
Discovery Files 43-101 Technical Report for its Preliminary Economic Assessment for Cordero Project

January 13, 2022, Toronto, Ontario - Discovery Silver Corp. (TSX-V: DSV, OTCQX: DSVSF) (“Discovery” or the “Company”) is pleased to announce it has filed on SEDAR its National Instrument 43-101 (“NI 43-101”) technical report titled *Preliminary Economic Assessment of the Cordero Silver Project Chihuahua State, Mexico*, dated November 30, 2021 (the “Technical Report”), in respect of Discovery’s Cordero deposit in Mexico. The report was authored by Ausenco Engineering Canada Inc. with support from AGP Mining Consultants Inc. and Knight Piésold and Co. (USA).

The filing of the Technical Report follows the Company’s news release issued November 30, 2021, announcing its Preliminary Economic Assessment (“PEA”) on the Cordero project. Highlights from the PEA as outlined in this previous news release include (all figures in USD unless otherwise noted):

- **Excellent project economics:** Base Case after-tax NPV5% of \$1.2 B (C\$1.5 B) and IRR of 38% (Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb).
- **Exceptional silver price leverage:** Upside Case after-tax NPV5% of \$1.9 B (C\$2.4 B) and IRR of 55% (Ag - \$27.50/oz, Au - \$1,880/oz, Pb - \$1.10/lb and Zn - \$1.45/lb based on one-year trailing 90th percentile prices).
- **Large-scale, high-margin, long mine life asset:** 16-year mine life with average annual production of 26 Moz AgEq at an AISC of \$12.35/oz AgEq.
- **Low capital intensity:** initial development capex of \$368 M; attractive NPV-to-capex ratio of 3.2x.
- **Rapid payback:** after-tax payback of 2.0 years for Base Case and 1.4 years for Upside Case.
- **Technically robust study:** 99% of tonnes processed in the PEA mine plan are in the Measured & Indicated category; process design and metallurgical recovery estimates are based on the Company’s comprehensive 2021 metallurgical testwork program.
- **Silver-dominant revenues:** silver represents +60% of the net smelter return in the first five years of the mine life and +50% of the net smelter return over the life of mine, in-line with the senior/mid-tier silver producer group.

About Discovery

Discovery’s flagship project is its 100%-owned Cordero project, one of the world’s largest silver deposits. The PEA completed in November 2021 demonstrates that Cordero has the potential to be developed into a highly capital efficient mine that offers the combination of margin, size and scalability. Cordero is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico. Continued exploration and project development at Cordero is supported by an industry leading balance sheet with cash of approximately C\$70 million.

On Behalf of the Board of Directors,
Taj Singh, M.Eng, P.Eng, CPA,
President, Chief Executive Officer and Director

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The PEA for the Company's Cordero project was completed by Ausenco Engineering Canada Inc. with support from AGP Mining Consultants Inc. and Knight Piésold and Co. (USA). The full technical report supporting the PEA is available on Discovery's website and on SEDAR under Discovery Silver Corp. The scientific and technical content of this press release was reviewed and approved by Taj Singh, P Eng., President & CEO, who is a "Qualified Person" as defined by *National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101")*.

FORWARD-LOOKING STATEMENTS:

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This news release may include forward-looking statements that are subject to inherent risks and uncertainties. All statements within this news release, other than statements of historical fact, are to be considered forward looking statements. Forward-looking statements including, but not limited to Discovery's future plans and objectives regarding the Cordero Project and the prospect of further discoveries there, which constitute forward looking information that involve various risks and uncertainties. Although Discovery believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those described in forward-looking statements. Factors that could cause actual results to differ materially from those described in forward-looking statements include fluctuations in market prices, including metal prices, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Discovery does not assume any obligation to update any forward-looking statements except as required under applicable laws.