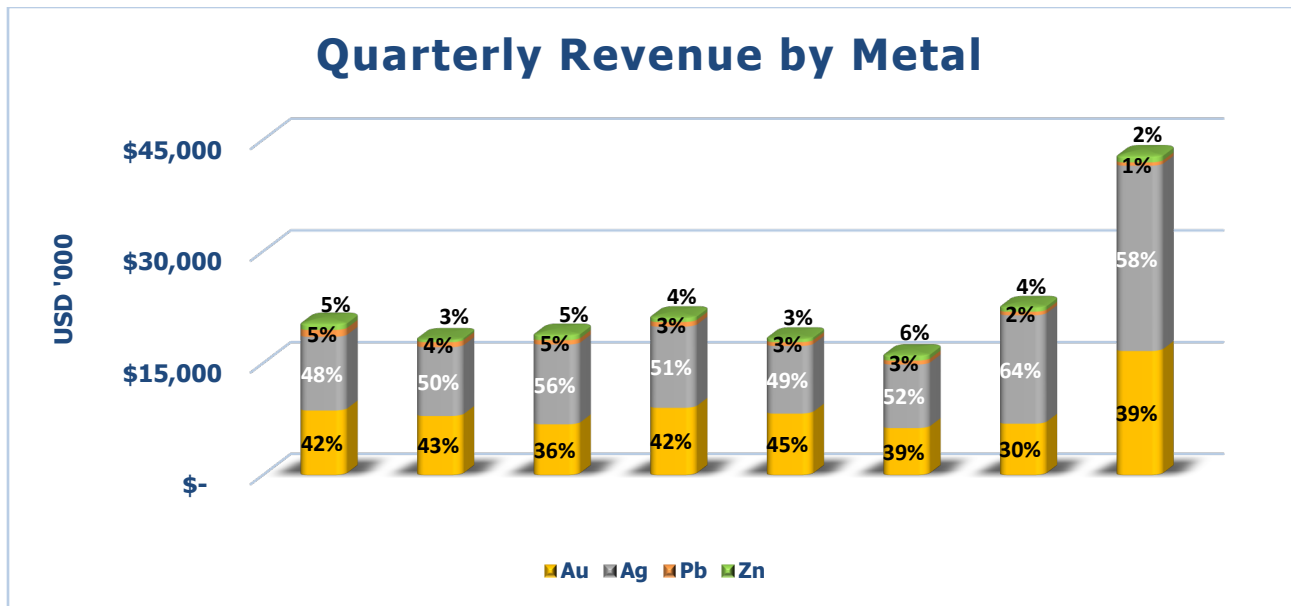
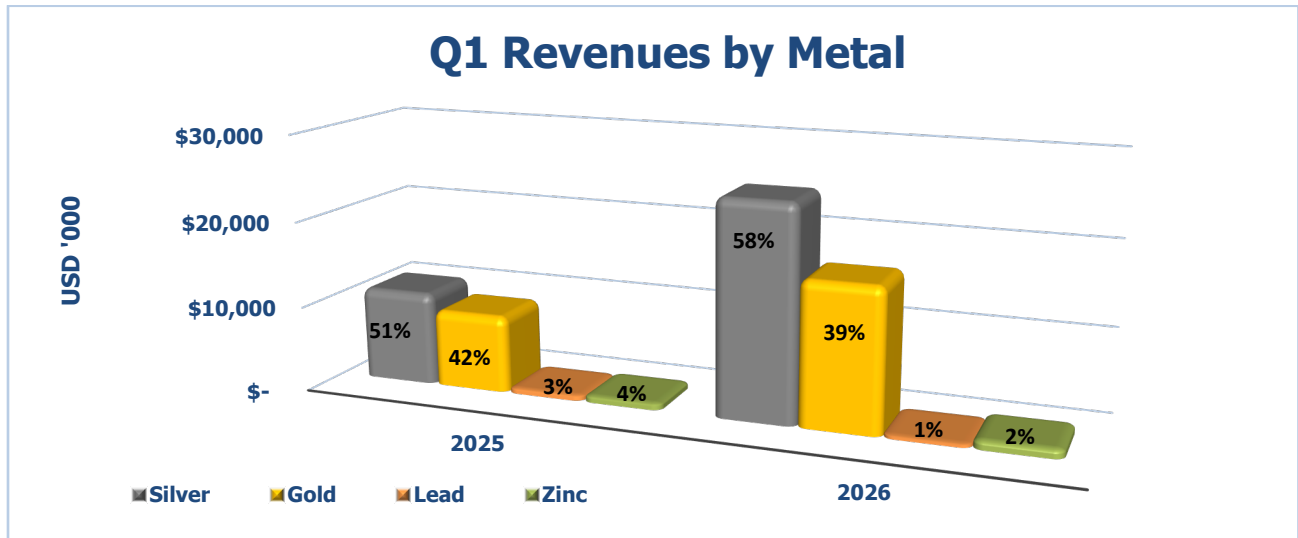
4. AISC per AgEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 32.

5. Mine operating cash flow before taxes, Cash cost per silver equivalent, AISC per AgEq ounce, EBITDA, Adjusted EBITDA and Working capital are non-IFRS financial measure with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures see "Non-IFRS Financial Measures" on page 30.

6. Based on provisional sales before final price adjustments, before payable metal deductions, treatment, and refining charges.

7. Mine operating cash flow before taxes is calculated by adding back depreciation, depletion, and inventory write-downs to mine operating loss. See Reconciliation to IFRS on page 32.





Three months ended March 31, 2026 (compared to the three months ended March 31, 2025)

Revenue

During the three months ended March 31, 2026, the Company generated revenues of \$43,052 net of metal deductions, treatment, and refining costs \$3,309. This represents a 102% increase of revenues compared to same period in the prior year is mainly due to an increase of 17% gold ounces sold and higher realized prices per ounce partially offset by lower silver ounces sold during Q1 2026 compared to Q1 2025. The Bolañitos Acquisition contributes significantly to revenues in Q1 2026, accounting for US\$16,581. During the current quarter, the realized silver and gold price per ounce sold averaged \$84 and \$4,977, a 165% and 75% increase, respectively, compared to \$32 and \$2,843 per ounce in Q1 2025. In the first quarter of 2026, the Company sold 317,961 ounces of silver and 4,000 ounces of gold representing a decrease of 16% and increase of 17% respectively compared to sales during Q1 2025. Additionally, the Company sold 918,056 pounds of lead at a realized price of \$0.88 and 918,056 pounds of zinc at a realized price of \$1.47 from the Topia Mine.



Cost of sales

Cost of sales is comprised of production cost, including mining, processing, maintenance and site general administration, net inventory changes in the period, transportation and selling cost and depreciation and depletion. The increase of \$12,265 or 74% in cost of sales for the three months ended March 31, 2026, compared to the same period in 2025 is mainly attributed to the Bolañitos Acquisition, accounting for \$11,891 to cost of sales in Q1 2026.

Production costs increased by \$11,161 or 80% from which Bolañitos' contribution was \$8,195. Topia's increase of \$3,412 is mainly attributed to the higher metals prices as the contract mining companies utilized by the Company for this mine is based on a combination of metal contents and metals prices.

The increase of 84% in transportation and selling costs is mainly attributed to Bolañitos as well as increases in extraordinary mining duties due to higher metal prices. Additionally, there was a 535% increase in inventory changes and 186% in depletion and depreciation.

General and administration

General and administration expenses increased by 95%, or \$1,828, during the three months ended March 31, 2026, compared to Q1 2025, mainly attributed to an increase of \$604 in corporate administration expenses resulting from the Bolañitos Acquisition including new software licenses, subscriptions and government fees, an increase of \$512 in professional fees due to tax consulting services, which supported the VAT recoveries and other taxes receivable, and legal fees associated mainly with the Bolañitos acquisition and other claims. In addition, salaries increased by \$725 as a result of the reallocation of administrative managers' salaries from indirect costs; these increases were partially offset by lower depreciation expenses.

Share-based compensation

Share-based compensation increased by \$96 or 98% for the three months ended March 31, 2026, compared to the same period in 2025. During the quarter ended in March 2026, 11,300,000 options were granted and 958,334 options were forfeited due to expiry or employee departures.

Exploration

General exploration costs increased 59% to \$520 in the three months ended March 31, 2026, compared to \$328 in the same period in 2025. Total meters drilled during Q1 2026 was 9,333 compared to 2,013 meters drilled in Q1 2025.

Care & maintenance

During the three months ended March 31, 2026, the "Cata Processing Plant" in on care & maintenance and the Company recognized an expense of \$536 (three months ended March 31, 2025 - \$nil).

Foreign exchange gain (loss)

For the three months ended March 31, 2026, foreign exchange gains increased by \$1,042 or 436%, compared to the same period in 2025, from a foreign exchange loss of \$239 in the comparative period to a foreign exchange gain of \$803 in the current quarter. This favourable variance was primarily driven by the weakening of the Mexican against the USD during the first quarter of 2026 compared to the prior year.

Other operating income (expenses)

During the three months ended March 31, 2026, other operating income was \$404 compared to \$138 in the same period in 2025. In Q1 2026 the Company recognized a gain on sale of scrap material of \$26, a gain on toll milling of \$41 and other gains related to accounts payable adjustments of \$337.

During the three months ended March 31, 2025, the Company recognized a gain of \$125 on sale of scrap material along with a gain of \$13 on property and equipment disposal.

Interest and finance costs

Interest and finance costs decreased by \$666 or 58% for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. This decrease is mainly due to lower accretion expenses by \$144 accrued in Q1 2026, along with lower interest accrued on debt being held in Q1 2026 compared to the same period in 2025, resulting in a reduction of \$206. This reduction in interest was a result of the Company amending its loan agreement with Ocean Partners UK Limited ("Ocean Partners"). On April 1, 2025, the Company reached an agreement to amend its Expanded Facility with Ocean Partners (the "Enhanced Facility"). Under the terms of the Enhanced Facility, the Company is to pay a lump sum payment of either 338.43 gold ounces or a cash payment of \$1,056, which was paid in the third quarter of 2025. Of the remaining 7,110 gold ounces, two-thirds of the outstanding balance, 4,740 gold ounces, are being amortized over 36 months starting April 2025, and repaid in equal fixed installments of 131.7 ounces of gold bullion. The remaining one-third of the outstanding balance, 2,370 gold ounces, will be paid on conclusion of the 36-month term. This Enhanced Facility's balance, as of March 31, 2026, was \$14,654 and has an implied rate of 18.88%, as compared to the Expanded Facility which had an implied rate of 28.22%.



During Q1 2026, there was an increase of \$316 mainly attributed to the recognition of interest income received in relation to taxes claimed and refunded by \$203, and \$113 related to interest gained in investments.

Loss on derivatives

Under the Enhanced Facility, the requirement to deliver gold ounces is considered a derivative which is required to be revalued at the end of each reporting period. Additionally, as the Company repays these loans, the derivative portion of the loan will result in a gain or loss on settlement.

For the three months ended March 31, 2026, the Company recognized an unrealized loss of \$1,589 including a loss of \$1,383 on the revaluation of the derivative on the Enhanced Facility, a realized loss of \$130 on settlement of loan repayments and a loss of \$76 on certain call and put options held by the Company with respect to FX currency protection and Exchange-Traded funds transactions.

For the three months ended March 31, 2025, the Company recognized a loss of \$2,924 on the revaluation of the derivative on the outstanding gold loan with Ocean Partners and a gain of \$77 on the revaluation of call options for a total loss on derivatives of \$2,847.

Other finance items, net

During the three months ended March 31, 2026, other finance expenses increased by \$126 compared to the same period in 2025. In Q1 2026 the Company recognized a loss of \$28 on revaluation of financial assets and a loss of \$98 on price revaluation of commodities.

In Q1 2025 the Company recognized a gain of \$1 on revaluation of financial assets.

Current income tax expense (recovery)

During the three months ended March 31, 2026, the Company recognized \$3,178 as current income tax expense and \$561 as deferred income tax recovery (three months ended March 31, 2025 - \$674 and \$nil, respectively), as a result of higher net income before taxes.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize the Company's consolidated revenue, net loss and loss per share for the last 8 quarters:

CONSOLIDATED	Three Months Ended			
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Financial	\$	\$	\$	\$
Revenue	43,052	22,720	16,277	18,458
Net income (loss)	5,701	(25,610)	(5,824)	(3,682)
Income (loss) per share - basic and diluted	0.01	(0.04)	(0.01)	(0.01)

CONSOLIDATED	Three Months Ended			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Financial	\$	\$	\$	\$
Revenue	21,330	19,038	18,309	20,551
Net income (loss)	(2,272)	(2,413)	(4,864)	(2,750)
Income (loss) per share - basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)

In Q1 2026 revenues increased 89% to \$43,052 compared to revenues of \$22,720 in the fourth quarter of 2025. The increase is mainly attributed to the 8% increase in silver equivalent ounces sold to 579,221 from 497,673 along with higher metal prices from Q4 2025 to Q1 2026. During the first three months of 2026 the Company generated a net income of \$5,701 compared to the net loss of \$25,610 in Q4 2025 primarily as a result of the increase of \$9,463 or 195% of its mine operating income and the significant reduction of the other operating expenses from the previous quarter.

In Q4 2025 revenues increased 40% to \$22,720 compared to revenues of \$16,277 in the third quarter of 2025, despite the 5% decrease in silver equivalent ounces sold to 497,673 from 521,929. The increase therefore is mainly attributed to higher metal prices from Q3 to Q4. The net loss increased by 340% from \$5,824 in Q3 2025 to \$25,610 in Q4 2025 primarily as a result of the increase of \$17,123 of other operating expenses recognized in Q4 along with the increase of \$4,753 in loss on derivatives, partially offset by an increase of mine operating income by \$5,538.

In Q3 2025 revenues decreased 12% to \$16,277 compared to revenues of \$18,458 in the second quarter of 2025, which is consistent with the decrease of 19% in silver equivalent ounces sold to 521,929 from 648,313. The net loss increased by 58% from \$3,682 in Q2 2025 to \$5,824 in Q3 2025 primarily as a result of the lower mine operating income discussed above.



In Q2 2025, revenues decreased 13% to \$18,458 compared to revenues of \$21,330 in the first quarter of 2025, which is consistent with the decrease of 13% in silver equivalent ounces sold to 648,313 from 742,969. The net loss increased by 62% from \$2,272 in Q1 2025 to \$3,682 in Q2 2025 primarily as a result of the lower mine operating income discussed above.

In Q1 2025, revenues increased 12% to \$21,330 compared to revenues of \$19,038 in the fourth quarter of 2024, despite the minimal decrease in silver equivalent ounces sold to 742,969 from 743,153. The increase therefore is mainly attributed to higher metal prices from Q4 2024 to Q1 2025. The net loss decreased by 6% from \$2,413 in Q4 2024 to \$2,272 in Q1 2025.

Revenues increased 4% in the fourth quarter of 2024 to \$19,038 compared to \$18,309 in the third quarter of 2024, despite of the 1% decrease in silver equivalent ounces sold to 743,153 from 748,747. The increase therefore is mainly attributed to higher metal prices from Q3 to Q4. The net loss decreased by 50% from \$4,864 in Q3 2024 to \$2,413 in Q4 2024.

In Q3 2024, revenues decreased by 11% to \$18,309 from \$20,551 in the second quarter of 2024. This decrease is mainly attributed to lower silver equivalent ounces produced and sold. The net loss increased by 77% from \$2,750 in Q2 2024 to \$4,864 in Q3 2024.

In the second quarter of 2024, revenues increased by 14% to \$20,551 from \$17,765 in the first quarter of 2024. This increase is mainly attributed to higher realized prices.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to generate sufficient cash, both in the short term and the long term, to maintain existing capacity and to fund ongoing development and exploration, is dependent upon the ability of the Company to generate positive cash flows from operations and/or obtain the financing necessary to generate and sustain profitable operations. Refer to going concern section above.

The Company will evaluate, from time to time, sales of its common shares to improve the Company's liquidity and working capital position. To the extent that cash generated by operations is less than sufficient to fund ongoing operations and improve the Company's working capital position, in the event the Company determines it will undertake other projects that are currently not part of its plans, or if the Company undertakes another acquisition, additional capital may be required. As disclosed above, during Q2 2025 the Company also restructured its debt obligations with Ocean Partners through the Enhanced Facility. On August 21, 2025, the Company completed a non-brokered Listed Issuer Financing Exemption private placement (the "2025 LIFE Offering") for aggregate gross proceeds to the Company of CAD\$18,000 under the Listed Issuer Financing Exemption. Further, on October 9, 2025, the Company completed a bought deal public offering (the "2025 Bought Deal") and issued 87,000,000 units at \$0.36 (CAD\$0.50) per unit for gross proceeds of \$31,071 (CAD\$43,500). On October 30, 2025, the Company issued 6,525,000 warrants for additional gross proceeds of \$372 (CAD\$522) pursuant to the exercise of the over-allotment option for the 2025 Bought Deal.

As noted previously in this MD&A, for the three months ended March 31, 2026, the Company generated net income of \$5,701. As at March 31, 2026, the Company has an accumulated deficit of \$157,267 and accounts payable and accrued liabilities and provisions for legal contingencies of \$40,991. These factors give rise to material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Based on its existing cash and cash equivalents as of March 31, 2026 of \$20,903, working capital of \$5,491, restructuring of the Ocean Partners loan, completion of the 2025 LIFE Offering and 2025 Bought Deal, and estimated future cash flows, the Company has assessed that based on its cashflow forecast for the next 12 months it expects to have sufficient capital to continue operations for the next twelve months. The Company's cashflow forecast for the next 12 months is based on assumptions regarding production rates, operating and capital costs.

If the Company's does not generate the expected cash flows from its 12-month cashflow forecast, the Company will need to raise additional capital and sources of capital include accessing the private and public capital markets for debt and equity over the next twelve months. Adverse movement in metal prices and unforeseen impacts to the Company's operation may increase the need to raise new external sources of capital, and the inability to access sources of capital could adversely impact the Company's liquidity and require the Company to curtail capital and exploration programs and other discretionary expenditures.

In addition, the Company has entered into an equity distribution agreement (the "Distribution Agreement") with Research Capital Corporation (the "Agent") to establish an at-the-market equity program (the "ATM Program"). The Company may issue up to CAD\$7,500 of common shares of the Company (the "ATM Offered Shares") from treasury under the ATM Program. The ATM Offered Shares will be issued by the Company to the public from time to time, through the Agent, at the Company's discretion. The ATM Offered Shares sold under the ATM Program, if any, will be sold at the prevailing market price at the time of sale. Since the ATM Offered Shares will be distributed at trading prices prevailing at the time of the sale, prices may vary between purchasers and during the period of distribution. The Company intends to use the net proceeds from any sales of ATM Offered Shares under the ATM Program, if any, to advance the Company's business objectives and for general corporate purposes, including, without limitation, funding ongoing operations or working capital requirements, repaying indebtedness outstanding from time to time, discretionary capital programs and potential future acquisitions. During the quarter ended March 31, 2026, the Company issued 2,409,200 shares under the ATM Program at an average price of \$0.8539 for aggregate gross proceeds of \$2,057. Total commissions paid to the Agent during the quarter were \$51.

Please refer to "FORWARD-LOOKING STATEMENTS" in this document for further details of the material risk factors that could cause actual results to differ materially from the forward-looking information; the material factors and assumptions used to develop such forward-looking information; and the Company's policy for updating forward-looking information.



	Three months ended		
	March 31, 2026	March 31, 2025	% Change
Cash Flow	\$	\$	
Cash provided by operating activities	6,972	208	3,252%
Cash used in investing activities	(36,591)	(952)	3,744%
Cash provided by (used in) financing activities	8,936	(40)	22,440%
Effect of exchange rate changes on cash	22	13	69%
Change in cash	(20,661)	(771)	2,580%
Cash, beginning of period	41,564	2,937	1,315%
Cash, end of period	20,903	2,166	865%

As of March 31, 2026, the Company had cash and cash equivalents of \$20,903, and positive working capital of \$5,491, compared with cash and cash equivalents of \$41,564 and positive working capital of \$14,204 at December 31, 2025. The Company also had short term investments of \$9,547 as of March 31, 2026.

Operating activities

During the three months ended March 31, 2026, cash provided by operating activities was \$6,972 (three months ended March 31, 2025, cash provided – \$208). The significant non-cash adjustments to the net income of \$5,701 in the three months ended March 31, 2025 (three months ended March 31, 2025 - \$2,273) were depreciation and depletion of \$4,279 (three months ended March 31, 2025 - \$1,524), accretion of \$292 (three months ended March 31, 2025 - \$435), share-based compensation of \$194 (three months ended March 31, 2025 - \$98), loss on derivatives and financial assets carried at fair value of \$1,508 (three months ended March 31, 2025 - \$2,859), unrealized foreign exchange gain of \$220 (three months ended March 31, 2025 - loss of \$104), interest expense of \$646 (three months ended March 31, 2025 - \$852), settlement and proceeds of advance payment of \$700 and \$nil (three months ended March 31, 2025 - \$485 and \$278), current income tax expense and deferred income tax recovery of \$3,178 and \$561, respectively (three months ended March 31, 2025 - \$681 and \$nil), income taxes paid of \$3,832 (three months ended March 31, 2025 - \$nil) and non-cash working capital changes of \$227 (three months ended March 31, 2025 – \$3,865). The net change in non-cash working capital was primarily due to a decrease in accounts receivable and accounts payable and accrued liabilities, partially offset by an increase of inventory and prepaid expenses and deposits. During the three months ended March 31, 2026, the Company also bought gold bullion in the amount of \$3,740.

Investing activities

During the three months ended March 31, 2026, cash used in investing activities was \$36,591, compared with the use of cash of \$952 in the same period in 2025. The use of cash during the period was \$27,470 for the acquisition of Bolañitos (net of cash acquired) \$2,619 on plant and equipment, construction in progress and mine development. Additionally, the Company purchased marketable securities for \$6,967 and received proceeds from the sale of such investments of \$465. The use of cash during the three months ended March 31, 2025, was \$940 on PP&E, construction in progress and mine development. Additionally, the Company purchased marketable securities for \$312, offset by the \$300, related to the proceeds from sale of investments.

Financing activities

During the three months ended March 31, 2026, cash generated in financing activities was \$8,936. This amount includes the issuance of 2,409,200 Common Shares through ATM for \$1,503 (discussed above), proceeds from issuance of warrants \$5,804 and proceeds from issuance of stock options \$1,763, partially offset by share issuance costs of \$53 and lease obligation payments of \$81.

During the three months ended March 31, 2025, cash used in financing activities was \$40 related to lease obligations payments.

Ocean Partners Facilities

On December 5, 2023, the Company entered into a new \$7,500 gold loan credit facility (the "Gold Facility") with Ocean Partners. The unsecured loan facility is for a term of 36 months, is repayable in equal fixed monthly installments of gold totalling approximately 191 troy ounces per month for a period of 30 months, following a six-month grace period. The number of ounces to be delivered per month is based on a discount to the LBMA (London Bullion Market Association) gold closing price of US\$2,046.95 on November 29, 2023. A portion of the Gold Facility was used to extinguish the remaining carrying amount of \$4,621 of a previous credit facility with Ocean Partners and was accounted as a loan extinguishment.

On February 28, 2024, the Company increased its Gold Facility with Ocean Partners to \$13,300. The Expanded Facility is for a term of 36 months from the date of the initial draw on December 5, 2023. It is repayable in equal fixed monthly installments of gold totalling approximately 338 troy ounces per month for a period of 30 months following a six-month grace period from the date of the initial draw. The number of ounces to be delivered per month is based on a discount to the LBMA gold closing price of \$2,046.95 on November 29, 2023. \$1,671 of the Expanded Facility was used to pay the Gold Facility.

On December 3, 2024, delivery terms of the Expanded Facility were amended. The Company paid two payments early and deferred another payment to December 2026.



In April 2025, the Company reached an agreement to amend the Expanded Facility with Ocean Partners. Under the terms of the Enhanced Facility, the Company is to pay a lump sum payment of either 338.43 gold ounces or a cash payment of \$1,056, which was completed during the third quarter of 2025. Of the remaining 7,110 gold ounces, two-thirds of the outstanding balance, 4,740 gold ounces, are being amortized over 36 months starting April 2025, and repaid in equal fixed installments of 131.7 ounces of gold bullion. Payments are made monthly in US dollars, with the price fixed at the LBMA AM price on the 15th of each month. The Q1 2026 payments were made on the basis of these revised terms. The remaining one-third of the outstanding balance, 2,370 gold ounces, will be paid on conclusion of the 36-month term and is secured by a guarantee of the Company's subsidiary Obras Mineras El Pinguico, S.A. de C.V. ("OMPISA") and a pledge over the Company's shares of OMPISA. In connection with the terms of the Enhanced Facility, 4,550,000 warrants with an exercise price of CAD\$0.24 with a 36-month term were issued to Ocean Partners.

Non-Brokered Life Financing

On August 21, 2025, the Company completed a non-brokered Listed Issuer Financing Exemption private placement offering and issued 60,000,000 units at \$0.22 (CAD\$0.30) per unit for gross proceeds of \$12,995 (CAD\$18,000). Each unit consisted of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at CAD\$0.45 per share for a period of two years.

Bought Deal Public Offering

On October 9, 2025, the Company completed the 2025 Bought Deal and issued 87,000,000 units at \$0.36 (CAD\$0.50) per unit for gross proceeds of \$31,071 (CAD\$43,500). Each unit consisted of one common share and one-half common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at CAD\$0.65 per share for a period of three years. On October 30, 2025, the Company issued 6,525,000 warrants for additional gross proceeds of \$372 (CAD\$522) pursuant to the exercise of the over-allotment option for the 2025 Bought Deal.



NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain non-IFRS financial measures and ratios in this MD&A, as discussed below. These non-IFRS financial measures and non-IFRS ratios are widely reported in the mining industry as benchmarks for performance and are used by Management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures and ratios to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS.

Non-IFRS financial measures are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("NI 52-122") as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

A non-IFRS ratio is defined by NI 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage, or similar representation, (b) has a non-IFRS financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

WORKING CAPITAL

Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is current assets net of current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating the Company's liquidity.

As at	March 31, 2026	December 31, 2025
	\$	\$
Current assets	61,141	65,820
Current liabilities	55,650	51,616
Working capital	5,491	14,204

MINE OPERATING CASH FLOW BEFORE TAXES

Mine operating cash flow before taxes is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Mine operating cash flow is calculated as revenue minus production costs, transportation and selling costs and inventory changes. Mine operating cash flow is used by management to assess the performance of the mine operations, excluding corporate and exploration activities, and is provided to investors as a measure of the Company's operating performance.

	Three months ended			
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
	\$	\$	\$	\$
Revenues	43,052	22,720	16,277	18,458
Production cost	(25,144)	(17,433)	(14,525)	(14,085)
Transportation and other cost	(1,118)	(174)	(558)	(654)
Inventory changes	1,775	(1)	(1,484)	1,042
Mine operating cash flows before taxes	18,565	5,112	(290)	4,761

	Three months ended			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
	\$	\$	\$	\$
Revenues	21,330	19,038	18,309	20,551
Production cost	(13,983)	(14,401)	(14,826)	(16,220)
Transportation and other cost	(608)	(629)	(315)	(748)
Inventory changes	(408)	(67)	132	305
Mine operating cash flows before taxes	6,331	3,941	3,300	3,888



EBITDA

EBITDA is a non-IFRS financial measure, which excludes the following from net earnings:

- Income tax expense;
- Finance costs;
- Amortization and depletion.

Adjusted EBITDA excludes the following additional items from EBITDA:

- Share based compensation;
- Impairments (reversals);
- Loss (gain) on derivative;
- Unrealized foreign exchange (gain) loss relating to ARO
- Significant other finance items.

Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the basic weighted average number of shares outstanding for the period.

Management believes EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a Company. Management believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results because it is consistent with the indicators management uses internally to measure the Company's performance and is an indicator of the performance of the Company's mining operations.

EBITDA is intended to provide additional information to investors and analysts. It does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances and therefore is not necessarily indicative of operating profit or cash flow from operations as determined by IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

	Three months ended			
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
	\$	\$	\$	\$
Net income (loss) per financial statements	5,701	(25,610)	(5,824)	(3,682)
Depreciation and depletion – cost of sales	4,257	1,052	1,188	1,381
Depreciation and depletion – general and administration	24	23	22	23
Interest and finance costs, net	474	647	298	1,032
Current income tax expense	3,178	2,040	(267)	816
Current income tax recovery	(561)	-	-	-
EBITDA	13,073	(21,848)	(4,583)	(430)
Share based compensation	194	98	168	281
Loss on derivatives	1,589	6,793	2,040	748
Unrealized foreign exchange (gain) loss relating to ARO	(153)	453	512	1,390
Other finance items, net	125	609	(657)	(89)
Provision for legal contingencies	-	13,151	-	-
VAT write-off	-	2,425	300	-
Fixed assets impairment	-	1,232	-	-
Gain on ARO estimate	-	(3,505)	-	-
Adjusted EBITDA	14,828	(592)	(2,220)	1,900

	Three months ended			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
	\$	\$	\$	\$
Net loss per financial statements	(2,273)	(2,413)	(4,864)	(2,750)
Depreciation and depletion – cost of sales	1,486	1,279	2,784	2,940
Depreciation and depletion – general and administration	37	40	41	42
Interest and finance costs (income), net	1,140	1,439	1,575	1,776
Current income tax	674	1,911	-	-
EBITDA	1,064	2,256	(464)	2,008
Share based compensation	98	118	214	259
Loss on derivatives	2,847	160	1,663	1,489
Unrealized foreign exchange (gain) loss relating to ARO	96	(785)	(1,447)	(1,834)
Other finance items, net	(2)	60	(23)	(16)
Endeavour Silver contingent payment	-	-	1,000	-
Other (income) expenses	-	(60)	(53)	11
Adjusted EBITDA	4,103	1,749	890	1,917

Cash Cost per AgEq Ounce, All-In Sustaining Cost per AgEq Ounce and Production Cost per Tonne

Cash costs per silver equivalent oz and production costs per tonne are measures developed by precious metals companies in an effort to provide a comparable standard; however, there can be no assurance that the Company's reporting of these non-IFRS measures and ratios are similar to those reported by other mining companies. Cash costs per silver equivalent ounce and total production cost per tonne are non-IFRS performance measures used by the Company to manage and evaluate operating performance at its operating mining unit, in conjunction with the related IFRS amounts. They are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. Production costs include mining, milling, and direct overhead at the operation sites. Cash costs include all direct costs plus royalties and special mining duty. Total production costs include all cash costs plus amortization and depletion, changes in amortization and depletion in finished goods inventory and site share-based compensation. Cash costs per silver equivalent ounce is calculated by dividing cash costs and total production costs by the payable silver ounces produced. Production costs per tonne are calculated by dividing production costs by the number of processed tonnes. The following tables provide a detailed reconciliation of these measures to the Company's direct production costs, as reported in its consolidated financial statements.

AISC is a non-IFRS performance measure and was calculated based on guidance provided by the World Gold Council ("WGC"). WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining capital expenditures. AISC is a more comprehensive measure than cash cost per ounce and is useful for investors and management to assess the Company's operating performance by providing greater visibility, comparability and representation of the total costs associated with producing silver from its current operations, in conjunction with related IFRS amounts. AISC helps investors to assess costs against peers in the industry and help management assess the performance of its mine.

AISC includes total production costs (IFRS measure) incurred at the Company's mining operation, which forms the basis of the Company's total cash costs. Additionally, the Company includes sustaining capital expenditures, corporate general and administrative expense, operating lease payments and reclamation cost accretion. The Company believes this measure represents the total sustainable costs of producing silver and gold concentrate from current operations and provides additional information of the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of silver and gold concentrate production from current operations, new projects capital at current operation is not included. Certain other cash expenditures, including share-based payments, tax payments, dividends and financing costs are also not included.



The following tables provide detailed reconciliations of these measures to cost of sales, as reported in notes to the Company's consolidated financial statements.

Three months ended	March 31, 2026						March 31, 2025
	Bolañitos	El Cubo	VMC	San Ignacio	Topia	Consolidated	Consolidated
Cost of sales	11,891	4,022	2,826	2,187	7,807	28,733	16,468
Transportation and selling cost	(383)	(139)	(243)	(82)	(260)	(1,107)	(591)
Inventory changes	32	454	206	265	818	1,775	(408)
Depreciation	(3,345)	(168)	(135)	(335)	(274)	(4,257)	(1,486)
Production cost	A	8,195	4,169	2,654	2,035	8,091	25,144
Add (subtract):							
Government royalties and mining taxes		166	77	310	(26)	(43)	484
Total cash cost	B	8,361	4,246	2,964	2,009	8,048	25,628
General and administrative – corporate		-	-	-	-	-	3,759
Operating lease payments		-	84	27	-	12	123
Sustaining capital expenditures		1,284	932	421	267	520	3,424
Total All-in sustaining cash cost	C	9,645	5,262	3,412	2,276	8,580	32,934
Tonnes milled	D	61,849	29,769	8,686	10,654	11,513	122,471
Silver equivalent ounces produced	E	214,567	118,184	40,851	40,999	201,844	616,445
Production cost per tonne	A/D	132.51	140.06	305.55	190.97	702.76	205.31
Cash cost per AgEq ounce produced	B/E	38.97	35.93	72.56	48.99	39.87	41.57
All-in sustaining cash cost per AgEq ounce produced	C/E	44.95	44.52	83.54	55.50	42.51	53.43
Mining cost per tonne		86.78	70.84	173.44	140.47	558.75	138.09
Milling cost per tonne		22.74	38.64	38.24	27.46	91.72	34.60
Indirect cost per tonne		22.99	30.58	93.87	23.03	52.29	32.62
Production cost per tonne		132.51	140.06	305.55	190.96	702.76	205.31
Mining		5,367	2,109	1,506	1,497	6,433	16,912
Milling		1,406	1,150	332	293	1,056	4,237
Indirect		1,422	910	816	245	602	3,995
Production Cost		8,195	4,169	2,654	2,035	8,091	25,144

- Silver equivalents are calculated using 57.81:1 (Ag/Au), 0.01:1 (Ag/Pb) and 0.02:1 (Ag/Zn) ratio for Q1 2026; an 89.68:1 (Ag/Au), 0.03:1 (Ag/Pb) and 0.04:1 (Ag/Zn) ratio for Q1 2025 respectively.
- Cash cost per silver equivalent ounce include mining, processing, and direct overhead.
- AISC per oz include mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital.
- Production costs include mining, milling, and direct overhead at the operation sites.
- Consolidated amount for the three months ended March 31, 2026, excludes \$11 in relation to silver bullion transportation and selling cost from cost of sales (March 31, 2025 - \$17).



OTHER FINANCIAL INFORMATION

SHARE CAPITAL

The Company’s authorized share capital consists of unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

The common shares, warrants, stock options and restricted share units outstanding are as follows:

	March 31, 2026			May 26, 2026		
	#	Weighted average exercise price CAD\$	Weighted average life (years)	#	Weighted average exercise price CAD\$	Weighted average life (years)
Common shares	728,135,012			743,784,262		
Warrants	112,137,044	\$0.50	1.85	96,557,044	\$0.53	1.97
Stock options	29,188,332	\$0.38	3.73	28,488,332	\$0.38	3.57
Restricted share units	1,195,000			1,195,000		
Fully diluted	870,655,388			870,024,638		

MANAGEMENT OF CAPITAL

The Company’s capital consists of share capital, equity reserves, and deficit as well as loans and leases. The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support operations, mine refurbishment, exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. The Board of Directors has not established quantitative capital structure criteria management, but reviews, on a regular basis, the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company’s objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued operations, evaluation and maintenance at the Company’s existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing to complete mine refurbishment and exploration and development of its properties, when it is required.

The properties in which the Company currently holds interests in are in the production and exploration stages and the Company is dependent on external financing to fund planned growth and working capital. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Management has taken steps to manage the Company’s liquidity, including extending payment terms with suppliers and settling certain liabilities through the issuance of the Company’s common shares. Management is also in discussions with existing and new lenders about amending existing debt arrangements or obtaining new debt financing and may also consider raising additional equity financing. The continuing operations of the Company are dependent in the near-term on its ability to obtain additional financing and in the longer-term on a combination of additional financing and the generation of cash flows from operations. In addition, the Company may issue new equity or incur additional debt, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company’s investment policy is to hold cash in interest bearing accounts at high credit quality.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company’s executive management team and Board of Directors. Compensation provided to key management personnel is as follows:



	Three months ended	
	March 31, 2026	March 31, 2025
Salaries, bonus and benefits	97	92
Consulting fees ⁽¹⁾	58	6
Share-based compensation	33	59
	188	157

⁽¹⁾ Consulting fees were paid to Universal Solutions Inc., a company controlled by the VP Corporate Development and Corporate Secretary of the Company.

Salaries, bonus and benefits, and consulting fees, to key management includes all salaries, bonuses, fees, and employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

Transactions with related parties, are described above, were for services rendered to the Company in the normal course of operations and were measured based on the consideration established and agreed to by the related parties. Related party transactions are made without stated terms of repayment or interest. The balances with related parties are unsecured and due on demand.

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

During the fourth quarter of 2025, the court in Mexico City issued a ruling indicating that MMR is liable for damages and the reimbursement of costs associated with a vendor dispute over the installation and use of certain mineral sorting equipment. While the Company disputes certain aspects of the vendor's claims and continues to evaluate its legal position, management has assessed the matter in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*. Based on the information currently available and consultations with external legal counsel, management has determined that it is probable that a settlement will result in an outflow of economic resources. Accordingly, the Company has recognized a provision of \$10,362 in the consolidated financial statements as at March 31, 2026 (December 31, 2025 - \$10,362). The provision represents management's best estimate of the amount required to settle the obligation as at the reporting date based on the court ruling.

During the fourth quarter of 2025, the Company was assessed an administrative fine of \$2,789 for failure to notify the General Directorate of Mines (Dirección General de Minas) of a fatality that occurred on August 12, 2023. The Company is currently appealing the fine with respect to this matter. As at March 31, 2026 and December 31, 2025, management has determined that recognition of the full amount of the fine is appropriate and has recorded a provision accordingly.

The timing of the ultimate resolution of the matters remains uncertain and may depend on ongoing negotiations or legal proceedings, including the results of appeals. While management believes the recorded provision appropriately reflects the Company's current exposure, the outcome may differ from the amount accrued.

Due to the size and nature of the Company's operations, in the ordinary course of business the Company may be subject to claims and/or legal proceedings. The Company records provisions for such claims when considered material and an outflow of resources is considered probable.

SUPPLEMENTAL DISCLOSURE ON USE OF PROCEEDS FROM PRIOR FINANCINGS

On October 9, 2025, the Company closed a "bought deal" public offering of 87,000,000 units for gross proceeds of CAD\$43,500. An additional \$522 in gross proceeds was received on the exercise of the over-allotment option. 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 CAD\$ ('000s)	Actual Amount CAD\$ ('000s)	Explanation of Variances and Impact of Variances
General working capital ⁽¹⁾⁽³⁾	\$27,500	\$23,945	Only actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Sustaining and development capital ⁽²⁾	\$16,000	\$5,124	Only actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Total	\$43,500	\$29,069	

1. Funds included in general working capital will be used to pay for operating costs, power and labor and may be allocated to corporate expenses, business development, investor relations and legal expenses.

2. Funds included in sustaining and development capital will be used as follows: (i) \$2.0 million for development capital at the Pinguico Project (part of the El Cubo-Villalpando Mine Complex); (ii) \$1.5 million for capitalized exploration across all of the Company's mineral projects; and (iii) \$12.5 million in sustaining and development capital across all of the Company's mineral projects.

3. The net proceeds of \$491 from the exercise of the over-allotment option have been allocated to general working capital.

On August 21, 2025, the Company completed a non-brokered Listed Issuer Financing Exemption private placement offering and issued 60,000,000 units at \$0.22 (CAD\$0.30) per unit for gross proceeds of \$12,995 (CAD\$18,000). 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 CAD\$ ('000s)	Actual Amount CAD\$ ('000s)	Explanation of Variances and Impact of Variances
To add to the Issuer's underground fleet and increase production at GSilver's producing mines in and about Guanajuato, Mexico including El Cubo, San Ignacio, Valenciana and Topia mines.	\$4,636	\$720	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
To fund corporate head office G&A expenses including legal, audit, overhead and salaries for ensuing 12 months	\$2,916	\$3,639	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Further development of Argentina vein system at Topia Mine Complex to access higher grade portions of the deposit	\$1,250	\$125	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Development work to construct a stope ramp along the San Jose vein and towards Pinguico's underground stockpile.	\$2,000	\$433	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
To carry out brownfields' exploration at GSilver's mineral properties, particularly El Horcon.	\$3,500	\$1,497	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Unallocated working capital	\$6,449	\$14,337	Seven months of actual expenditures are included in the actual amount spent since the closing of the financing. There was no impact on the Company's ability to achieve its business objectives and milestones.
Total	\$20,751	\$20,751	



FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value measurement and valuation techniques

Financial instruments included in the interim statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments approximate amounts for which the instruments could be exchanged in an arm’s-length transaction between knowledgeable and willing parties.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The table below summarizes the valuation methods used to determine the fair value of each financial instrument:

Financial asset or liability	Methods and assumptions used to estimate fair value
Trade receivables	Trade receivables arising from the sales of metal concentrates are subject to provisional pricing, and the final selling price is adjusted at the end of a quotational period. These are marked to market at each reporting date based on the forward price corresponding to the expected settlement date.
Forward contracts (short term investments)	The Company determines the value of the forward contracts using quoted prices. Fair value changes are charged to profit and loss.
Marketable securities (short term investments)	The Company determines the value of the marketable securities using quoted prices. Fair value changes are charged to profit and loss.
Ocean Partners loans	The fair value of the loan was estimated using the discounted cash flow method at a rate that equates to a comparable current market interest rate.
Embedded derivative	Valued using inputs derived from observable market data, including quoted commodity forward prices.
Other long-term liabilities	The Company determined the fair value of the Contingent Payments associated with the Bolañitos acquisition based on a discounted cash flow using a credit adjusted discount rate and an estimated date of achieving the production milestones (Level 3 of the fair value hierarchy).

The carrying value of cash and cash equivalents, other receivables, accounts payable, and accrued liabilities, all of which are carried at amortized cost, approximate their fair value given their short-term nature. Trade receivables, loans, and the derivative are classified within Level 2 of the fair value hierarchy. Forward contracts are classified within Level 1 of the fair value hierarchy.

During the three months ended March 31, 2026, and 2025, there were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy.



March 31, 2026	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Carrying value approximates fair value
Financial assets measured at fair value							
	\$	\$	\$	\$	\$	\$	\$
Trade receivables from sale of concentrate	9,384	-	9,384		9,384	-	-
Short term investments	9,547	-	9,547	9,547	-	-	-
	18,931	-	18,931	9,547	9,384	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	-	20,903	20,903	-	-	-	20,903
VAT and other receivables	-	2,116	2,116	-	-	-	2,116
	-	23,019	23,019	-	-	-	23,019
Financial liabilities measured at fair value							
Other current liabilities	(1,833)	-	(1,833)	-	(1,833)	-	-
Derivative	(6,550)	-	(6,550)	-	(6,550)	-	-
Other long-term liabilities	(9,249)	-	(9,249)	-	-	(9,249)	-
	(17,632)	-	(17,632)	-	(8,383)	(9,249)	-
Financial liabilities not measured at fair value							
Accounts payable and accrued liabilities	-	(27,840)	(27,840)	-	-	-	(27,840)
Ocean Partners loans	-	(14,654)	(14,654)	-	-	-	(14,654)
	-	(42,494)	(42,494)	-	-	-	(42,494)

December 31, 2025	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Carrying value approximates fair value
Financial assets measured at fair value						
	\$	\$	\$	\$	\$	\$
Trade receivables from sale of concentrate	9,240	-	9,240	-	9,240	-
Short term investments	3,242	-	3,242	3,242	-	-
	12,482	-	12,482	3,242	9,240	-
Financial assets not measured at fair value						
Cash, cash equivalents and restricted cash	-	41,563	41,563	-	-	41,563
VAT and other receivables	-	4,292	4,292	-	-	4,292
	-	45,855	45,855	-	-	45,855
Financial liabilities measured at fair value						
Other current liabilities	(1,842)	-	(1,842)	-	(1,842)	-
Derivative	(5,170)	-	(5,170)	-	(5,170)	-
	(7,012)	-	(7,012)	-	(7,012)	-
Financial liabilities not measured at fair value						
Accounts payable and accrued liabilities	-	(25,913)	(25,913)	-	-	(25,913)
Ocean Partners loans	-	(14,538)	(14,538)	-	-	(14,538)
	-	(40,451)	(40,451)	-	-	(40,451)



RISKS AND UNCERTAINTIES

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of silver and gold; trading and credit risk in the normal course of dealing with other companies; foreign exchange risk as the Company reports its financial statements in USD dollars whereas the Company operates in Canada and Mexico that utilize the Canadian dollar and Mexican Peso, respectively; the risk of not being able to obtain financing from external sources; risks relating to cyber security; the inherent risk of uncertainties in estimating mineral reserves and mineral resources; political, economic and social risks related to conducting business in jurisdictions such as Canada, and Mexico; environmental and permitting regulation; risks related to its relations with employees and local communities where the Company operates, and risks relating to any future global pandemic which presents future risks and uncertainties that are largely unknown at this time. Certain of these risks are described below and are more fully described in GSilver's most recent Annual Information Form (available on SEDAR+ at www.sedarplus.ca). Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to GSilver's business.

Financial risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include fluctuations in metal prices, exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Commodity price risk

Gold and silver prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand due to speculative hedging activities and certain other factors. The ability of the Company to develop its mineral properties and exploration and evaluation assets is highly correlated to the market price of gold and silver. If metal prices decline for a prolonged period below the anticipated cost of production of the Company's mines, it may not be economically feasible to continue production.

The following table summarizes the effect on provisionally priced sales and accounts receivables of a 10% change in metal prices from the realized prices used at March 31, 2026:

Metal	Change	Effect on Sales \$
Silver	+/- 10%	5,050
Gold	+/- 10%	4,091
Lead	+/- 10%	113
Zinc	+/- 10%	149

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and restricted cash, and amounts receivable. The Company deposits its cash and cash equivalents with high credit quality major Canadian and Mexican financial institutions as determined by ratings agencies. Trade accounts receivables from concentrate sales are held with large international metals trading companies with which the Company has no history of credit losses.

As of	March 31, 2026	December 31, 2025
	\$	\$
Cash, cash equivalents and restricted cash	20,903	41,563
Trade receivables	9,384	9,240
VAT recoverable	2,116	3,923
Other receivables	-	369
Short term investments	9,547	3,242
	41,950	58,337

Short term investments consist of forward contracts and marketable securities which carry credit risk and currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has in place a planning and budgeting process to help determine the funds required for the Company to have the appropriate liquidity to meet its operating and growth objectives. The Company enters into contracts that give rise to commitments in the normal course of business.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities, shown in contractual undiscounted cash flows, including interest, at March 31, 2026:

	Expected payments by year as at March 31, 2026			Total
	Less than 1 year	1 -5 years	After 5 years	
	\$	\$	\$	\$
Accounts payable and accrued liabilities	27,840	-	-	27,840
Loans	2,859	11,716	-	14,575
Interest on loans	2,384	1,870	-	4,254
Derivative payments	2,238	6,005	-	8,243
Lease obligations	206	125	44	375
ARO liabilities	-	4,441	20,859	25,300
Other liabilities	1,833	-	-	1,833
Total	37,360	24,157	20,903	82,420

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is mainly held in bank accounts at Canadian and Mexican chartered banks. A 1% increase in interest rates based on the Company's cash balance at March 31, 2026 would have an approximate \$209 impact on profit or loss.

The Company's interest rate risk principally arises from the interest rate impact on interest charged on its loan payable and lease liability. The Company's lease liability is subject to fixed interest rates thus any changes in external interest rates would not result in a significant impact on the Company's net loss.

Currency risk

Currency risk is the risk that foreign exchange rates will fluctuate significantly from expectations. The Company reports its financial statements in US dollars; however, it operates in Mexico which utilized both the Mexican Peso ("MXN") and the US Dollar ("USD") and Canada which utilized the Canadian dollar ("CAD") (collectively "Local Currencies"). Consequently, the financial results of the Company's operations as reported in US dollars are subject to changes in the value of the US dollar relative to the Local Currencies. Since a significant portion of the Company's operating costs and capital spending are in Local Currencies, the Company is negatively impacted by strengthening local currencies relative to the US dollar and positively impacted by the inverse.

The Company is exposed to foreign currency risk through the following financial assets and liabilities:

As at March 31, 2026	Canadian dollars	Mexican pesos
Cash and cash equivalents	3550	30,746
Amounts receivable	-	125,575
Accounts payable and accrued liabilities	(70)	(610,563)
Current portion of lease liabilities	(17)	(3,758)
Lease liabilities	-	(2,015)
Other current liabilities	-	(59)
Provision for reclamation and rehabilitation	-	(166,960)
Income tax payable	-	(21,943)
Total foreign currency exposure	3,464	(648,978)
US\$ equivalent of foreign currency exposure	2,485	(33,651)

The Company is primarily exposed to fluctuations in the value of CAD against USD and USD against MXN. With all other variables held constant, a 10% change in CAD against USD or USD against MXN would result in the following impact on the Company's net loss for the period:

Currency	Change	Effect \$
Canadian dollars	+/- 10%	219
Mexican pesos	+/- 10%	3,066

Climate Change

Extreme weather events (such as prolonged drought, increased frequency and intensity of storms, flooding and wildfires) have the potential to disrupt the Company's operations and the transportation routes that the Company uses. The Company's ability to conduct mining operations also depends upon access to the volumes of water that are necessary to operate its mines and processing facilities. Changes in weather patterns and extreme weather events including flooding or wildfires, either due to normal variances in weather or due to global climate change, could adversely impact, disrupt or increase the costs of the Company's mining operations including the volume of water or other supply lines necessary to operate its facilities, or damage to facilities, plant and operating equipment, any of which would adversely impact the Company's cash flow and profitability.

Also, various governments around the world have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels regulating, among other things, emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If current regulatory trends continue, this may result in increased costs at some or all of the Company's operations.

Calculation of Reserves and Resources and Precious Metal Recoveries

There is a degree of uncertainty attributable to the calculation and estimation of reserves and resources, if any, and their corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties.

Economic Conditions for Mining

Global financial markets are experiencing extreme volatility as a result of tariffs, the war in Ukraine, Israel-Palestine conflict and higher inflation and interest rates. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favourable to the Company.

Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations and planned growth and the trading price of the securities of the Company may be adversely affected.

The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.

The Company's business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from recently proposed trade barriers, including tariffs.

The global economy has the potential to be negatively impacted by increasing tension and uncertainty resulting from actions by the United States government to impose tariffs on goods that are imported into the United States. Increased trade barriers, such as tariffs, could adversely affect the Company's business, financial condition and results of operations. The impact of any tariffs is expected to result in market disruptions, inflation, supply chain disruptions and volatility in commodity prices, credit and capital markets. Further escalation of geopolitical tensions related to tariffs and retaliatory trade actions could result in increased volatility and disruption to the global economy and the markets in which we operate adversely impacting the Company's business, financial condition or results of operations.

Assurance on Financial Statements

The Company prepares the financial reports in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgement in determining the financial condition of the Company. Material accounting policy information, and practices are described in more detail in the notes to the annual consolidated financial statements for the year ended December 31, 2025. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continues to analyze the internal control systems for financial reporting.

MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies applied in the Company's interim financial statements for the three months ended March 31, 2026, are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2025, except as described below. A number of new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2027 and earlier application is permitted; however, the Company has not early adopted and continue to evaluate the impact of the forthcoming or amended standards in preparing our interim and annual financial statements, including the impact of IFRS 18, Presentation and Disclosure in Financial Statements. .

In the current year, the Company has adopted the amendments to IFRS Standards and Interpretations issued by the IASB that became effective for annual periods starting on or after January 1, 2026. These include amendments to IFRS 7 and IFRS 9, Classification and Measurement of Financial Instruments. The application of these changes did not have a material impact on the Company's financial statements, including reported amounts or disclosures

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of the consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.