



DSV

Discovery Silver

Annual General Meeting

May 12, 2023

Discoverysilver

DSV-TSX DSVSF-OTCQX

Forward Looking Statement & NI 43-101 Disclosure



•This presentation contains certain forward-looking information and statements (collectively, “Forward Looking Statements”) which may not be based on fact and involve a number of risks and uncertainties, including without limitation, statements regarding the Company’s expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are Forward Looking Statements. Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as “believe”, “expect”, “is expected”, “scheduled”, “forecasts”, “outlook”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, or variations of such words and phrases or that state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms or similar expressions.

•The Forward Looking Statements in this presentation relate to, among other things: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of base and precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Cordero Project and other projects under option.

•Such Forward Looking Statements are based upon a number of key estimates and assumptions which, while considered reasonable by the Company as of the date of such Forward Looking Statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the Forward Looking Statements made by or on behalf of the Company. Such factors include, but are not limited to, fluctuations in the price of silver, zinc, and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Mexico, the accuracy of the Company’s current estimates of mineral grades and the accuracy of the geology and vein structures at the Company’s projects, the maintenance of access to surface rights for exploration, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents, labour disputes, and the ability of the Company to get access to surface rights for exploration]. Readers are cautioned that Forward Looking Statements are not guarantees of future performance, and the foregoing list is not exhaustive of all factors which may have been used. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in Forward Looking Statements. The Company disclaims any intention or obligation to update or revise any Forward Looking Statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

•Mineral Resource estimates reported herein have been classified as Measured, Indicated, or Inferred, and Mineral Reserve estimates reported herein have been classified as Proven or Probable, in each case based on the confidence of the input data, geological interpretation, and grade estimation parameters. The Mineral Resource and Mineral Reserve estimates were prepared in accordance with NI 43-101 and classifications adopted by the CIM Council. Statements regarding the results of the preliminary feasibility study (“PFS”) are Forward Looking Statements, as are the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the Cordero project, anticipated mining and processing methods, proposed pre-feasibility study production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, availability of labour, tax rates and commodity prices that would support development of the Cordero project. Information concerning mineral resource or reserve estimates and the economic analysis thereof contained in the results of the PFS are also Forward Looking Statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining, if a mineral deposit were developed and mined. Forward-looking statements are statements that are not historical facts which address events, results, outcomes, or developments that the Company expects to occur.

Gernot Wober, P.Geol, V.P Exploration, Discovery Silver Corp., is the Company's designated Qualified Person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and has reviewed and validated that the information contained herein is accurate. All sources of data contained herein are from Discovery Silver unless otherwise noted.

References (used through current presentation):

1The most recent resource estimate and mineral reserve estimate for the Cordero project were press released on January 24, 2023. Resource commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb. Reserve commodity prices of Ag - \$20.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb. Summary tables can be found in the Appendices. A technical report will be posted on Discovery’s website and filed on SEDAR within 45 days of the press release.

2 AgEq for sulphide mineral resources is calculated as $Ag + (Au \times 15.52) + (Pb \times 32.15) + (Zn \times 34.68)$; these factors are based on commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb and assumed recoveries of Ag – 87%, Au – 18%, Pb – 89% and Zn – 88%. AgEq for oxide mineral resources is calculated as $Ag + (Au \times 22.88) + (Pb \times 19.71) + (Zn \times 49.39)$; this factor is based on commodity prices of Ag - \$24.00/oz and Au - \$1,800/oz and assumed recoveries of Ag – 59%, Au – 18%, Pb - 37% and Zn - 85%.

3 PFS by Ausenco Engineering Canada Inc., as press released on January 24, 2023. PFS commodity prices (\$US): \$22.00/oz Ag, \$1.20/lb Zn, \$1.00/lb Pb, \$1,600/oz Au. A technical report will be posted on Discovery’s website and filed on SEDAR within 45 days of the press release.

4 AISC is calculated as [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (excluding \$15M of capex for the purchase of the initial mining fleet in Y1) + Closure Costs] / Payable AgEq ounces



Our ESG Commitment

✓ Environment

Environmental baseline studies complete

Targeting receipt of Clean Industry Certification in 1H 2023

Evaluation of 'green' initiatives for project build/operations underway

✓ Social

Local community initiatives focused on social services & medical assistance ongoing

ESR (Socially Responsible Enterprise) Distinction awarded in 4Q 2022

✓ Governance

Corporate policies reviewed by Board annually to ensure controls that identify, manage & monitor risks

Two members of senior management have passed Level 1 International Sustainable Business training



A Look Back

✓ PFS Drill Program

M&I Resource growth of 35% to 1,123 Moz AgEq

~40% increase in AgEq ozs produced (PFS vs PEA)

✓ PFS Metallurgical Testwork

Improved recoveries at lower reagent dosages

Successful blending of oxide-sulphides & rock types

✓ Pre-Feasibility Study

Outlined a Tier 1 silver asset; large, long mine-life, low cost & excellent capital efficiency

A Tier 1 Silver Asset

DSV

◆ Economics

After-tax Net Present Value (5%)
= US\$1.2 B

Internal Rate of Return = 28%

Assumes Ag - \$22/oz,
Pb - \$1.00/lb, Zn - \$1.20/lb

◆ Size & Margin

33Moz AgEq annual production

AISC of \$12.80/AgEq oz (Y1 - Y12)

18-year mine life

◆ Low Capital Intensity

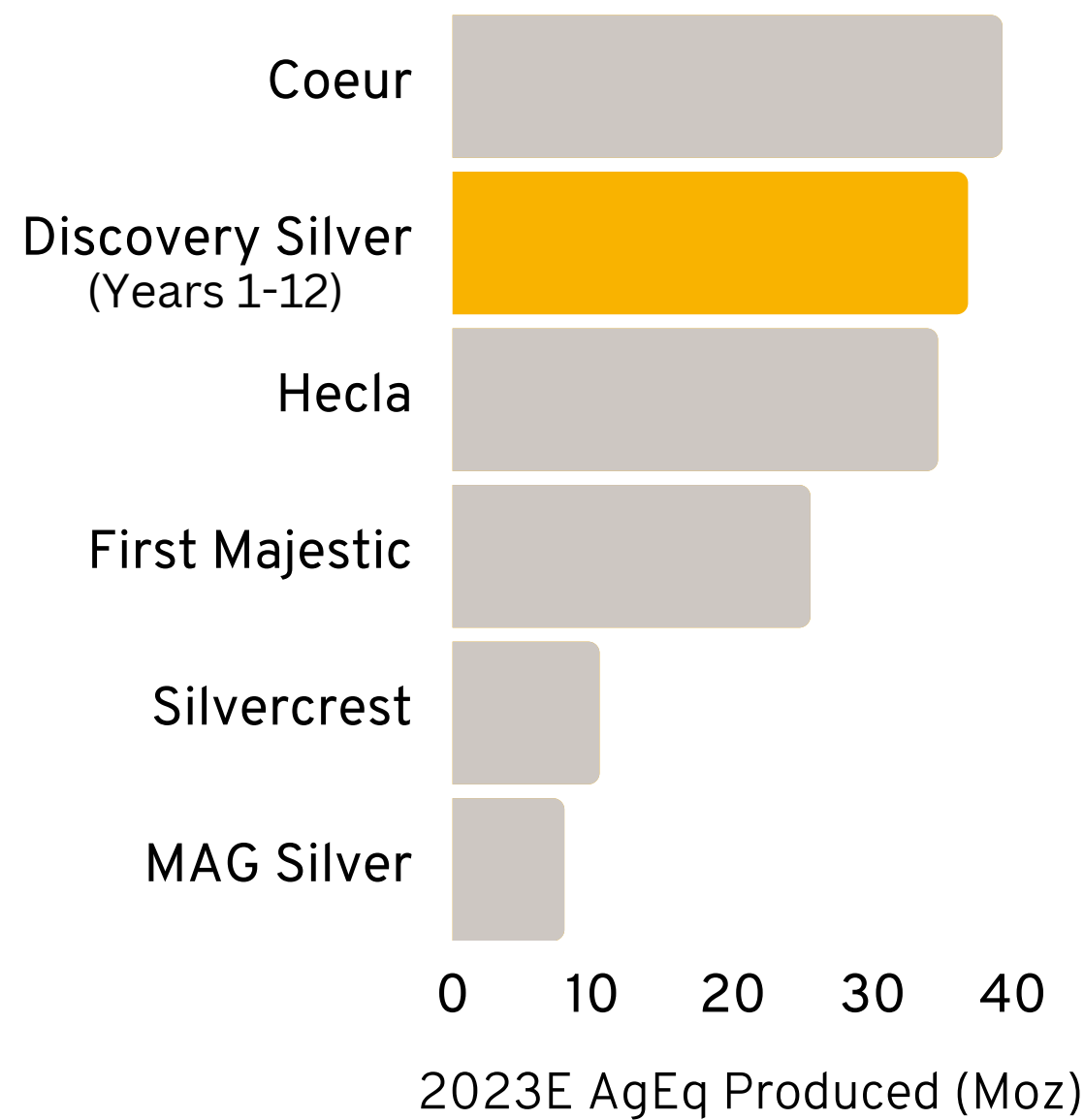
Initial capex - ~US\$450 M

Net Present Value to Capex ratio
~2.5x

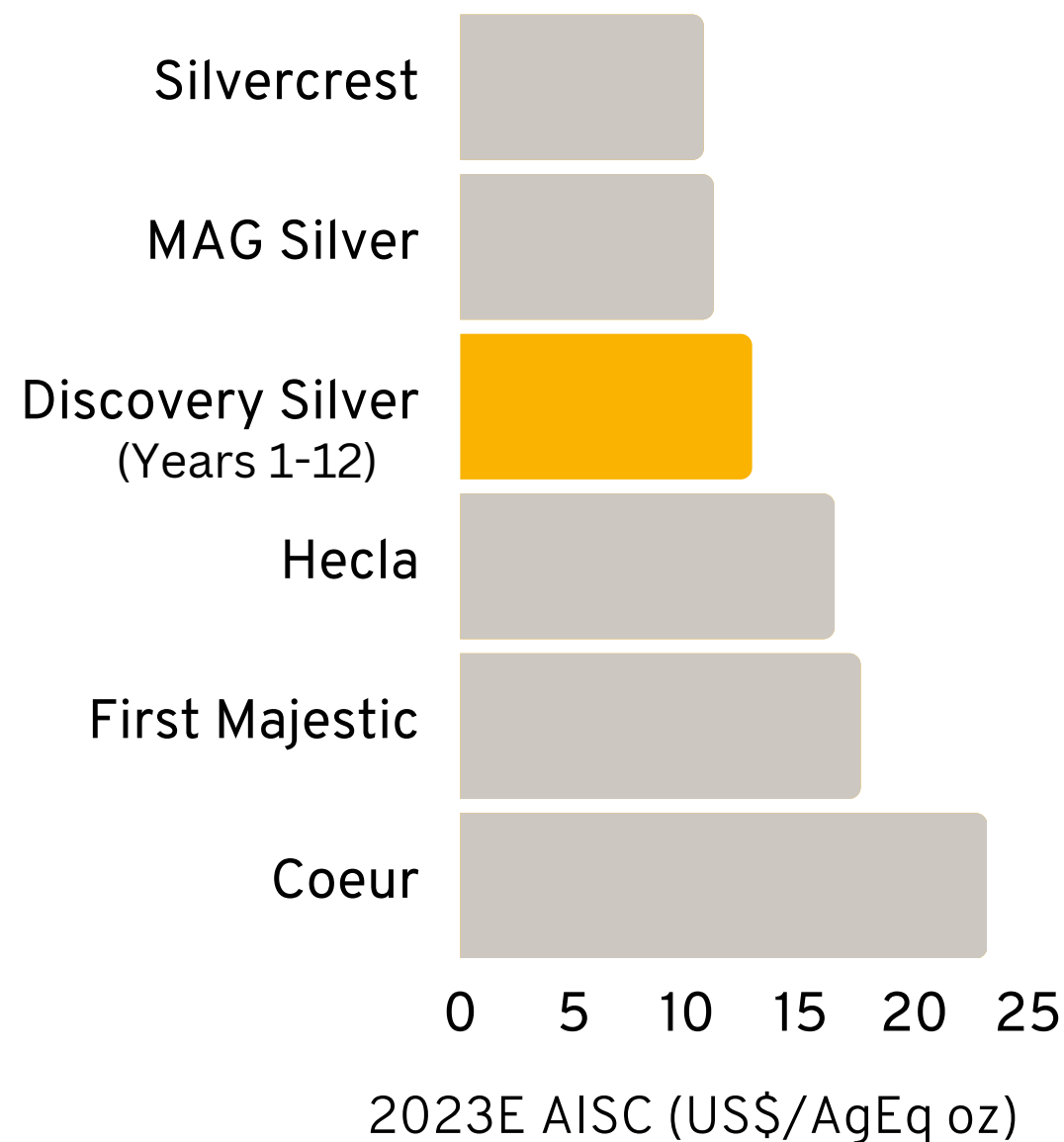
Discovery vs the Producers



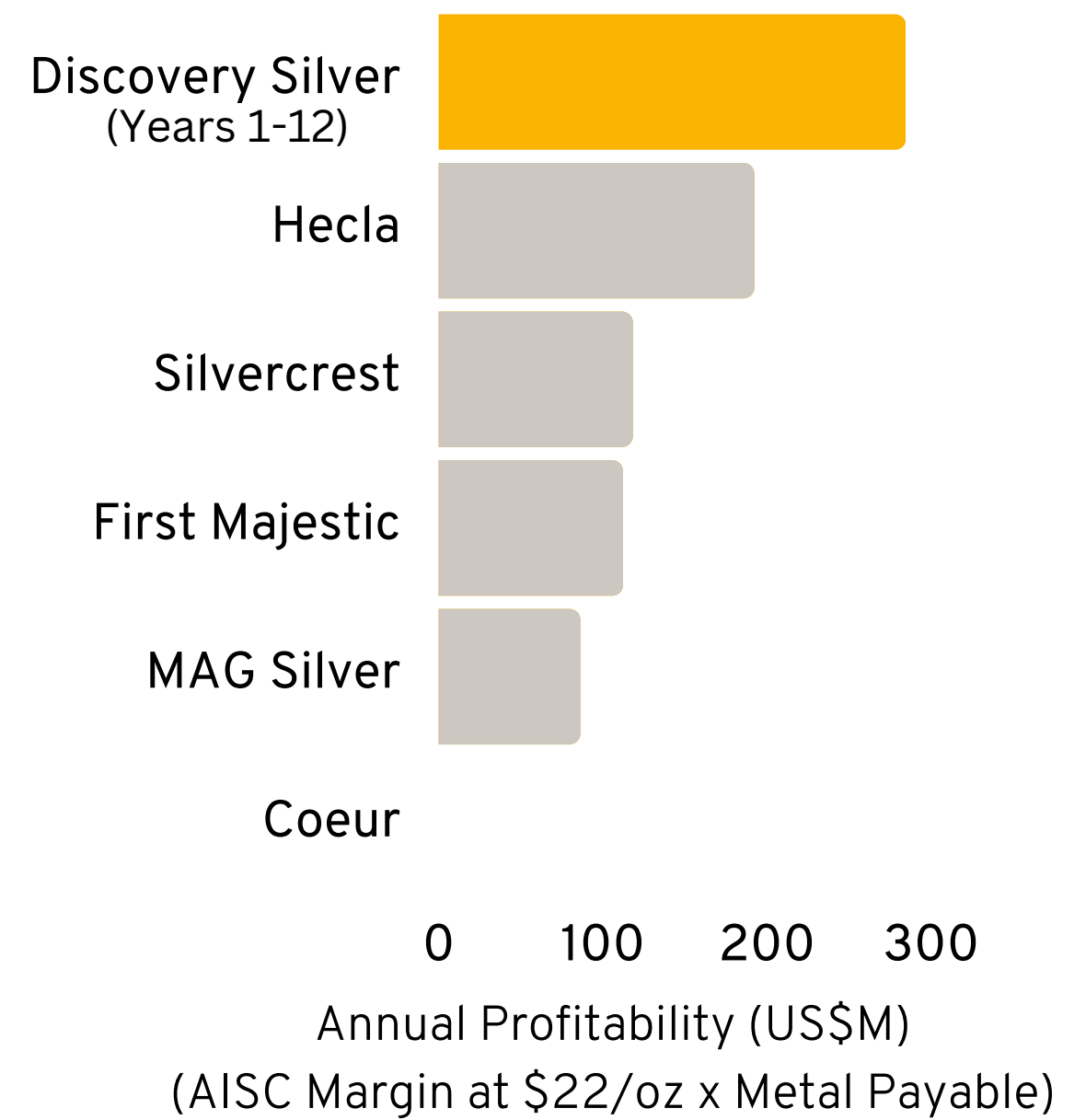
Large Scale



Low Cost



Highest Profit



A Look Forward



2023

1H

Pre-Feasibility Study completed
Initiate permitting process

2H

Advance Feasibility Study
Commence property-wide exploration

2024

1H

Deliver Feasibility Study
Advance project financing discussions

2H

Potential receipt of construction permit & construction decision

Cash balance >C\$80M

Well positioned to deliver Feasibility Study & advance to a construction decision



Key De-Risking Items

✓ Feasibility Study

Study well advanced & on track for completion in 1H 2024

Focus on optimization & growth opportunities

✓ Permitting

Mexico has transparent & open permitting process; typical process time of ~12-24 months

Submission of Environmental Impact Assessment (MIA) planned for 2Q 2023

✓ Social Licence

Social programs with local communities already in place

Potential economic benefit: ~\$1.2B in taxes, 1,000 employees at peak, >\$4B of goods & service purchases



Key De-Risking Items

✓ Land

Secure surface rights of project footprint

Establish collaborative agreements with surrounding landowners

✓ Water

Establish flow rates of local aquifer & secure water rights

Evaluate use of local water treatment plants as additional source of water

✓ Power

Sufficient capacity at local substation confirmed

Advance scope & timeline to deliver power to site



Optimisation Opportunities

✓ Mining

Reduced mining costs through bigger benches/mine equipment

Mine life extension; FS will include an additional ~30,000m of drilling

✓ Processing

Increased throughput rates by optimising process design

Improve recoveries through optimising rock type blending

Timing of mill expansion

✓ Tailings

Optimise water efficiency & recirculation



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Do you have
any questions?

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