

# Discovery silver

(Formerly Discovery Metals Corp.)

## **UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2021 and 2020

(expressed in Canadian dollars)

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

Unaudited - (Expressed in Canadian dollars)

As at	Notes	March 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	6	\$ 79,742,626	\$ 67,547,897
Short-term investments	6(b)	15,000,000	15,000,000
Sales tax and other receivables	7	448,086	435,670
Prepays and deposits	8	84,548	98,739
Investments	14(a)	330,000	335,000
		<b>95,605,260</b>	<b>83,417,306</b>
<b>Non-current</b>			
Property and Equipment	9	669,279	573,305
Mineral properties	10	27,392,841	27,574,270
<b>TOTAL ASSETS</b>		<b>\$ 123,667,380</b>	<b>\$ 111,564,881</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	11	\$ 1,557,602	\$ 935,480
Current portion of lease liabilities	12	47,244	46,780
		<b>\$ 1,604,846</b>	<b>\$ 982,260</b>
<b>Non-current</b>			
Lease liabilities	12	29,103	41,089
<b>TOTAL LIABILITIES</b>		<b>\$ 1,633,949</b>	<b>\$ 1,023,349</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13(b)	\$ 144,653,654	\$ 125,570,547
Contributed surplus		19,455,407	14,710,821
Warrants	13(d)	25,375,731	26,652,950
Accumulated other comprehensive loss		(444,496)	(351,222)
Accumulated deficit		(67,006,866)	(56,041,564)
<b>TOTAL EQUITY</b>		<b>\$ 122,033,432</b>	<b>\$ 110,541,532</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 123,667,380</b>	<b>\$ 111,564,881</b>

Approved on Behalf of the Board on May 26, 2021:

“Jeff Parr”  
 Jeff Parr – Director

“Murray John”  
 Murray John – Director

*See accompanying notes to the unaudited condensed interim consolidated financial statements*

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND TOTAL COMPREHENSIVE LOSS**  
Unaudited - (Expressed in Canadian dollars, except per share and share information)

		<b>Three Months Ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
<b>Notes</b>		<b>2021</b>	<b>2020</b>
<b>Expenses (income)</b>			
General office and other expenses	<b>16</b>	\$ <b>837,066</b>	\$ 518,413
Interest income		<b>(199,663)</b>	(163,428)
Interest expense	<b>12</b>	<b>953</b>	1,275
Professional fees	<b>17</b>	<b>90,867</b>	87,241
Exploration and project evaluation expenses	<b>15</b>	<b>5,888,527</b>	4,015,210
Share-based compensation	<b>13(c)</b>	<b>3,494,920</b>	157,576
Other income	<b>14</b>	-	(479,386)
Loss on fair value remeasurement of investments	<b>14(a)</b>	<b>5,000</b>	-
Impairment of IVA receivable	<b>7</b>	<b>711,834</b>	586,328
Foreign exchange loss		<b>75,797</b>	102,906
Net loss		\$ <b>10,965,302</b>	\$ 4,826,135
Other comprehensive loss		<b>93,274</b>	1,001,195
<b>Net loss and total comprehensive loss</b>		<b>\$ 11,058,575</b>	<b>\$ 5,827,330</b>
<b>Weighted average shares outstanding</b>			
Basic and diluted	<b>13(b)</b>	<b>317,429,574</b>	211,423,805
<b>Net loss per share</b>			
Basic and diluted		\$ <b>(0.03)</b>	\$ (0.02)

*See accompanying notes to the unaudited condensed interim consolidated financial statements*

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

Unaudited - (Expressed in Canadian dollars)

	Notes	Three Months Ended	
		March 31, 2021	March 31, 2020
<b>Operating Activities</b>			
Net loss		\$ (10,965,302)	\$ (4,826,135)
Items not affecting cash:			
Depreciation		41,952	28,349
Share-based compensation	13(c)	3,494,920	157,576
Impairment of IVA receivable		771,834	586,328
Gain on sale of investment	14(a)	-	(182,556)
Loss on fair value remeasurement	14(a)	5,000	-
Unrealized foreign exchange loss		530,426	186,111
Changes in non-cash operating working capital:			
Sales tax and other receivables	7	(1,219,920)	(592,517)
Prepays and deposits	8	14,191	352,489
Accounts payable and accrued liabilities	11	622,122	50,171
<b>Net cash used in operating activities</b>		<b>\$ (6,704,777)</b>	<b>\$ (4,240,184)</b>
<b>Investing Activities</b>			
Proceeds from sale of investment	14	-	228,391
Acquisition of property and equipment	9	(146,647)	(18,496)
<b>Net cash used in investing activities</b>		<b>\$ (146,647)</b>	<b>\$ 209,895</b>
<b>Financing Activities</b>			
Issuance of shares on exercise of options	13(c)	56,206	78,918
Issuance of shares on exercise of warrants	13(e)	18,999,348	-
Principal payment on lease liability		(11,522)	(11,077)
<b>Net cash provided by financing activities</b>		<b>\$ 19,044,033</b>	<b>\$ 67,841</b>
Effect of exchange rates on cash and cash equivalents		2,119	30,185
<b>Increase in cash and cash equivalents</b>		<b>12,194,729</b>	<b>(3,932,263)</b>
Cash and cash equivalents, beginning of period	6	67,547,897	23,950,737
<b>Cash and cash equivalents, end of period</b>	<b>6</b>	<b>\$ 79,742,626</b>	<b>\$ 20,018,474</b>
<b>Supplemental Cash Flow Information:</b>			
Income tax expense paid		\$ -	\$ -
Interest paid		\$ 953	\$ 1,275

*See accompanying notes to the unaudited condensed interim consolidated financial statements*

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Unaudited - (Expressed in Canadian dollars, except share information)

	Notes	Number of Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Equity
At January 1, 2021		305,012,554	\$ 125,570,547	\$ 26,652,950	\$ 14,710,821	\$ (351,222)	\$ (56,041,564)	\$ 110,541,532
Share-based compensation	13c	-	-	-	3,494,920	-	-	3,494,920
Shares issued on exercise of options	13c	103,125	83,759	-	(27,553)	-	-	56,206
Shares issued on exercise of warrants	13e	18,825,079	18,999,348	(1,277,219)	1,277,219	-	-	18,999,348
Net loss and total comprehensive loss for the year		-	-	-	-	(93,274)	(10,965,302)	(11,058,575)
At March 31, 2021		323,940,758	\$ 144,653,654	\$ 25,375,731	\$ 19,455,407	\$ (444,496)	\$ (67,006,866)	\$ 122,033,432

	Notes	Number of Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Equity
At January 1, 2020		211,205,321	\$ 76,174,408	\$ 924,440	\$ 13,943,396	\$ (42,241)	\$ (38,285,870)	\$ 52,714,133
Share-based compensation	13(c)	-	-	-	157,576	-	-	157,576
Expiration of replacement warrants issued on close of Plan of Arrangement	13(d)	-	-	(53,816)	53,816	-	-	-
Shares issued on exercise of options	13(c)	272,800	128,426	-	(49,508)	-	-	78,918
Net loss and total comprehensive loss for the period		-	-	-	-	(1,001,195)	(4,826,135)	(5,827,330)
At March 31, 2020		211,478,121	\$ 76,302,834	\$ 870,624	\$ 14,105,280	\$ (1,043,436)	\$ (43,112,005)	\$ 47,123,297

*See accompanying notes to the unaudited condensed interim consolidated financial statements*

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Unaudited - (Expressed in Canadian dollars, except where otherwise noted)

For the Three Months Ended March 31, 2021 and 2020

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**1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS**

Discovery Silver Corp. (“Discovery Silver” or the “Company”) is a mineral exploration company whose main objective is to identify and successfully define and develop mineral deposits, primarily in Mexico.

The Company was incorporated on October 10, 1986 under the laws of British Columbia as R B Technologies Inc. On November 18, 1986, the Corporation’s name was changed to “Vertech Systems Corporation”, then on June 26, 1989, to “Vercan Investments Inc.”, then on January 26, 1998, to “Watersave Logic Corporation”, then on July 27, 2006, to “Abode Mortgage Holdings Corp.”, then on August 19, 2013, to “Ayubowan Capital Ltd.” On June 13, 2017, the Company’s name was changed to Discovery Metals Corp. On April 14, 2021, the Company’s name was changed to Discovery Silver Corp. The Company is listed on the TSX Venture Exchange (the “Exchange” or “TSXV”) under the symbol “DSV”. The Company’s head office is located at Suite 701 - 55 University Avenue, Toronto, Ontario, M5J 2H7.

The Company’s Board of Directors authorized the issuance of these unaudited condensed interim consolidated financial statements (the “interim financial statements”) on May 26, 2021.

**2. BASIS OF PREPARATION**

These interim financial statements for the three months ended March 31, 2021 and 2020, have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). As such, certain disclosures required by IFRS have been condensed or omitted. These interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto as at and for the years ended December 31, 2020 and 2019 (the “consolidated financial statements”). The Company’s interim results are not necessarily indicative of its results for a full year.

These interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2021, the Company had working capital (defined as current assets less current liabilities) of \$94,000,414 (December 31, 2020 – \$82,435,046), shareholders’ equity of \$122,033,432 (December 31, 2020 – \$110,541,531) and an accumulated deficit of \$67,006,866 (December 31, 2020 – \$56,041,564).

The Company has not yet determined whether the properties on which it has options contain mineral reserves that are economically recoverable. The continued operations of the Company are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Company in the preparation of its interim financial statements are set out below.

**Discovery Silver Corp. (formerly Discovery Metals Corp.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
 Unaudited - (Expressed in Canadian dollars, except where otherwise noted)  
 For the Three Months Ended March 31, 2021 and 2020

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**a) Basis of Measurement**

The interim financial statements have been prepared using the same accounting policies and methods of application as those disclosed in note 3 to the Company's consolidated financial statements except those disclosed in Note 4 below.

**b) Basis of Consolidation**

These interim financial statements are presented in Canadian dollars ("CAD") unless otherwise noted. The interim financial statements include the accounts of the Company and its wholly owned subsidiaries.

Subsidiaries are entities over which the Company has the power to, directly or indirectly, govern the financial and operating policies of the entity to obtain benefits from its activities. In assessing whether control exists, potential voting rights that are presently exercisable or convertible, are taken into consideration. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

The Company's principal subsidiaries and their geographic locations at March 31, 2021 were as follows:

Direct Parent Company	Location	Ownership Percentage	Properties
Discovery México S.A. de C.V.	Mexico	100% <sup>(1)</sup>	Puerto Rico, La Kika, Minerva, Monclova, Jemi Rare, Santa Rosa
Minera Titán S.A. de C.V.	Mexico	100%	Cordero

<sup>(1)</sup> Discovery México S.A. de C.V. has entered into contractual agreements that include the option to purchase 100% of the properties listed.

All intercompany assets, liabilities, equity, income, expenses and cash flows arising from intercompany transactions have been eliminated on consolidation.

**c) Currency of Presentation**

The interim financial statements are presented in Canadian dollars ("CAD") which is the functional and presentation currency of the Company. The functional currency for the entities through which the Company conducts its operations is determined depending upon the primary economic environment in which they operate. The functional currency of the Mexican subsidiaries is Mexican pesos ("MXP").

**d) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that

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date. Non-monetary items that are measured in terms of historical cost in foreign currencies are not re-translated. Total foreign exchange gains and losses are recognized in the income statement and the unrealized portion is reported separately in the consolidated statement of cash flows. The foreign exchange differences arising from the translation of the subsidiary with functional currency different than the consolidated functional currency are recognized as currency translation adjustments in other comprehensive loss in the condensed interim consolidated statement of loss and total comprehensive loss.

#### **4. ACCOUNTING PRONOUNCEMENTS**

##### **Adoption of New Accounting Standards**

There were no new standards, or amendments to standards and interpretations that were adopted effective January 1, 2021.

##### **Future Accounting Standards and Interpretations**

##### **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place “at the end of the reporting period”;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment on the Company’s financial statements has not yet been determined.

#### **5. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES**

The preparation of interim financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, contingent liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and applied prospectively.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements for the three months ended March 31, 2021 are consistent with those applied and disclosed in note 5 of the consolidated



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financial statements. The Company's interim results are not necessarily indicative of its results for a full year.

**6. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS**

	<b>March 31, 2021</b>	December 31, 2020
Cash (a)	\$ 79,642,626	\$ 67,437,897
Cash equivalents (a)	<b>100,000</b>	110,000
	<b>\$ 79,742,626</b>	\$ 67,547,897

**a) Cash and Cash Equivalents**

The Company closed two non-brokered private placements during the year ended December 31, 2020 for aggregate gross proceeds of approximately \$60 million (note 14b). Excess proceeds were invested in highly liquid interest-bearing instruments which include a \$24,500,000 1-year, 30-day redeemable GIC, bearing interest at 1.05% that matures on June 24, 2021. Interest is accrued monthly based on the total value of the GIC, pro-rated for any redemptions made during the period. The Company did not redeem any portion of this GIC during the three months ended March 31, 2021.

Cash equivalents include marketable securities with short-term maturities and no restrictions on redemption.

**b) Short-term investments**

The Company invested \$15,000,000 of excess cash from the non-brokered private placement (note 13b) in a two-year fixed rate GIC, bearing interest at 1.55% per annum (paid annually) and maturing on June 9, 2022. This investment has been classified as a current asset as there are no restrictions on redemption and the Company may, at its discretion, withdraw any amount to fund current operations.

The Company has accrued interest receivable of \$385,253 relating to its two GIC investments (note 7).

**7. SALES TAX AND OTHER RECEIVABLES**

	<b>March 31, 2021</b>	December 31, 2020
Sales tax receivable	\$ 3,436,880	\$ 2,769,101
Accumulated impairment of sales tax receivable <sup>(1)</sup>	<b>(3,410,111)</b>	(2,633,976)
Other receivables <sup>(2)</sup>	<b>421,317</b>	300,545
	<b>\$ 448,086</b>	\$ 435,670

<sup>(1)</sup> Accumulated impairment of sales tax receivable includes \$484,738 of foreign exchange translation adjustments from its Mexican Peso denominated balance.

<sup>(2)</sup> Other receivables include accrued interest receivable of \$402,926 relating to the Company's GIC investments and interest-bearing operating accounts.

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At March 31, 2021, the Company had an aggregate Mexican value added tax (“IVA”) recoverable balance of \$6,020,006 including \$1,349,033 remaining from the IVA acquired in the Levon transaction (December 31, 2020: \$4,986,128 including \$1,349,033 acquired in the Levon transaction). The Company does not have a consistent history of collection of IVA recoverable amounts and there is a high degree of uncertainty regarding the timing of repayment of IVA amounts by the Mexican government. As a result, the Company provides for 100% of the IVA recoverable balance and at the time of acquisition of Levon, allocated no value to their IVA receivable balance.

On February 21, 2020, the Company received a partial IVA refund in the amount of 4,402,046MXP or \$296,830. The Company also received interest on this balance in the amount of 998,384MXP or \$67,321. These partial refunds and interest received are recognized in ‘other income’ and ‘interest income’, respectively, in the condensed interim consolidated Statement of Loss and Total Comprehensive Loss for the three months ended March 31, 2020. The Company has not received any IVA refunds during the three months ended March 31, 2021.

At March 31, 2021, the Company has established a provision in full for the IVA receivable balance of \$3,410,111 (December 31, 2020: \$2,633,976). The Company expects to continue to recognize a provision for 100% of the IVA recoverable balance until such time as there are sufficient indicators of recoverability.

**8. PREPAIDS AND DEPOSITS**

	March 31, 2021	December 31, 2020
Insurance	\$ 14,714	\$ 33,056
Office and other prepaid deposits	69,834	65,683
	<b>\$ 84,548</b>	<b>\$ 98,739</b>

**9. PROPERTY AND EQUIPMENT**

	Equipment	Vehicles	Office & Furniture	Computer	Total
<b>Cost</b>					
Balance at January 1, 2021	\$ 262,137	\$ 247,354	\$ 211,744	\$ 146,573	\$ 867,809
Additions	135,061	-	-	11,586	146,647
Disposals	-	(7,129)	(651)	-	(7,780)
Currency translation adjustment	(4,094)	(3,343)	(1,702)	(373)	(9,512)
Balance at March 31, 2021	\$ 393,104	\$ 236,882	\$ 209,391	\$ 157,786	\$ 997,164
<b>Accumulated depreciation</b>					
Balance at January 1, 2021	\$ (23,303)	\$ (66,389)	\$ (125,953)	\$ (78,859)	\$ (294,504)
Additions	(4,152)	(14,087)	(12,708)	(7,107)	(38,054)
Disposals	-	-	-	-	-
Currency translation adjustment	758	2,363	186	1,358	4,669
Balance at March 31, 2021	\$ (26,697)	\$ (78,113)	\$ (138,475)	\$ (84,604)	\$ (327,889)

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Carrying amount	Equipment	Vehicles	Office & Furniture	Computer	Total
At January 1, 2021	\$ 238,834	\$ 180,965	\$ 85,792	\$ 67,714	\$ 573,305
<b>At March 31, 2021</b>	<b>\$ 366,407</b>	<b>\$ 158,769</b>	<b>\$ 70,916</b>	<b>\$ 73,182</b>	<b>\$ 669,279</b>

	Equipment	Vehicles	Office & Furniture	Computer	Total
<b>Cost</b>					
Balance at January 1, 2020	\$ 174,713	\$ 88,088	\$ 213,878	\$ 128,000	\$ 604,679
Additions	95,080	170,251	-	26,449	291,780
Disposals	-	-	-	-	-
Currency translation adjustment	(7,655)	(10,984)	(2,135)	(7,876)	(28,649)
Balance at December 31, 2020	\$ 262,137	\$ 247,354	\$ 211,744	\$ 146,573	\$ 867,809

<b>Accumulated depreciation</b>					
Balance at January 1, 2020	\$ (14,675)	\$ (41,825)	\$ (57,901)	\$ (60,859)	\$ (175,260)
Additions	(10,805)	(31,359)	(68,501)	(22,228)	(132,892)
Disposals	-	-	-	-	-
Currency translation adjustment	2,176	6,795	448	4,228	13,647
Balance at December 31, 2020	\$ (23,303)	\$ (66,389)	\$ (125,953)	\$ (78,859)	\$ (294,504)

Carrying amount	Equipment	Vehicles	Office & Furniture	Computer	Total
At January 1, 2020	\$ 160,038	\$ 46,263	\$ 155,977	\$ 67,141	\$ 429,419
At December 31, 2020	\$ 238,834	\$ 180,965	\$ 85,792	\$ 67,714	\$ 573,305

The Company following table summarizes the changes in right-of-use assets within plant and equipment:

<b>Leased assets</b>	<b>Total</b>
At January 1, 2020	\$ 130,141
Depreciation	(45,932)
At December 31, 2020	\$ 84,209
Depreciation	<b>(11,483)</b>
<b>At March 31, 2021</b>	<b>\$ 72,726</b>

## 10. MINERAL PROPERTIES

At January 1, 2020	\$ 28,479,306
Disposition of mineral properties <sup>(1)</sup>	(153,313)
Currency translation adjustment	(751,724)
At December 31, 2020	\$ 27,574,270
<b>Currency translation adjustment</b>	<b>(181,429)</b>
<b>At March 31, 2021</b>	<b>\$ 27,392,841</b>

<sup>(1)</sup> The Renata mineral exploration and option agreement expired in August 2020 and was not renewed.

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The carrying value of each of the Company's mineral properties is as follows:

	<b>March 31, 2021</b>	December 31, 2020
Cordero	\$ 27,226,224	\$ 27,226,224
Puerto Rico	856,687	856,687
Minerva	174,580	174,580
La Kika	93,131	93,131
	<b>28,350,622</b>	28,350,622
Cumulative CTA	<b>(957,781)</b>	(776,352)
	<b>\$ 27,392,841</b>	\$ 27,574,270

**Puerto Rico Property**

During the three months ended March 31, 2021, the Company signed a 4<sup>th</sup> amending agreement (the "Amending Agreement") to the Puerto Rico Option Agreement (the "Agreement") which replaces in their entirety, the Agreement signed in 2017 and all subsequent amendments.

The new terms of the Amending Agreement are as follows:

- a. The Company can determine the nature, scope, extension and other aspects of exploration work at the Puerto Rico Property (the "Property"). There are no longer any minimum work requirements.
- b. The Company can exercise the option to acquire 100% of the Property at any time for 6,000,000 common shares of the Company (the "Purchase Option") with a minimum and maximum value per common share of C\$1.00 and C\$3.00, respectively. Cash can be paid in lieu of common shares.
- c. The following additional consideration will be paid on reaching certain milestones ("Milestone Consideration"): \$300,000 USD (paid in 10 monthly instalments) and 1,000,000 common shares (four equal instalments) for the receipt of exploration permits; 1,500,000 common shares if the Company files a Preliminary Economic Assessment or Pre-Feasibility Study; and 3,000,000 common shares if the Company begins construction to carry out exploitation.

All common shares to be issued as Milestone Consideration will have the same minimum and maximum value per common share as under the Purchase Option and can also be paid in cash in lieu of common shares.

- d. Common shares issued as consideration for the Purchase Option and Milestone Consideration are to be held in escrow and released 1/3<sup>rd</sup> every six months beginning six months after the date of issuance.

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**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2021</b>	December 31, 2020
Trade and other payables <sup>(1)</sup>	\$ 1,443,707	\$ 194,932
Salaries and benefits payable <sup>(2)</sup>	61,541	690,381
Accrued liabilities	52,354	50,167
	<b>\$ 1,557,602</b>	<b>\$ 935,480</b>

<sup>(1)</sup> At March 31, 2021, trade and other payables were comprised primarily of amounts payable for contract drilling services.

<sup>(2)</sup> At December 31, 2020, salaries and benefits payable were comprised of short-term incentive amounts payable to executive management and employees.

**12. LEASE LIABILITIES**

	<b>March 31, 2021</b>	December 31, 2020
Lease liabilities	\$ 76,347	\$ 87,869
Less: current portion	47,244	46,780
Non-current portion	\$ 29,103	\$ 41,089

<sup>(1)</sup> As a result of the adoption of IFRS 16, the Company recognized a lease liability of \$176,073 on January 1, 2019 related to the long-term lease contract for office space, with a remaining term of 3.5 years at an incremental borrowing rate of 3.95%. As at March 31, 2021, remaining payments are as follows:

<b>Year</b>	
2021	\$ 47,244
2022	\$ 29,103
Total	\$ 76,347

Interest expense for the three months ended March 31, 2021 related to the lease liability was \$953 (three months ended March 31, 2020 - \$1,275).

**13. SHARE CAPITAL AND WARRANTS**

**a) Authorized**

- i. Unlimited common shares with no par value; and
- ii. Unlimited preferred voting shares with no par value.

**b) Shares issued and outstanding**

The Company has completed several non-brokered private placements resulting in the issuance of common shares. These private placements include:

- 1) gross proceeds of \$15,618,500 on August 15, 2018 through the issuance of 31,237,000 common shares at a price of \$0.50 per share during the year ended December 31, 2017;

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- 2) gross proceeds of \$9,004,770 received through a non-brokered private placement of 39,151,174 common shares at a price of \$0.23 per share on July 24, 2019;
- 3) gross proceeds of \$19,000,000 received through a non-brokered private placement of 42,222,219 common shares at a price of \$0.45 on November 5, 2019;
- 4) gross proceeds of \$25,000,000 received through a non-brokered private placement of 45,454,545 common shares at a price of \$0.55 per share on May 29, 2020 and June 8, 2020 (closed in two tranches); and
- 5) gross proceeds of \$35,001,450 received through a non-brokered private placement of 25,927,000 common shares at a price of \$1.35 per share on August 7, 2020.

	Note	Common Shares	Amount
At December 31, 2020		305,012,554	\$ 125,570,547
<b>Shares issued on exercise of options</b>	<b>13c</b>	<b>103,125</b>	<b>83,759</b>
<b>Shares issued on exercise of warrants</b>	<b>13e</b>	<b>18,825,079</b>	<b>18,999,348</b>
<b>At March 31, 2021</b>		<b>323,940,758</b>	<b>\$ 144,653,654</b>

**c) Stock Options**

The Company has adopted rolling 10% stock option plan (the "Option Plan") which provides that the directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees and service providers, with the number of options being limited to 10% of the issued common shares at the time of granting of options.

The Board in its sole discretion may determine any vesting provisions for options. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan. The expiry date for an option shall not be more than ten years from the grant date.

There were 6,050,000 stock options granted during the three months ended March 31, 2021 (three months ended March 31, 2020 – 400,000 options granted with a weighted-average exercise price of \$0.65 and five-year term to expiry), comprised of 5,500,000 granted on January 12, 2021, 250,000 granted on February 1, 2021 and 300,000 granted on March 11, 2021. The options have a weighted average exercise price of \$1.90 and a five-year term to expiry. One third of options granted to management and employees vested immediately, and 1/3 will vest on each subsequent anniversary of grant date. One half of the options granted to Directors of the Company vested immediately, and the other half will vest on the subsequent anniversary. Options issued to consultants have a vesting schedule of 1/8 each quarter beginning three months after grant date.

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Option transactions and the number of options outstanding are summarized as follows:

	Outstanding	Weighted Average Exercise Price
At January 1, 2020	14,759,300	\$ 0.46
Options granted	5,435,000	0.53
Options exercised	(6,621,992)	0.38
Options cancelled/forfeited	(12,500)	0.48
At December 31, 2020	13,559,808	\$ 0.52
<b>Options granted</b>	<b>6,050,000</b>	<b>1.90</b>
<b>Options exercised</b>	<b>(103,125)</b>	<b>0.55</b>
<b>At March 31, 2021</b>	<b>19,506,683</b>	<b>\$ 0.95</b>

The share-based compensation expense for the three months ended March 31, 2021 was \$3,494,920 (three months ended March 31, 2020 - \$157,576).

At March 31, 2021, the options outstanding and exercisable are as follows:

Exercise Price	Options Outstanding			Options Exercisable		
	Number	Weighted average remaining life	Weighted average exercise price	Number	Weighted average remaining life	Weighted average exercise price
\$0.45	300,000	0.51	\$0.45	300,000	0.51	\$0.45
\$0.60	2,533,333	1.38	\$0.60	2,533,333	1.38	\$0.60
\$0.48	300,000	1.63	\$0.48	300,000	1.63	\$0.48
\$0.53	300,000	1.77	\$0.53	300,000	1.77	\$0.53
\$0.50	372,100	2.27	\$0.50	372,100	2.27	\$0.50
\$0.48	4,421,875	3.38	\$0.48	3,476,042	3.38	\$0.48
\$0.65	360,000	3.77	\$0.65	240,000	3.77	\$0.65
\$0.47	4,669,375	4.08	\$0.47	1,451,667	4.08	\$0.47
\$1.84	200,000	4.55	\$1.84	66,667	4.55	\$1.84
\$1.89	5,500,000	4.79	\$1.89	2,125,000	4.79	\$1.89
\$1.85	250,000	4.84	\$1.85	83,333	4.84	\$1.85
\$2.08	300,000	4.95	\$2.08	150,000	4.95	\$2.08
	<b>19,506,683</b>	<b>3.63</b>	<b>\$0.89</b>	<b>11,398,141</b>	<b>3.13</b>	<b>\$0.77</b>

The fair value of the option grants issued during the three months ended March 31, 2021 have been estimated using the Black-Scholes option-pricing model with the following assumptions:

Grant date	January 12, 2021	February 1, 2021	March 12, 2021
<b>Number granted</b>	<b>5,500,000</b>	<b>250,000</b>	<b>300,000</b>
Exercise price	\$ 1.89	\$ 1.85	\$ 1.84
Share price	\$ 1.89	\$ 1.85	\$ 1.84
Expected life (years)	2.94	3.17	2.69
Risk free interest rate	0.25%	0.22%	0.40%
Expected volatility	99.0%	97.0%	100.1%
Expected forfeiture rate	9.3%	8.7%	8.1%
Dividend yield	-	-	-
Fair Value	\$ 1.13	\$ 1.12	\$ 1.22

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**d) Deferred Share Units and Restricted Share Units**

At the Company's Annual General Meeting held on June 26, 2020, shareholders of the Company approved a resolution which allowed the Company to adopt Deferred Share Unit ("DSU") and Restricted Share Unit ("RSU") plans (together referred to as the "DSU and RSU Plans"). The DSU and RSU Plans are rolling 10% plans, with the 10% threshold being shared with the Option Plan so the combined aggregate total Options, DSUs and RSUs granted cannot exceed 10% of the issued and outstanding common shares of the Company.

The DSU Plan provides that the directors of the Company may grant DSUs to non-executive directors of the Company, to be settled in cash or the purchase of common shares of the Company. The RSU Plan provides that the directors of the Company may grant RSUs to eligible officers, employees and service providers, to be settled in cash or the purchase of common shares of the Company.

The Board in its sole discretion may determine any vesting provisions for DSUs and RSUs. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan. The expiry date for DSUs or RSUs shall not be more than ten years from the grant date.

There were no DSUs or RSUs granted during the three months ended March 31, 2021 and 2020.

**e) Warrants**

The Company has issued warrants as part of certain subscription agreements and also as finders' fees for certain non-brokered private placements which closed in 2017, 2019 and 2020. The warrants are exchangeable for Common Shares of the Company at a ratio and an exercise price determined at the time of the individual private placement. Warrants are classified as equity, separately from common shares and are valued at their fair value on grant date using the Black-Scholes pricing model.

Warrant transactions and the number of warrants outstanding are summarized as follows:

Issue date	8/17/2017	11/4/2019	5/29/2020	6/8/2020	5/29/2020	6/8/2020	8/6/2020	
Expiry	2/17/2021	11/4/2021	5/29/2022	6/8/2022	5/29/2022	6/8/2022	8/6/2022	
Price	\$1.00	\$0.50	\$0.77	\$0.77	\$0.55	\$0.55	\$1.75	TOTAL
December 31, 2020	17,713,498	402,750	14,320,447	7,181,800	279,545	130,909	12,963,000	52,991,949
Exercised	(17,616,498)	(2,917)	(736,710)	-	(5,454)	-	(463,500)	(18,825,079)
Expired	(97,000)	-	-	-	-	-	-	(97,000)
March 31, 2021	-	399,833	13,583,737	7,181,800	274,091	130,909	12,499,500	34,069,870

The remaining contractual lives of Warrants outstanding at March 31, 2021 are as follows:

Number of Warrants	Weighted average remaining life	Weighted average exercise price
34,069,870	1.25 years	\$1.14

There were no warrants issued during the three months ended March 31, 2021 or 2020.



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**14. OTHER INCOME**

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Sale of investment	\$ -	\$ 182,556
IVA refund (note 7)	-	296,830
	<b>\$ -</b>	<b>\$ 479,386</b>

On March 2, 2020, the Company completed the disposition of its entire position in Great Thunder Gold Corp. for cash proceeds of \$228,391. The position was acquired as part of the acquisition of Levon on August 2, 2019 and at December 31, 2019 had a fair value of \$45,835. The difference of \$182,556 was recognized in 'other income' on the Condensed Interim Consolidated Statement of Loss and Total Comprehensive Loss for the three months ended March 31, 2020.

**a) Sale of non-core exploration property**

On April 9, 2020, the Company completed the divestiture of its 100% interest in the Congress Property ("Congress") located in British Columbia, to Talisker Resources Ltd. ("Talisker"). Congress was a non-core exploration property acquired by the Company as part of the Levon Resources Ltd. transaction that closed on August 2, 2019.

Under the terms of the purchase agreement, Talisker issued 1,000,000 common shares to the Company in return for 100% ownership of Congress. The shares had a fair value of \$295,000 at the transaction date which was recorded in 'investments' on the Consolidated Statement of Financial Position with a corresponding gain on sale of non-core exploration property recorded in the Consolidated Statement of Loss and Total Comprehensive Loss.

At March 31, 2021, the fair value of the investment was \$330,000 and is comprised of the following:

	<b>Amount</b>
At January 1, 2021	\$ 335,000
Net unrealized gain on fair value remeasurement	(5,000)
<b>At March 31, 2021</b>	<b>\$ 330,000</b>

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**15. EXPLORATION AND PROJECT EVALUATION**

Three Months Ended March 31, 2021							
	Puerto Rico	La Kika	Minerva	Monclova	Cordero	Other	Total
Permitting	\$ -	\$ -	\$ -	\$ -	\$ 124,444	\$ -	\$ 124,444
Mining duties	26,719	4,249	7,335	17,307	213,299	4,203	273,112
Surface access	-	-	-	-	21,812	-	21,812
Site access	-	-	-	-	-	-	-
Drilling	-	-	-	-	3,649,683	-	3,649,683
Mapping, Sampling & Assays	-	-	-	-	272,222	-	272,222
Geophysics	-	-	-	-	-	-	-
Salaries and benefits	11,537	-	5,084	4,994	854,985	-	876,600
Travel	3,506	-	-	-	22,887	-	26,392
Administrative and other	3,842	-	31,677	1,963	405,659	-	443,140
Project Evaluation	-	-	-	-	201,120	-	201,120
<b>Total</b>	<b>\$ 45,604</b>	<b>\$ 4,249</b>	<b>\$ 44,096</b>	<b>\$ 24,265</b>	<b>\$ 5,766,111</b>	<b>\$ 4,203</b>	<b>\$ 5,888,527</b>

Three Months Ended March 31, 2020							
	Puerto Rico	La Kika	Minerva	Monclova	Cordero	Other	Total
Permitting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Mining duties	30,985	4,941	8,458	20,130	233,537	4,098	302,149
Surface access	-	-	-	-	5,269	-	5,269
Site access	-	20,417	35,891	7,739	21,724	-	85,771
Drilling	-	-	-	-	2,580,621	-	2,580,621
Mapping, Sampling & Assays	-	-	-	-	68,984	-	68,984
Geophysics	-	-	-	-	2,968	-	2,968
Salaries and benefits	6,217	-	6,334	6,217	770,281	-	789,049
Travel	5,292	-	982	1,741	46,583	-	54,598
Administrative and other	4,374	-	2,553	75	118,799	-	125,801
Project Evaluation	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 46,868</b>	<b>\$ 25,358</b>	<b>\$ 54,218</b>	<b>\$ 35,902</b>	<b>\$ 3,848,766</b>	<b>\$ 4,098</b>	<b>\$ 4,015,210</b>

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**16. GENERAL OFFICE AND OTHER EXPENSES**

	Three Months Ended	
	March 31,	
	2021	2020
Travel	\$ 10,355	\$ 16,088
Salaries and benefits	377,432	268,094
Shareholder communication and investor relations	66,194	48,176
Filing and transfer agent fees	114,817	27,977
Business development	960	7,647
Rent	17,114	17,247
Depreciation	23,639	28,349
General office and other	226,555	104,835
	<b>\$ 837,066</b>	<b>\$ 518,413</b>

**17. PROFESSIONAL FEES**

	Three Months Ended	
	March 31,	
	2021	2020
Legal	\$ 33,380	\$ 5,155
Audit, tax and accounting	11,159	9,225
Consulting and other	46,328	72,861
	<b>\$ 90,867</b>	<b>\$ 87,241</b>

**18. INCOME TAXES**

	Three Months Ended	
	March 31,	
	2021	2020
Loss before tax at statutory rate of 28% (2020 – 28%)	\$ 3,105,921	\$ 1,631,652
Effect on taxes of:		
Non-deductible expenses	(978,600)	(17,155)
Change in deductible temporary differences	(2,127,321)	(1,614,497)
<b>Income tax expense</b>	<b>\$ -</b>	<b>\$ -</b>

**19. CAPITAL MANAGEMENT**

The Company defines capital as its shareholder's equity (comprised of issued share capital, contributed surplus and deficit). The Company's objectives when managing capital are to support the Company's main activities of identifying, defining and developing mineral deposits, with the goal of creating shareholder value, as well ensuring that the Company will be able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility to enable the Company to respond to changes in economic conditions and the risk characteristics of the underlying assets and

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business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The current excess funds realized from the non-brokered private placements are invested in highly liquid, interest-bearing marketable securities with no restrictions on redemption.

At March 31, 2021, aside from the long-term portion of the lease liability (note 12), the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the three months ended March 31, 2021.

## **20. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, short term investments, other receivable and deposits, investments in marketable securities, accounts payable and accrued liabilities and lease liabilities.

Cash and cash equivalents, accounts receivable and deposits are classified as receivables and are measured at amortized cost using the effective interest method. Investments are classified as receivables and are measured at fair value through profit and loss. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost. These financial instruments approximate their fair value due to their short-term nature.

The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments are classified into one of three levels in the fair value hierarchy according to the degree to which the inputs used in the fair value measurement are observable.

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

At March 31, 2021 the Company had no financial instruments classified as Level 2 or 3.

## **21. FINANCIAL RISK MANAGEMENT**

The Company is exposed to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk. The aim of the Company's overall risk management strategy is to reduce the potential adverse effect that these risks may have on the Company's financial position and results. The Company's Board of Directors has overall responsibility and oversight of management's risk management practices. Risk management is carried out by the Board through the Nominating and Corporate Governance

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Committee with the policies being recommended for approval by the Board of Directors at least annually or when changes are required.

**a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2021, the Company had a cash and cash equivalents balance of \$79,742,626 (December 31, 2020 – \$67,547,897) to settle current liabilities of \$1,604,846 (December 31, 2020 – \$982,260). The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

At March 31, 2021, the Company has no sources of revenue to fund its operating expenditures. Since inception the Company has relied solely on private placements to fund its operations. Since the change of business transaction in August 2017, such private placements include gross proceeds of \$103,624,720 received through multiple non-brokered private placements – of which \$60,001,450 was during the year ended December 31, 2020 (note 13b).

Management believes these financings will fund the Company's initial exploration work on the properties in both Coahuila and Chihuahua, Mexico as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives. Future funding may be obtained by means of issuing share capital, or debt financing. At March 31, 2021, the Company is currently exposed to a low level of liquidity risk.

**b) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and cash equivalents, accounts receivable and prepaids and deposits are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated Canadian financial institutions. Management deems the credit risk associated with other receivables and deposits to be at an acceptable level.

The Company's maximum exposure to credit risk related to certain financial instruments as identified below, approximates the carrying value of these assets on the Company's condensed interim consolidated statements of financial position.

	<b>March 31, 2021</b>	December 31, 2020
Cash and cash equivalents	\$ 79,742,626	\$ 67,547,897
Short-term investments	15,000,000	15,000,000
Other receivables	421,317	300,545
Deposits	69,834	65,683
	<b>\$ 95,233,777</b>	<b>\$ 82,914,125</b>

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**c) Market Risks**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Interest rate risk

The Company has significant cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high-yield savings accounts or other highly liquid interest-bearing short-term investments. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar. At March 31, 2021, cash balances were held primarily in Canadian dollars. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian Dollar could have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of trade payables) denominated in USD and MXP. At March 31, 2021 and December 31, 2020, the Company had the following foreign currency denominated trade payables:

	<b>March 31, 2021</b>	December 31, 2020
United States dollar	\$ 147,550	\$ 149,806
Mexican Peso	1,069,605	109,853
	<b>\$ 1,217,155</b>	<b>\$ 259,659</b>

It is estimated that a 10% fluctuation in the United States Dollar and Mexican Pesos against the Canadian dollar would affect net loss at March 31, 2021 by approximately \$121,126 (December 31, 2020: \$25,467).

At March 31, 2021, management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

iii. Price risk

The Company is exposed to price risk with respect to commodity prices and prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price

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movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, and movement in the price of individual equity securities movements and the stock market generally, to determine the appropriate course of action to be taken by the Company.

At March 31, 2021, Management has determined the Company's exposure to price risk to be at an acceptable level.

## 22. SEGMENTED INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has one operating segment, which is involved in the exploration and development of polymetallic deposits. All mineral properties are located in Mexico. The Company currently has no revenues.

Segment performance is evaluated based on several operating and financial measures, including net loss and total comprehensive loss, which is measured consistently with net loss and total comprehensive loss in the condensed interim consolidated financial statements.

The net loss and total comprehensive loss are distributed by geographic region as follows:

	Three Months Ended	
	March 31,	
	2021	2020
Canada	\$ (3,980,524)	\$ (391,828)
Mexico	(7,078,051)	(5,435,502)
<b>Net loss and total comprehensive loss</b>	<b>\$ (11,058,575)</b>	<b>\$ (5,827,330)</b>

## 23. RELATED PARTY TRANSACTIONS

### a) Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A Company partially owned by one of the directors of the Company provides access to administrative and exploration personnel and has made certain payments on behalf of the Company on an as-needed basis. There is no fee charged to the Company, as all expenses are allocated at cost. There were no reimbursed expenses for the three months ended March 31, 2021 (three months ended March 31, 2020 – \$11,950). There were no expenses payable to this company as at March 31, 2021 (December 31, 2020 – \$Nil). These expenses are not included in the table below.

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Related party transactions for the three months ended March 31, 2021 and 2020 are as follows:

Transaction Type	Nature of Relationship	Three Months Ended March 31,	
		2021	2020
Share-based payments	Directors and officers	\$ 2,912,616	\$ 77,388
Salaries and benefits	Officers	217,500	175,670
Consulting fees	Director	-	25,000
Director's fees	Directors	91,250	50,000
		<b>\$ 3,221,366</b>	<b>\$ 328,058</b>

A summary of amounts due to related parties:

Transaction Type	Nature of Relationship	March 31,	December 31,
		2021	2020
Salaries and benefits payable	Directors, officers, and employees	\$ -	\$ 598,000
		<b>\$ -</b>	<b>\$ 598,000</b>

**b) Exploration and Option agreements**

A director of the Company is also party to the mineral exploration and option agreements and amendments thereto, entered into between the Company and the Vendors for all properties except for Cordero.

**24. EVENTS AFTER THEIR REPORTING PERIOD**

**a) Company Name Change to Discovery Silver Corp.**

On April 9, 2021, the Company announced that it was changing its name from Discovery Metals Corp. to Discovery Silver Corp. The Company's common shares commenced trading under the new name on the TSX Venture Exchange ("TSXV") under its previous ticker symbol "DSV" and on the OTCQX where its ticker symbol changed from "DSVMF" to "DSVSF" at the opening of trading on April 14, 2021.