



Discovery silver

Cordero PEA Overview

November 30, 2021

Forward Looking Statement & NI 43-101 Disclosure

Cautionary Statement on Forward-Looking Information & NI 43-101 Disclosure

This presentation contains certain forward-looking information and statements which may not be based on fact, 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 information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements.

In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: 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 Puerto Rico Project and other projects under option.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and 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 information and statements. Such factors include, but are not limited to, fluctuations in the price of zinc, silver 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. Many of these uncertainties and contingencies can affect the Company's actual performance and could cause actual performance to differ materially from those expressed or implied in any forward-looking information and statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking information and statements are not guarantees of future performance. 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. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of zinc and other base and precious metals, 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 programs, 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. 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 information and statements. The Company disclaims any intention or obligation to update or revise any forward-looking information and 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 based on the confidence of the input data, geological interpretation and grade estimation parameters. Mineral Resources used for estimating project economics reported herein are based on inputs that include metallurgical performance, geologic and geotechnical characterization, operational costs, and other economic parameters. The Mineral Resource estimate was prepared in accordance with NI 43-101 and classifications adopted by the CIM Council. A Preliminary Economic Analysis (PEA) is a study that includes an economic analysis of the potential viability of mineral resources. The PEA is preliminary in nature. No mining study has been completed. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The PEA includes inferred resources that are too speculative geologically to have the economic considerations applied to them. There is no certainty that the PEA will be realized.

Gernot Woher, P.Geo, 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):

¹ The most recent resource estimate for the Cordero project was press released on October 20, 2021. Resource commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb. A summary table 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 x 16.07) + (Pb x 32.55) + (Zn x 35.10); 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 - 84%, Au - 18%, Pb - 87% and Zn - 88%. AgEq for oxide/transition mineral resources is calculated as Ag + (Au x 87.5); this factor is based on commodity prices of Ag - \$24.00/oz and Au - \$1,800/oz and assumed recoveries of Ag - 60% and Au - 70%. AgEq for the PEA is based on Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb.

³ PEA by Ausenco Engineering Canada Inc., as press released on November 30, 2021. PEA commodity prices (\$US): \$22.00/oz Ag, \$1.20/lb Zn, \$1.00/lb Pb, \$1,600/oz Au; Mine plan uses a subset of base case Measured & Indicated and Inferred Resources. 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 (includes capital for tailing dams lifts with capacity for less than five years) + Closure Costs] / Payable AgEq ounces

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PEA Highlights

PEA Highlights

Excellent project economics

- BASE CASE¹: After-tax NPV of \$1.2 B (C\$1.5 B, C\$4.62/share), IRR of 38% & payback of 2.0 years

Exceptional silver price leverage

- UPSIDE CASE²: After-tax NPV of \$1.9 B (C\$ 2.4 B, C\$7.38/share), IRR of 55% & payback of 1.4 years

High-margin long mine life asset

- 16-year mine life with average annual production of 26 Moz AgEq
- Average LOM AISC of <\$12.50/oz

Low capital intensity

- Initial development capex of \$368 M
- Base case NPV to Capex ratio of 3.2x; Upside case of 5.1x

Technically robust study

- 99% of tonnes in PEA mine plan in Measured & Indicated category
- Study led by Ausenco with support from Knight Piésold and AGP Mining

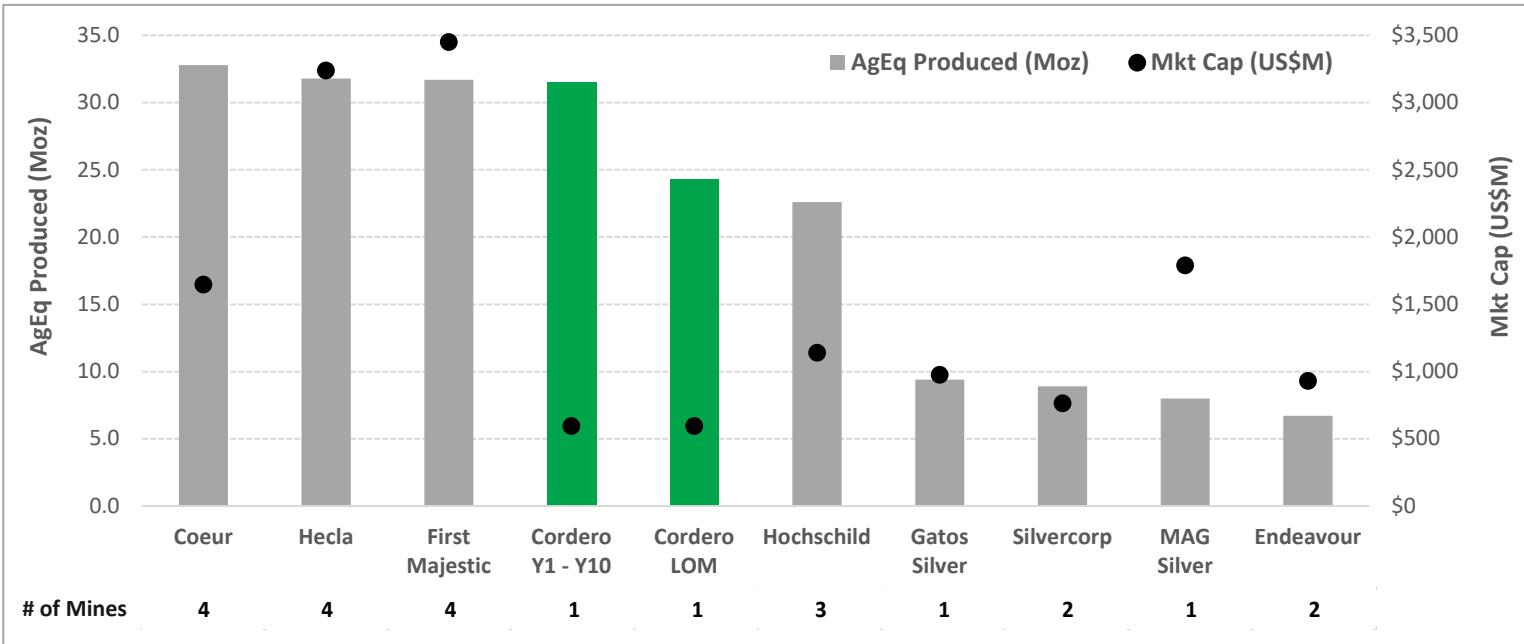
Silver dominant revenues

- Ag represents +60% of net revenues in first five years of mine life and +50% of net revenues over LOM
- Compares favorably to senior silver producer range of 31-52%³ - incl. CDE, FRES, HL, HOC, PAAS

All \$ in USD unless otherwise indicated. Per share metrics based on 325 million shares outstanding.

1. Base case: assumes Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb
2. Upside case: assumes Ag - \$27.50/oz, Au - \$1,880/oz, Pb - \$1.10/lb, Zn - \$1.45/lb based on one-year trailing 90th percentile
3. Based on BMO 2022E forecasts & spot prices as at November 19

AgEq Production - Cordero vs Peers

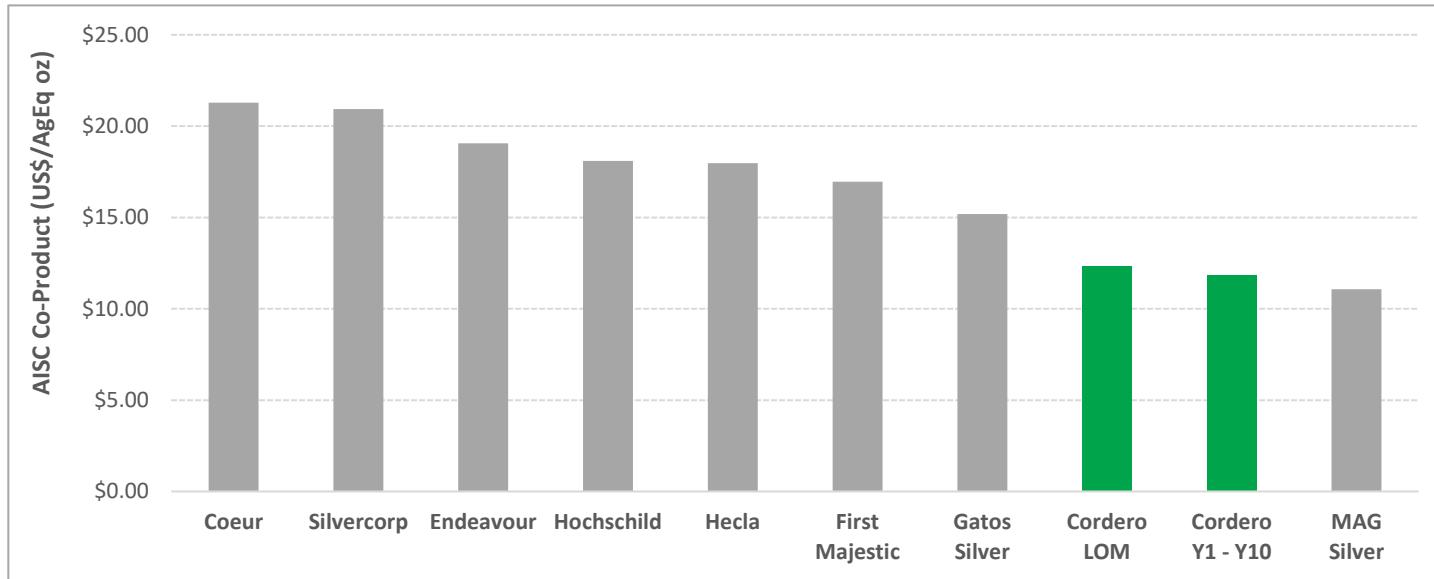


Cordero production
sourced from Nov.
2021 PEA

Silver peer production
BMO Capital Markets
forecast for 2022

- Market Cap as at November 19, 2021, and is based on the fully diluted in-the-money market capitalization
- For AgEq ratios: Cordero AgEq production assumes Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb; BMO AgEq production is based on spot prices as at November 19, 2021: Ag - \$24.59/oz, Au - \$1,847/oz, Pb - \$1.02/lb, Zn - \$1.45/lb

AISC Co-Product - Cordero vs Peers



Cordero AISC
sourced from Nov 2021 PEA

Silver peer AISC
BMO Capital Markets
forecast for 2022

- For AgEq ratios: Cordero AISC assumes Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb; BMO AISC based on spot prices as at November 19, 2021: Ag - \$24.59/oz, Au - \$1,847/oz, Pb - \$1.02/lb, Zn - \$1.45/lb

Mine Plan

PEA Mine Plan Phases

Mining broken into four phases

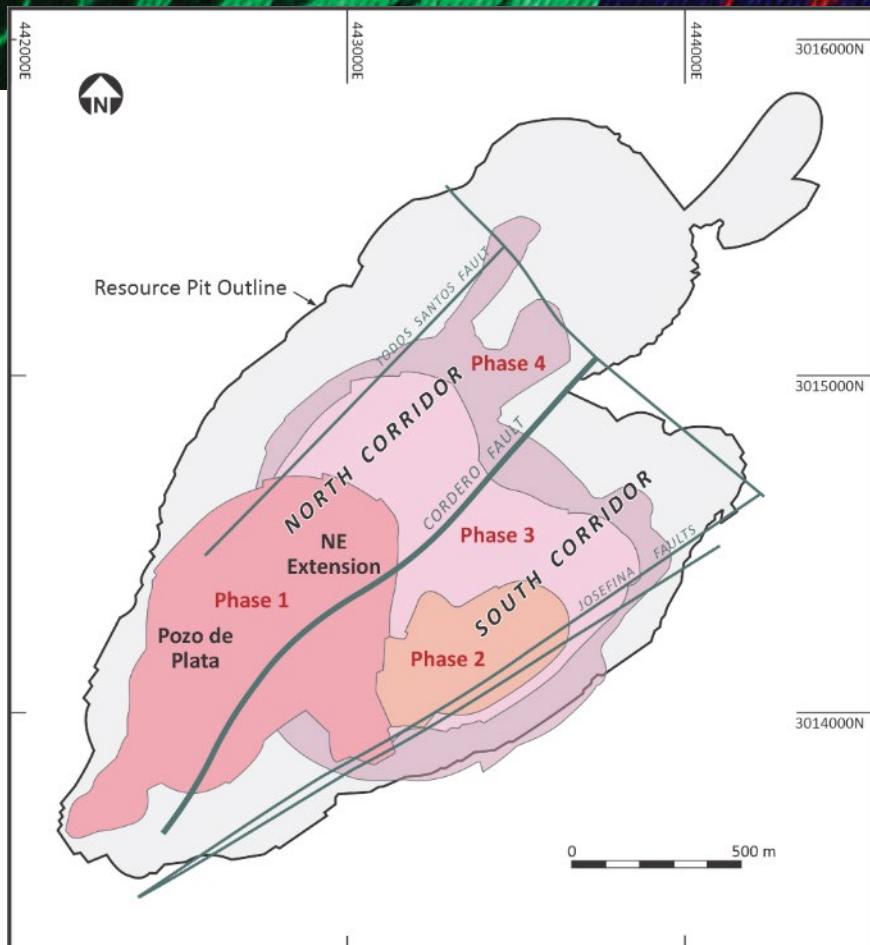
Phase 1 – Pozo de Plata

Phase 2 – Higher-grade oxides in South Corridor

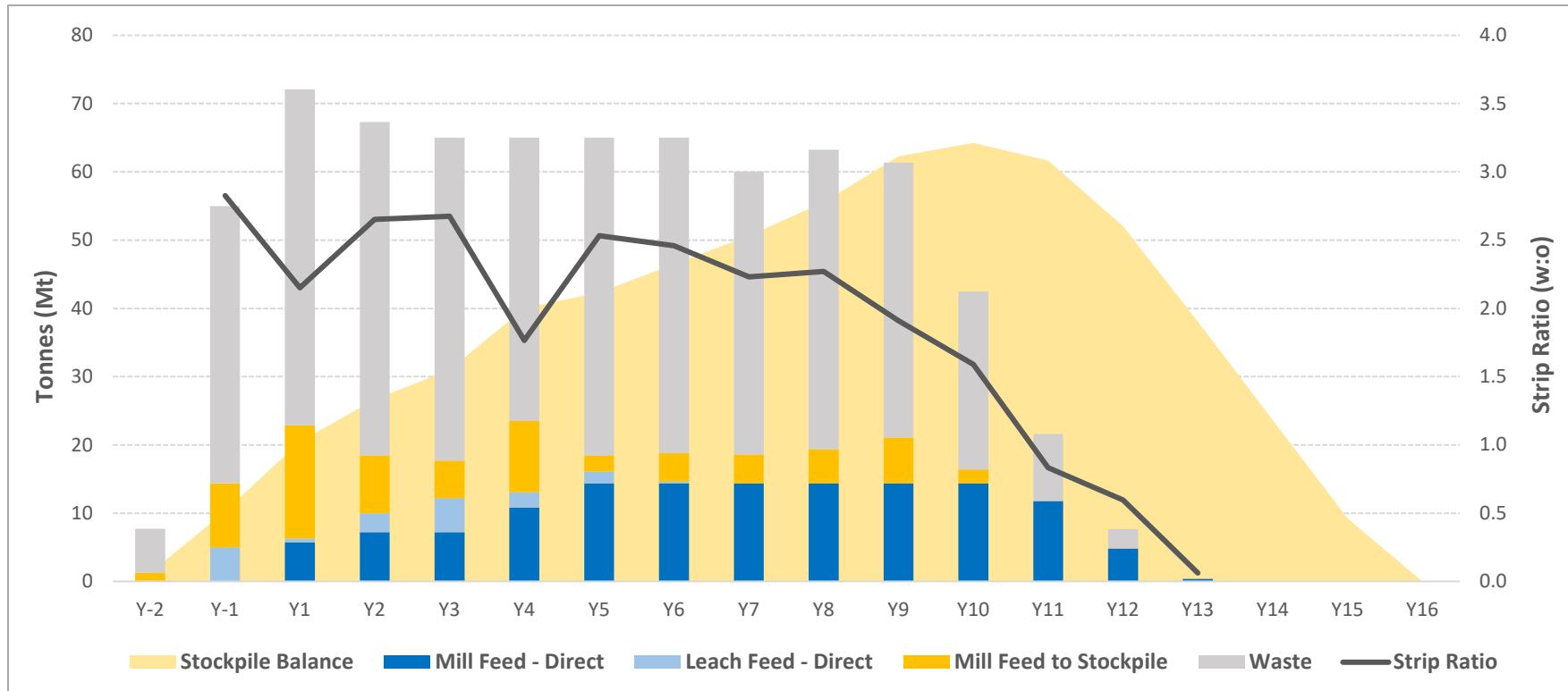
Phase 3 – NE Extension + part of South Corridor

Phase 4 – South Corridor

Phase	Years	Mill Feed (Mt)	Waste (Mt)	Total (Mt)	Strip Ratio (w:o)
Phase 1	Y-2 to Y3	50	101	151	2.0
Phase 2	Y-2 to Y1	8	16	24	1.9
Phase 3	Y3 to Y8	54	109	164	2.0
Phase 4	Y4 to Y13	115	265	380	2.3
Total		228	491	719	2.2

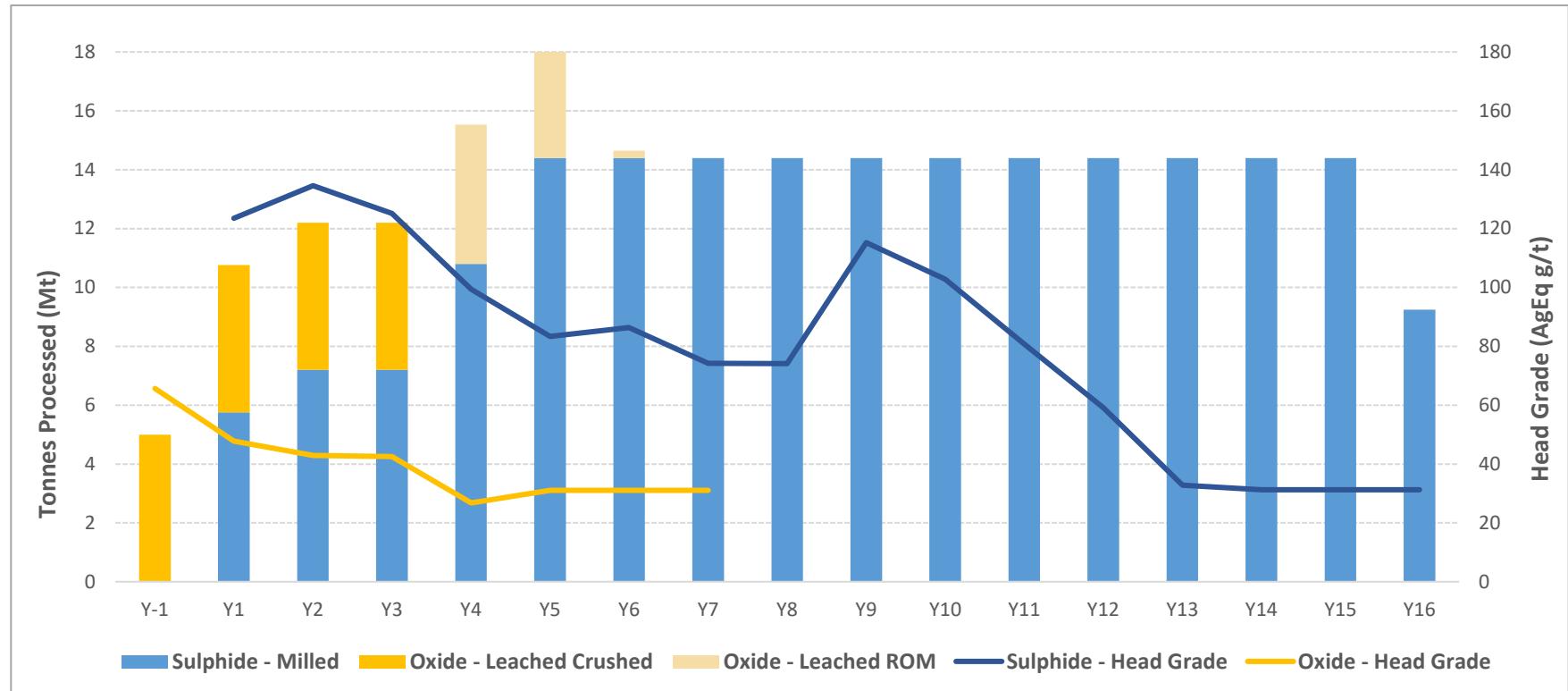


PEA Mine Plan

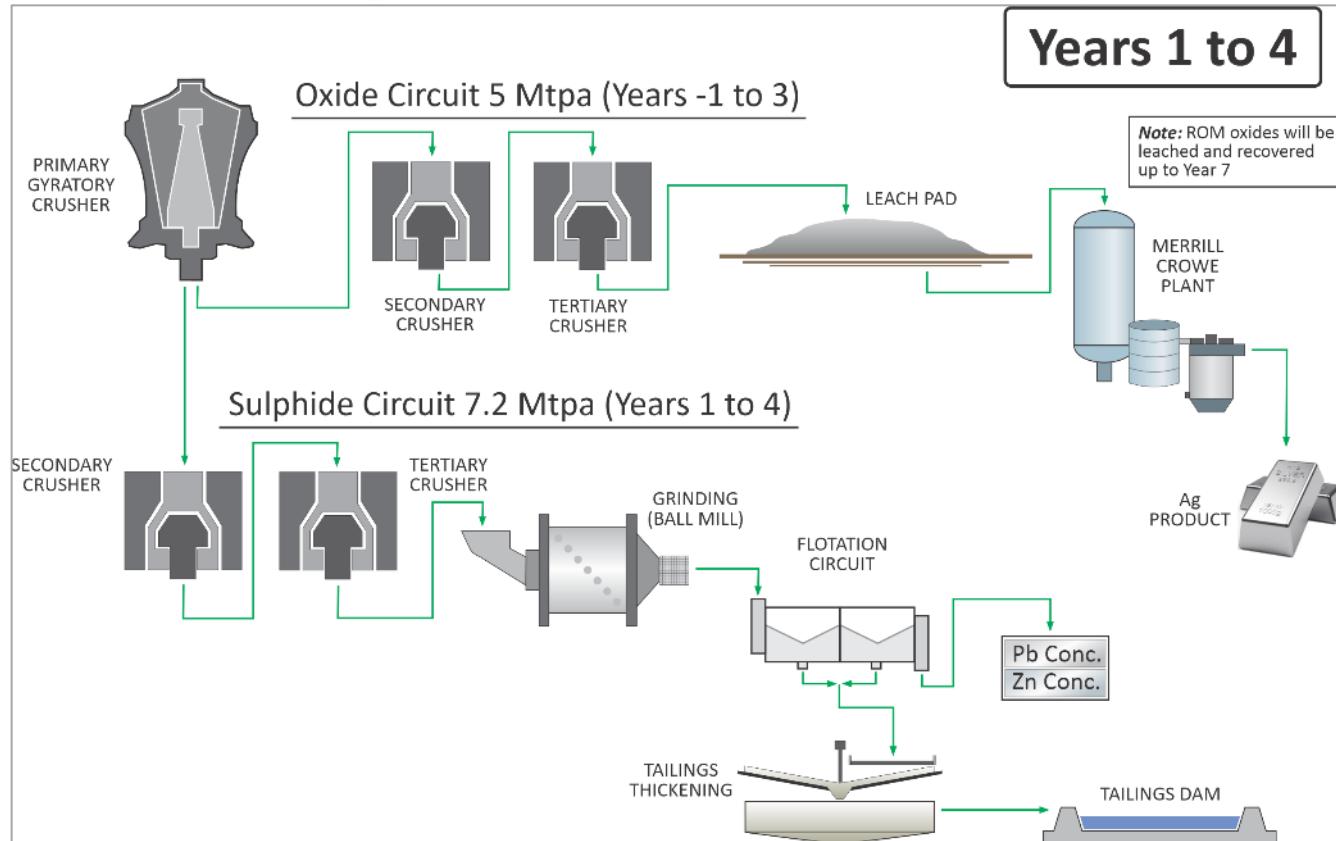


Processing

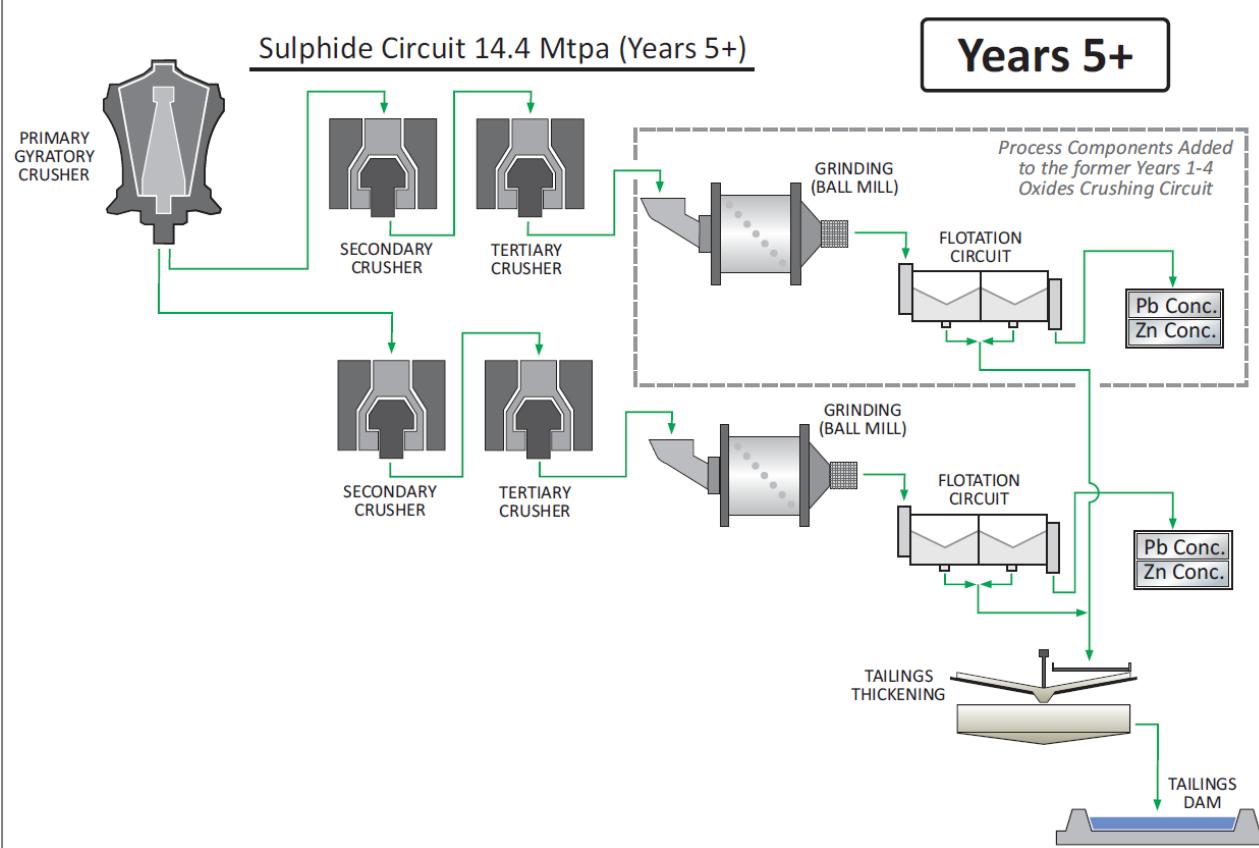
Tonnes Processed vs Head Grade



Process Design: 1st Phase (Oxides + Sulphides)



Process Design: 2nd Phase (Sulphides Only)



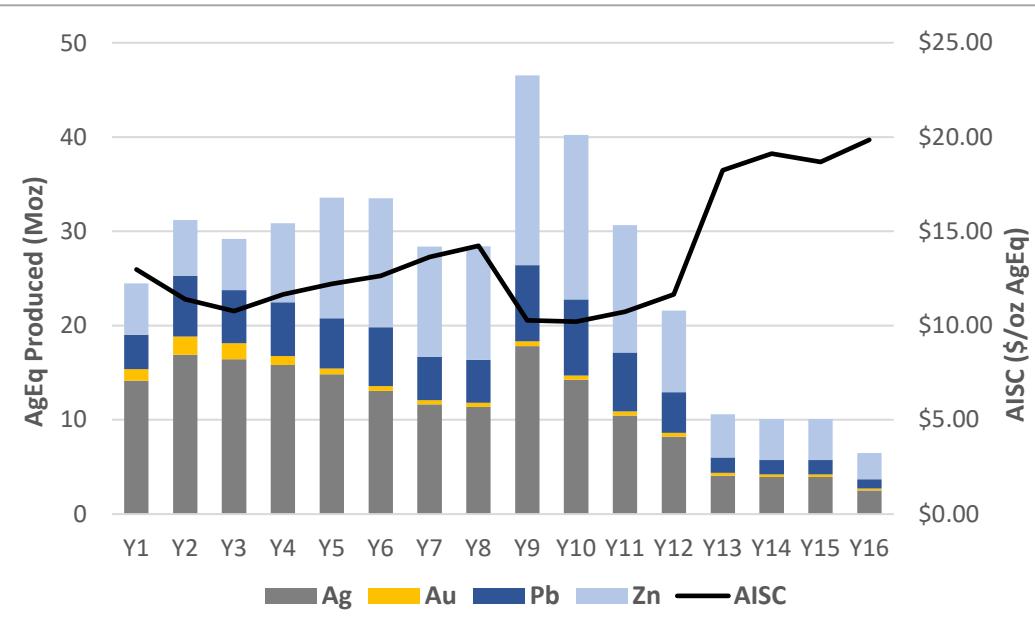
Sulphide Recoveries / Metallurgical Balance

	UNITS	PHASE 1				PHASE 2								LOM			
		Years 1 - 4				Years 5 - 12				Years 13 - 16							
		Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn
MET BALANCE																	
Average head grade	g/t or %	58	0.28	0.82%	0.81%	33	0.07	0.50%	0.92%	13	0.04	0.17%	0.34%	31	0.09	0.46%	0.75%
Recoveries																	
Recovered to Pb Con	%	81%	13%	90%	85%	71%	13%	86%	6%	56%	13%	69%	3%	73%	13%	86%	5%
Recovered to Zn Con	%	12%	6%	3%	6%	12%	6%	3%	86%	11%	6%	3%	74%	12%	6%	3%	85%
Tailings	%	7%	81%	7%	9%	17%	81%	11%	8%	33%	81%	28%	22%	16%	81%	11%	10%
Total	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CONCENTRATE GRADES																	
Pb Concentrate	g/t or %	3,490	2.45	54%	-	2,802	1.15	52%	-	2,657	2.11	43%	-	2,939	1.58	52%	-
Zn Concentrate	g/t or %	524	1.27	-	52%	254	0.28	-	51%	285	0.52	-	50%	298	0.45	-	51%

Note – recoveries were based on the 2021 metallurgical test program which included lock-cycle tests and examined metal recoveries to the silver-lead concentrate and the silver-zinc concentrate at varying head grades for each of the major geological rock types at Cordero

Production / Cost Profile

Metal Produced/Payable (AgEq) vs AISC



PERIOD	AVERAGE		TOTAL		AISC Co-product Basis (US\$/AgEq oz)
	AgEq Produced (Moz)	AgEq Payable (Moz)	AgEq Produced (Moz)	AgEq Payable (Moz)	
Years 1 - 4	29	26	117	104	\$11.64
Years 5 - 12	33	29	265	230	\$11.77
LOM	26	23	426	372	\$12.35

Note – Au/Pb/Zn production is shown on an AgEq basis based on: Ag = \$22/oz, Au = \$1,600/oz, Pb = \$1.00/lb and Zn = \$1.20/lb

AISC is calculated as [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (includes capital for tailing dams lifts with capacity for less than five years) + Closure Costs] / Payable AgEq ounces

Capex

Capex Summary

	INITIAL CAPITAL		EXPANSION CAPITAL		SUSTAINING LOM CAPEX	TOTAL LOM CAPEX
	Y-2	Y-1	Y3	Y8		
CAPITAL EXPENDITURES (US\$ M)						
Mining	\$26	\$1			\$7	\$33
Infrastructure	\$34	\$9	\$10		\$16	\$69
Heap Leach + Oxide Plant	\$71	\$1			\$4	\$76
Sulphide Processing Plant		\$95	\$51	\$23	\$30	\$199
Tailings Facility (TMF)		\$15			\$95	\$110
Indirects	\$22	\$30	\$17	\$6	\$4	\$78
Owners Costs		\$6				\$6
Closure (Net of Salvage Value)					\$22	\$22
Contingency	\$28	\$30	\$16	\$6	\$29	\$110
TOTAL CAPEX	\$368		\$94	\$35	\$208	\$704
PRE-SULPHIDE OPERATIONS						
Revenue		\$121				
Mining Costs		(\$110)				
Processing + G&A Costs		(\$26)				
Operating Cash Flow for Year -1		(\$16)				
NET FUNDING REQUIREMENT	\$384					

Initial Capital

Year -2: infrastructure, power line & heap leach circuit

Year -1: ball mill, flotation circuit, initial tailings dam life

Expansion Capital

Year 3: add ball mill & flotation circuit

Year 8: expand flotation circuit for higher Zn grades

Sustaining Capital

TMF: designed by Knight Piésold

Other: ancillary costs for process plant & infrastructure

Opex

Discoverysilver

TSXV: DSV | OTCXQ: DSVSF

Operating Cost Assumptions

ITEM	UNIT	COST
Mining Cost		
Mining - Mill Feed	(\$/t mined)	\$2.16
Mining - Waste	(\$/t mined)	\$2.04
Processing Costs		
Heap leach - Oxides crushed	(\$/t stacked)	\$3.84
Heap leach - Oxides ROM	(\$/t stacked)	\$1.34
Sulphides - 7.2 Mtpa	(\$/t milled)	\$7.01
Sulphides - 14.4 Mtpa	(\$/t milled)	\$6.57
Site G&A - 14.4 Mtpa	(\$/t milled)	\$0.86

Mining cost

Assumes contractor mining & based on contractor quotes

Processing cost

Generated from first principles by Ausenco

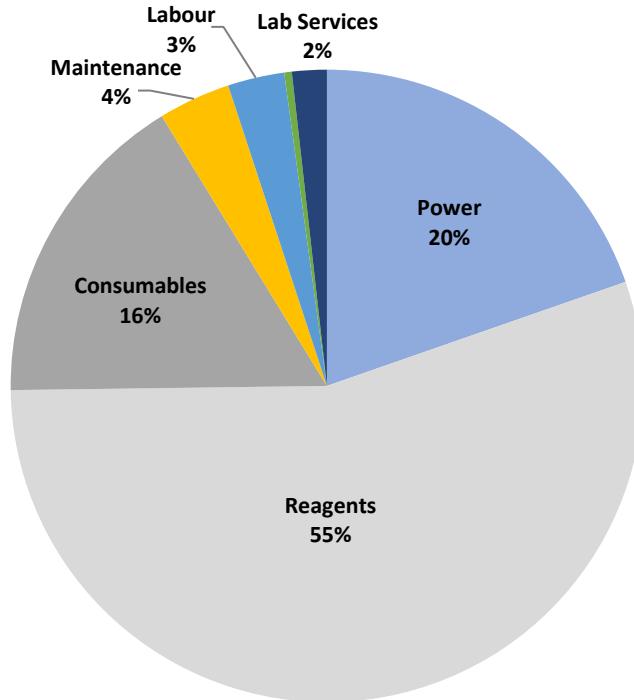
Sulphide processing costs benefit from coarse grind size & low power costs

G&A costs

Generated from first principles by Ausenco

Costs assume small camp & administration office at site

Sulphide Processing Costs Breakdown



Reagents Cost

Reagent consumption based on 2021 metallurgical testwork
MIBC and Soda Ash account for ~65% of reagent costs

Power Cost

Benefits from coarse grind size (no SAG mill required) & low power costs of \$0.06/kWh

Consumables Cost

Ball Mill grinding media account for ~60% of consumables cost

Labour Cost

Built from first principles

Assumes mill workforce of 156 people (plant operations, admin, laboratory and maintenance staff)

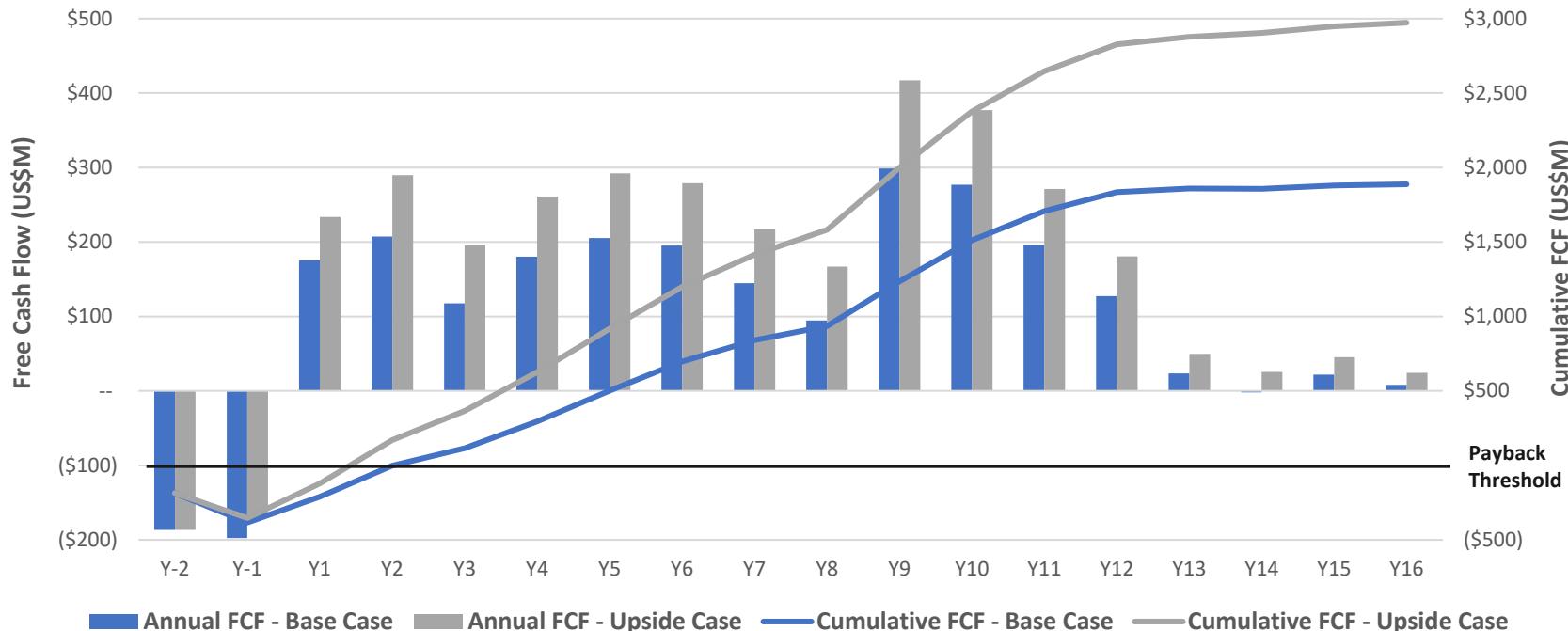
Project Economics

Commodity Price Sensitivity

NPV/IRR/Payback sensitivity to Ag/Zn prices: (Fixed prices for Au = \$1,600/oz & Pb = \$1.00/lb)

		Ag (\$/oz)														
		\$18.00			\$20.00			\$22.00			\$25.00			\$30.00		
		NPV (5%) (US\$M)	IRR (%)	Payback (yrs)												
Zn (\$/lb)	\$1.05	\$715	27%	3.3	\$866	32%	2.7	\$1,016	36%	2.2	\$1,238	42%	1.8	\$1,607	53%	1.4
	\$1.10	\$765	28%	3.2	\$915	32%	2.6	\$1,064	37%	2.1	\$1,286	43%	1.8	\$1,655	53%	1.4
	\$1.20	\$863	30%	3.1	\$1,013	34%	2.5	\$1,160	38%	2.0	\$1,382	44%	1.7	\$1,751	55%	1.4
	\$1.30	\$961	32%	2.9	\$1,109	36%	2.3	\$1,257	40%	2.0	\$1,478	46%	1.7	\$1,848	56%	1.4
	\$1.45	\$1,105	34%	2.7	\$1,253	38%	2.2	\$1,401	42%	1.9	\$1,622	48%	1.6	\$1,992	58%	1.3

Project After-Tax Free Cash Flow (FCF)

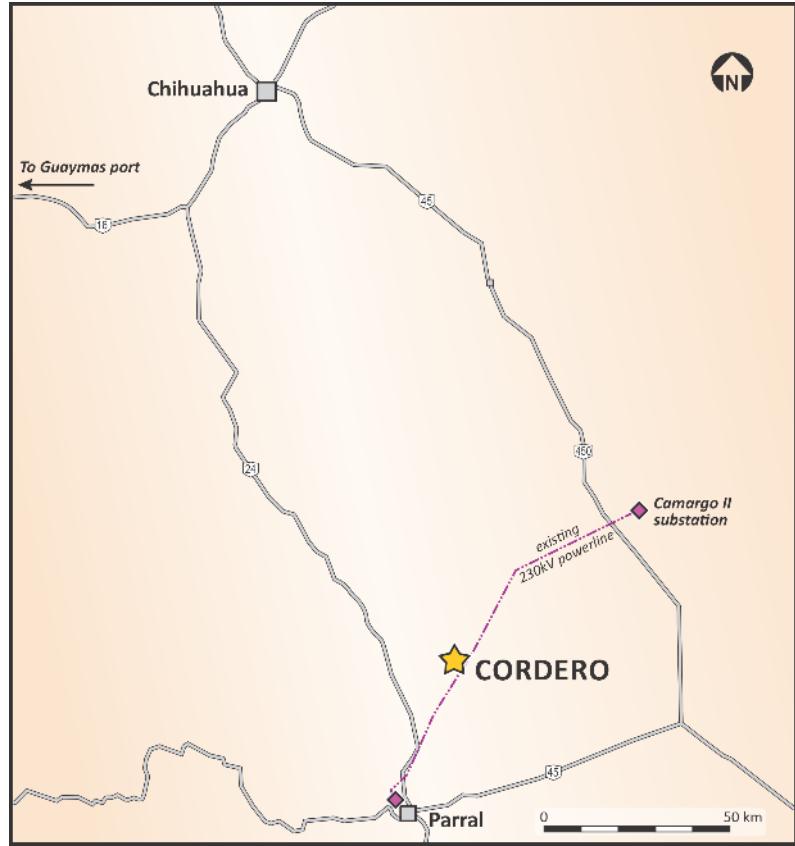


1. Base case: assumes Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb

2. Upside case: assumes Ag - \$27.50/oz, Au - \$1,880/oz, Pb - \$1.10/lb, Zn - \$1.45/lb based on one-year trailing 90th percentile

Site Layout / Infrastructure

Regional Infrastructure



Power

Local substation 75 km to northeast

Major powerline adjacent to project

Roads

Local major roads/highways

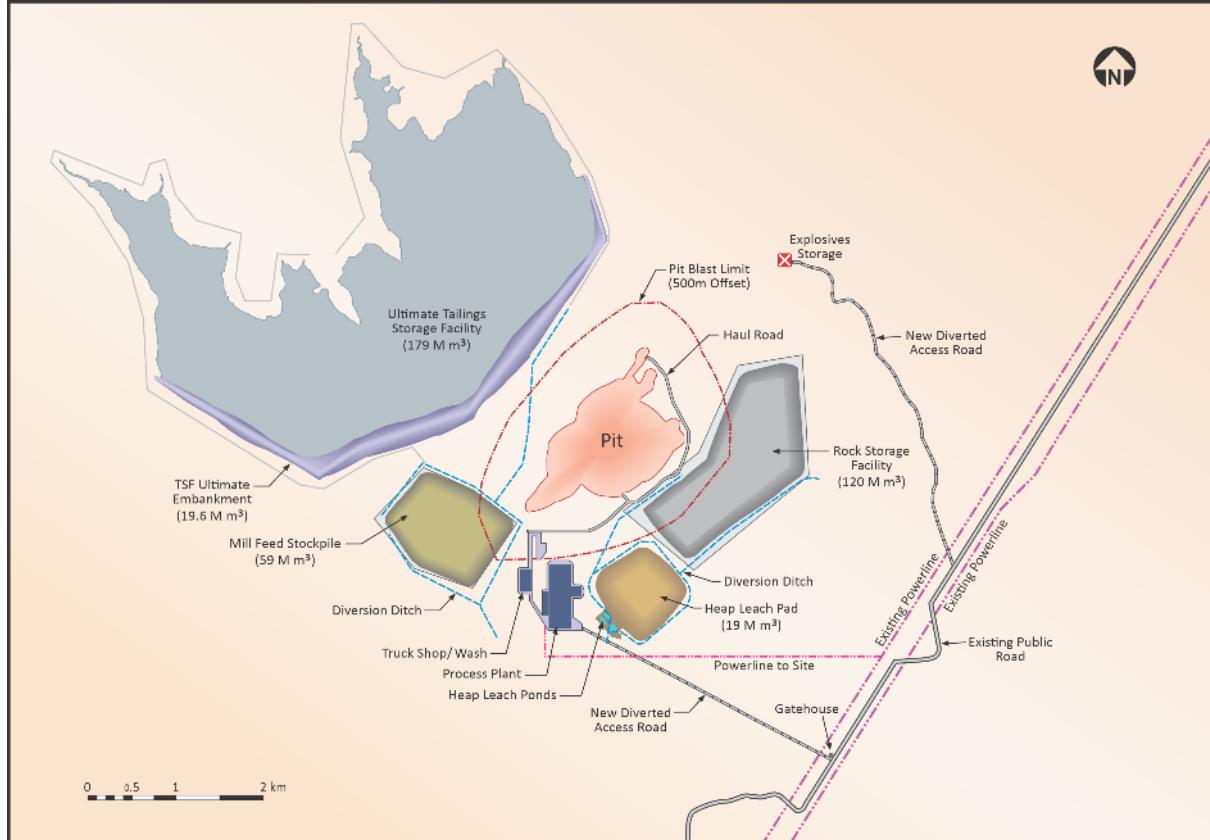
Concentrated to be trucked to Guaymas port in Sonora State

Local cities/towns

Chihuahua City – state capital, international airport

Parral – well-established service hub that supports local mining operations

Site Layout

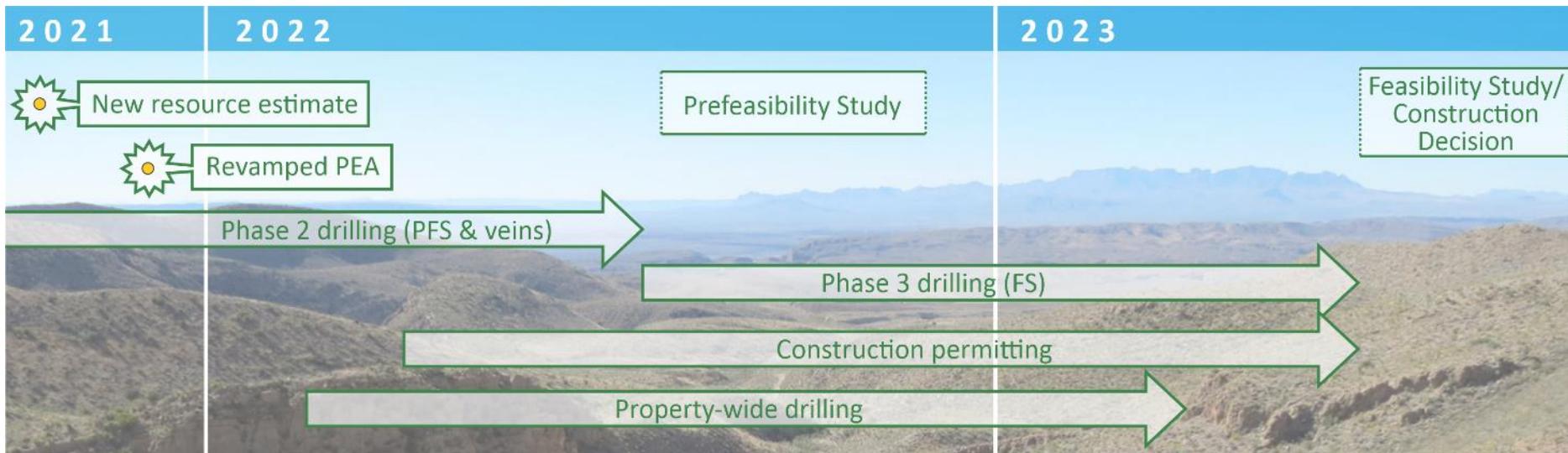


Local Infrastructure

Project benefits from flat topography and nearby local power line and roads

Looking Ahead

Project Timeline



Project Opportunities

Mine life extension

~330Mt of sulphide resource outside PEA pit but within resource pit

Potential to extend mine life and/or increase production at higher commodity prices

Coarser grind size

Met test work established higher recoveries at coarse grind sizes (+200 micron)

Potential to reduce operating & power consumption through coarse particle flotation

Dry stack tailings

Potential to reduce project footprint & water consumption

Evaluation will be completed as part of Pre-feasibility Study

Appendix

Sections

Long Section A – A'

- North Corridor including Pozo de Plata & NE Extension

Long Section B – B'

- South Corridor

Cross Section C – C'

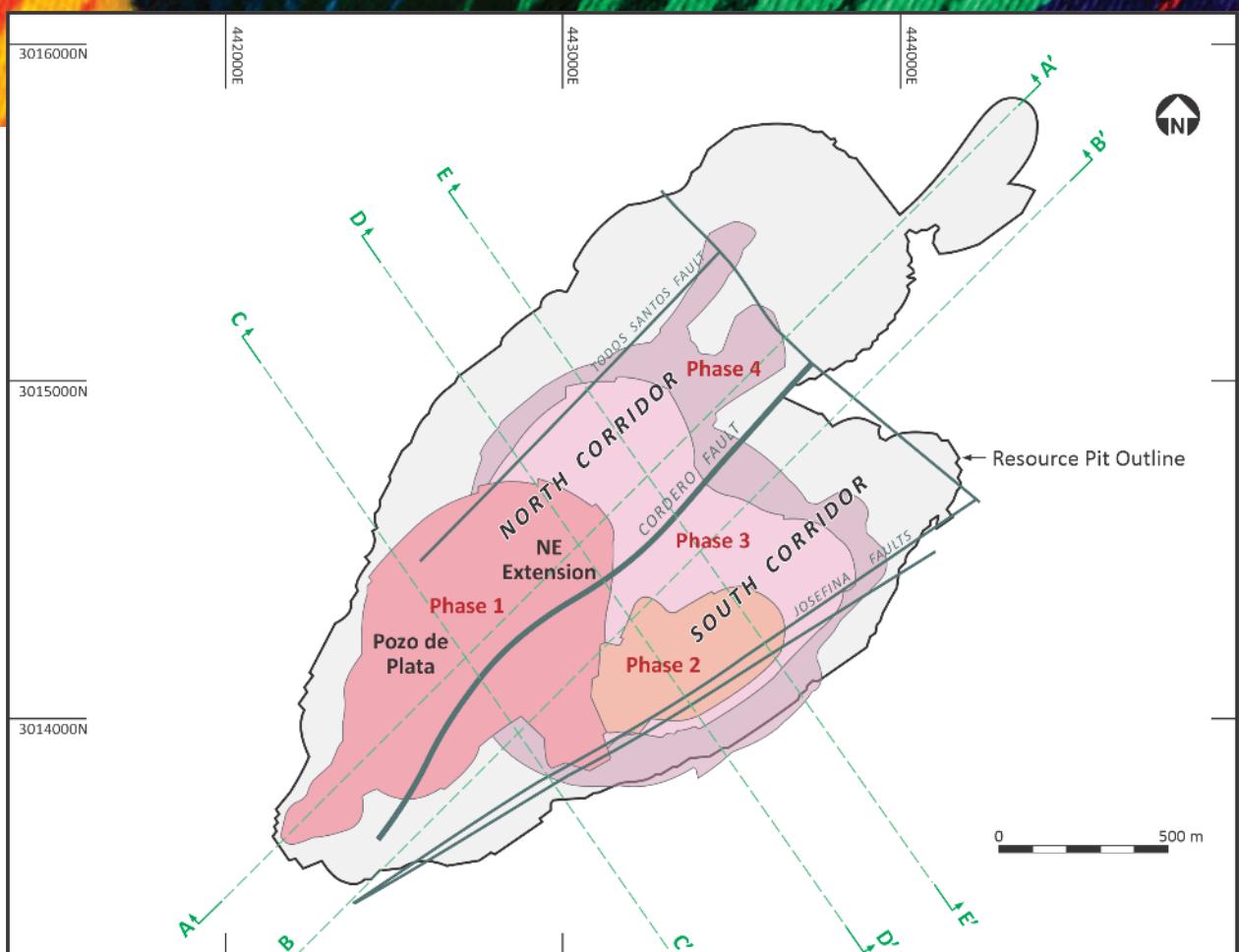
- Pozo de Plata – potential starter pit

Cross Section D – D'

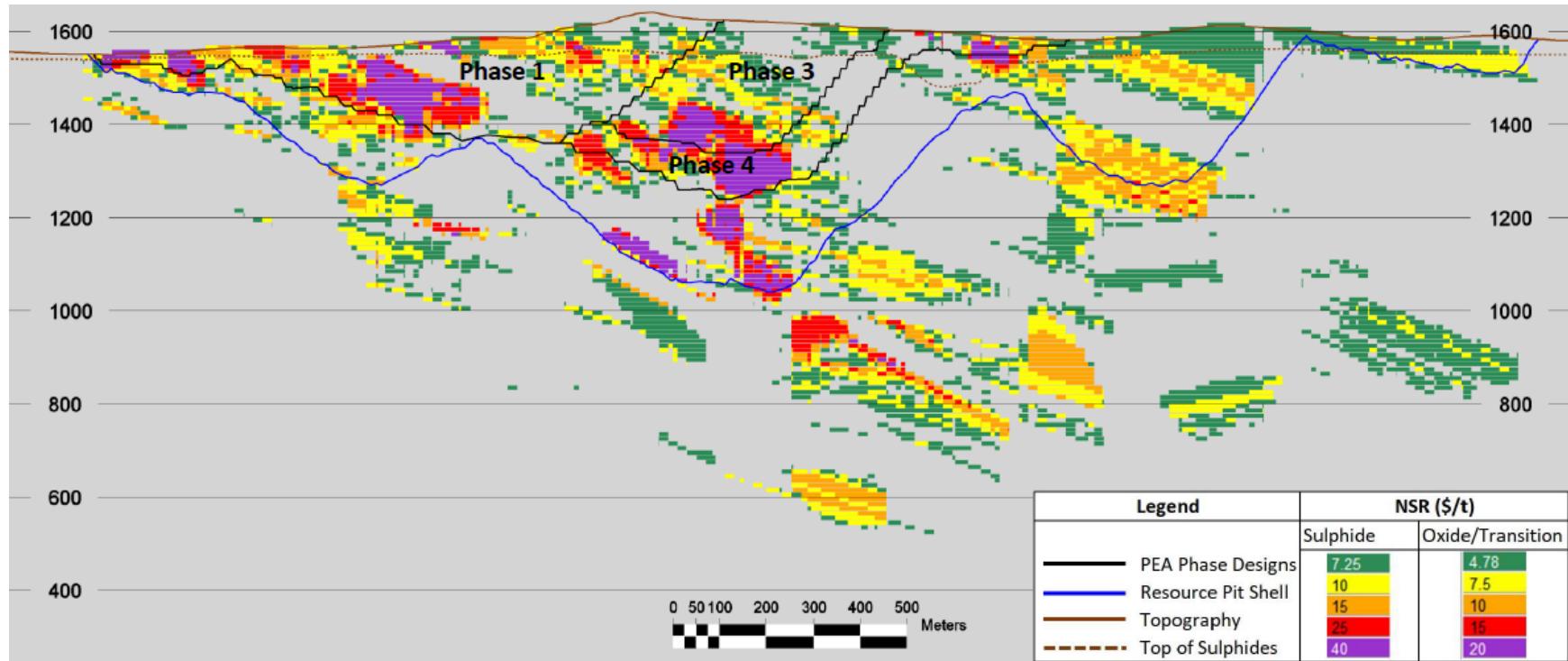
- NE Extension, South Corridor & Josefina

Cross Section E – E'

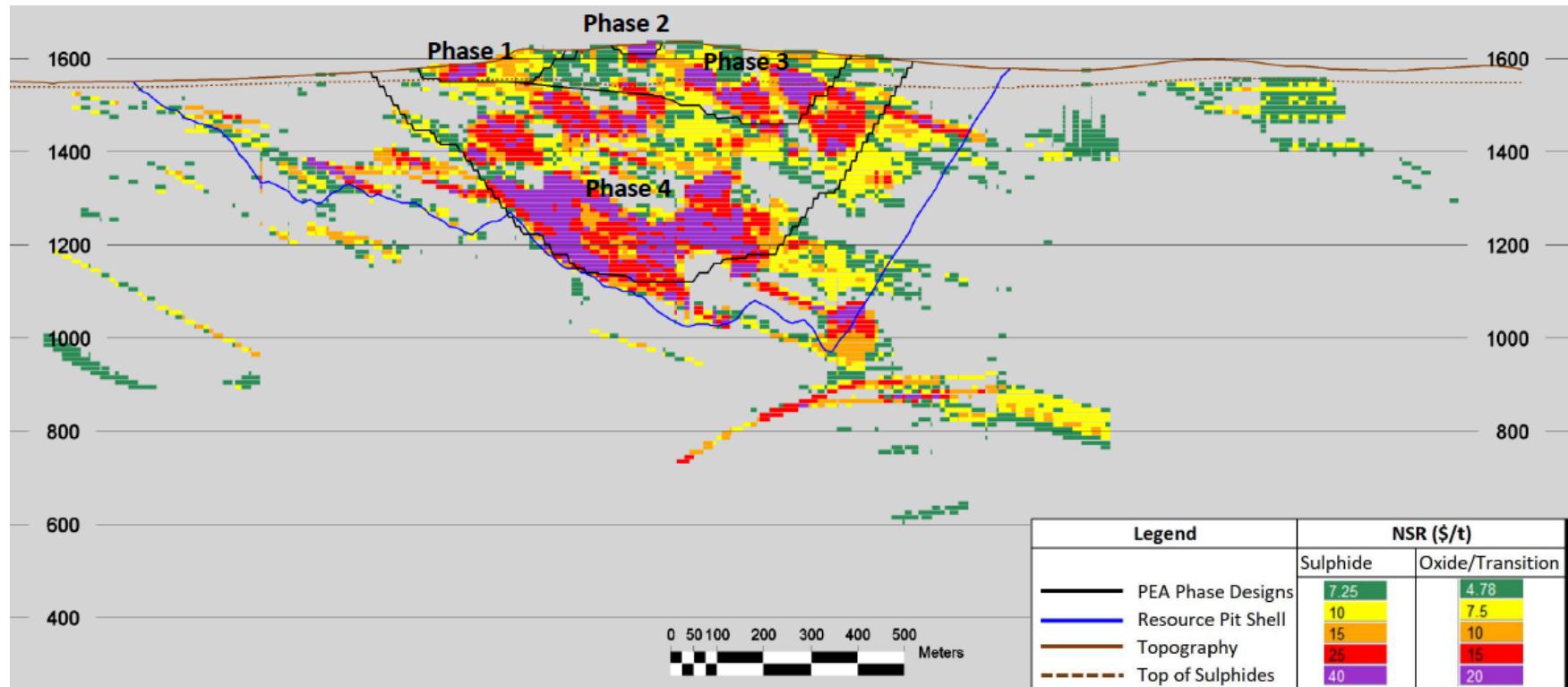
- NE Extension, South Corridor & Josefina



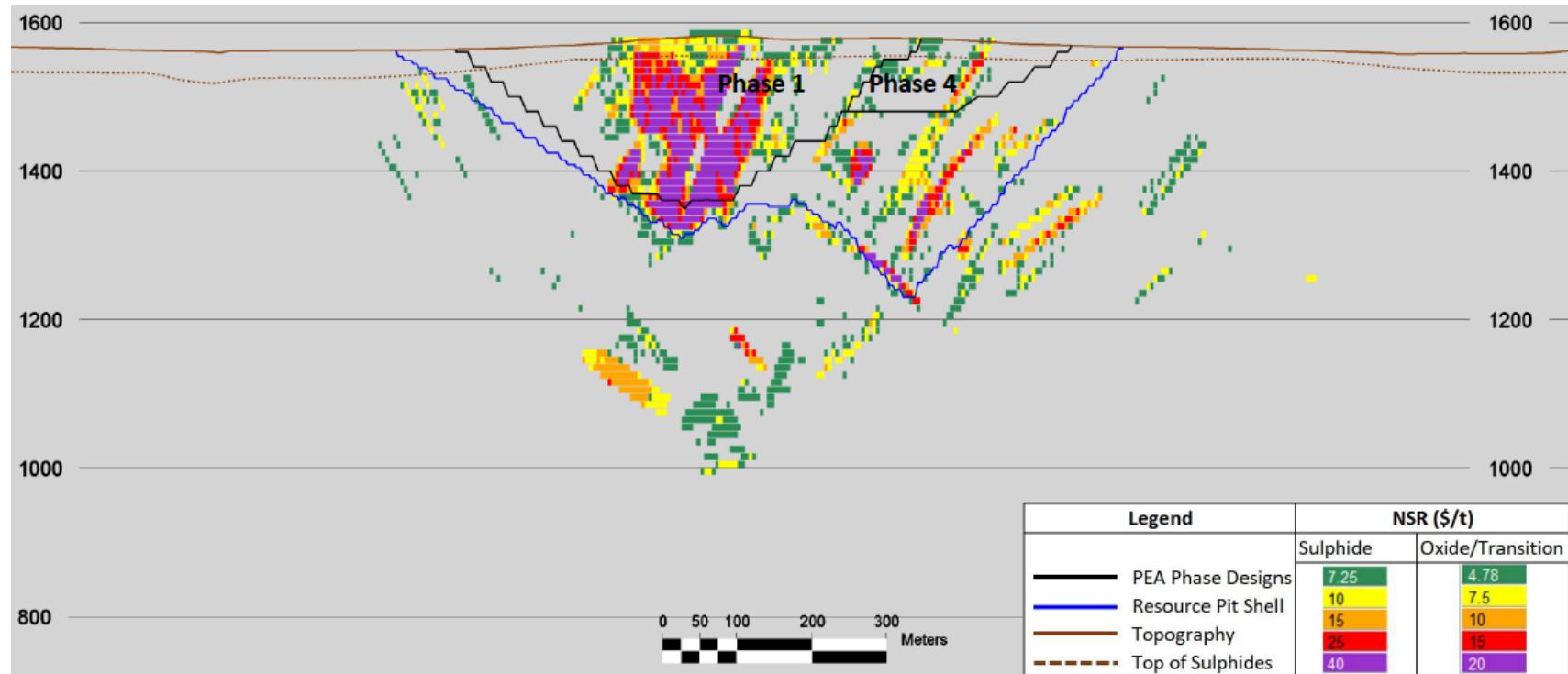
Long Section A - A'



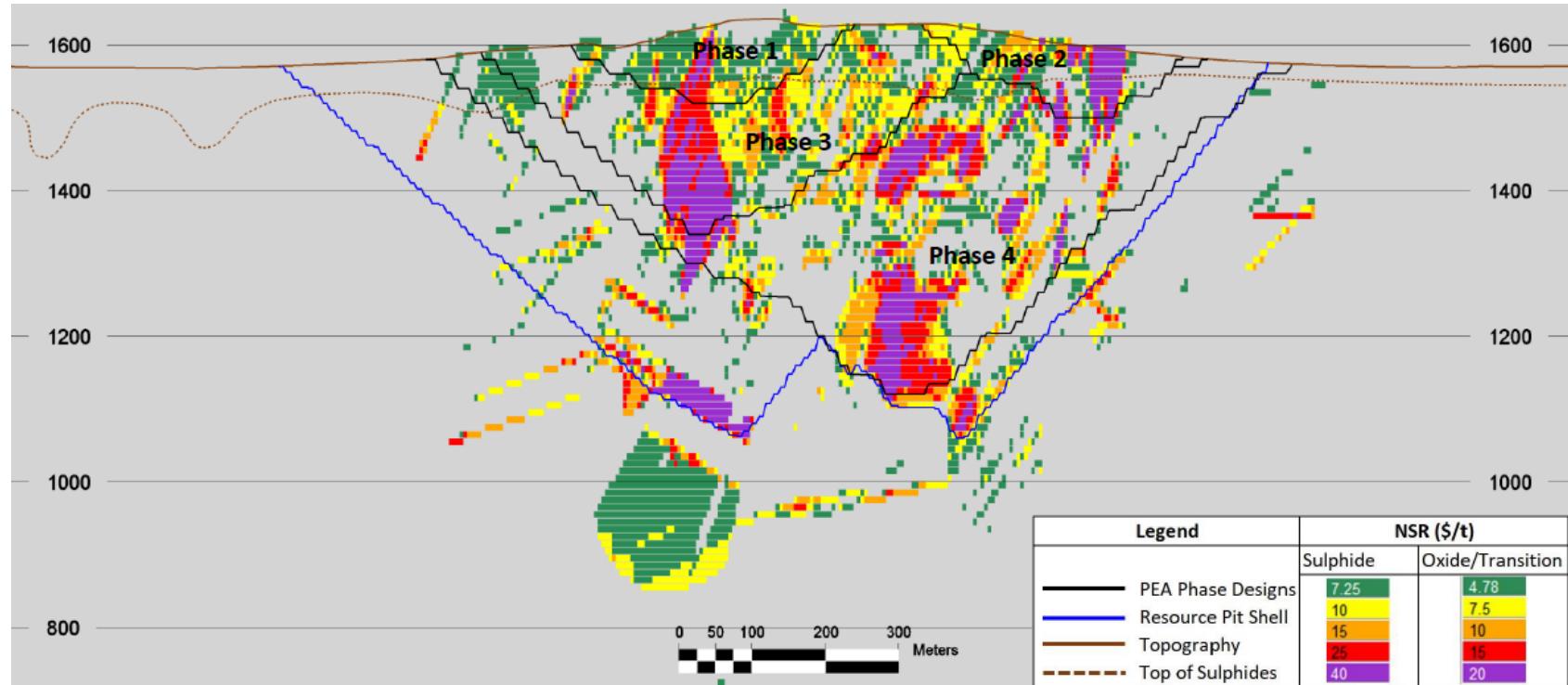
Long Section B – B'



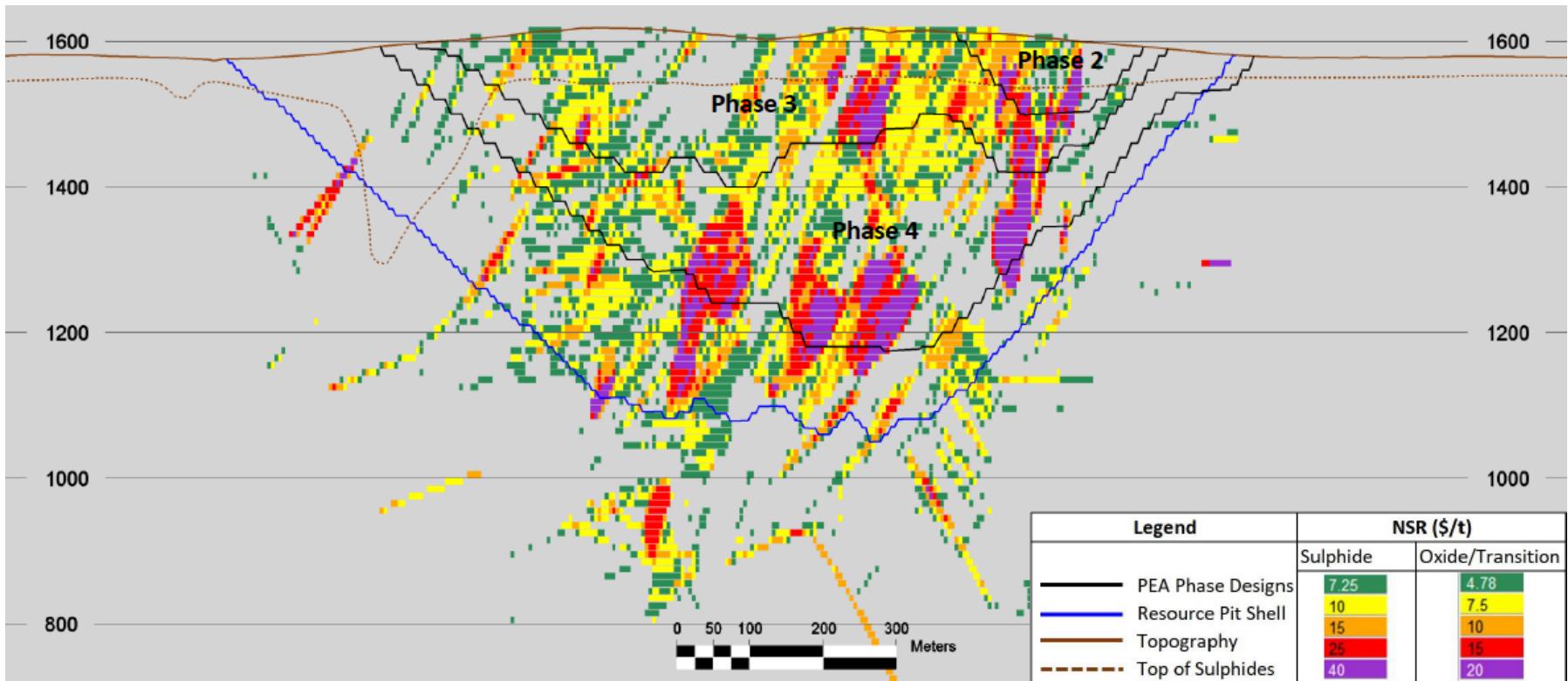
Cross Section C – C'



Cross Section D – D'



Cross Section E – E'



2021 Resource Dataset / Inputs

Extensive drill dataset

- 224,000 m / 517 drill holes

Model incorporates geological & structural constraints

Resource is pit-constrained with a waste-to-ore ratio of 1.1

Resource categorisation

- Sulphide: assumed to be processed via mill/flotation
- Oxide/transition: assumed to be processed via heap leaching

Pit constraint assumptions

- Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb
- Recovery assumptions: based on 2021 met test program
- Mining costs: ~\$1.60/t + \$0.024/t per bench (AGP Mining)
- Processing costs: \$6.30/t for mill/flotation, \$3.92/t for heap leaching (Ausenco)
- G&A costs: \$0.86/t (Ausenco)

Net Smelter Return (NSR cut-off)

- NSR = Net revenue less treatment costs & refining charges
- Sulphide resource cut-off: \$7.25/t
- Oxide resource cut-off: \$4.78/t

2021 Resource Estimate

Classification	Tonnes	Grade					Contained Metal					
		Ag g/t	Au g/t	Pb %	Zn %	AgEq g/t	Ag Moz	Au koz	Pb Mlb	Zn Mlb	AgEq oz	
Mt												
SULPHIDE RESOURCE												
Measured	128	22	0.08	0.31	0.52	52	89	328	881	1,470	212	
Indicated	413	19	0.05	0.28	0.51	47	255	707	2,543	4,663	625	
M&I	541	20	0.06	0.29	0.51	48	344	1,035	3,424	6,132	837	
Inferred	108	14	0.03	0.19	0.38	34	49	99	451	909	119	
OXIDE/TRANSITION RESOURCE												
Measured	23	20	0.06	-	-	25	15	43	-	-	19	
Indicated	75	19	0.05	-	-	23	45	125	-	-	56	
M&I	98	19	0.05	-	-	23	60	168	-	-	74	
Inferred	35	16	0.04	-	-	20	18	44	-	-	22	

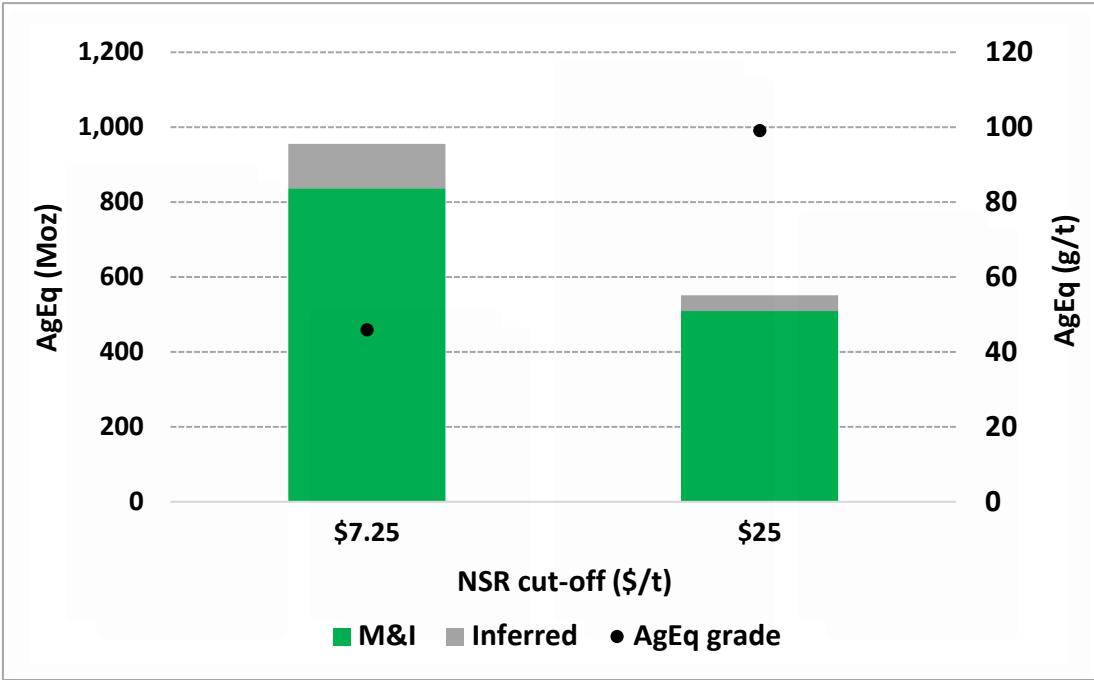
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- G&A costs: \$0.86/t (Ausenco)

2021 Sulphide Resource



~90% of sulphide resource is Measured & Indicated

~60% of contained metal within high-grade subset

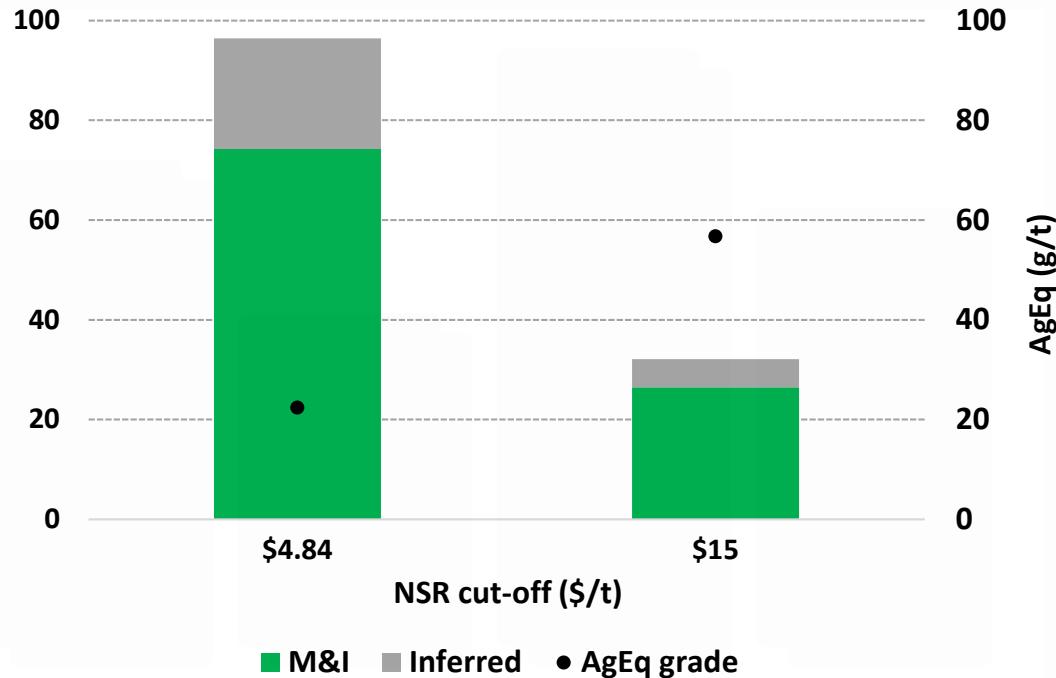
- M&I: 510 Moz AgEq at 101 g/t AgEq (\$25/t NSR cut-off)

Growth opportunities

- Bulk-tonnage: far north-east of deposit (limited drilling / encouraging intercepts)
- High-grade veins: strike and depth extensions of Todos Santos & Josefina vein trends

* \$7.25/t NSR cut-off is the reporting cut-off for Sulphide mineralization. See Appendices for detailed Resource Estimate

2021 Oxide/Transition Resource



Oxide/transition resource -> weathered material at or close to surface

Heap leach potential in early years of mine life

+30 Moz AgEq within higher-grade subset

- M&I: 14 Mt at 60 g/t AgEq
- Inferred: 4 Mt at 45 g/t AgEq

* \$4.84/t cut-off is the reporting cut-off for Oxide/Transition mineralization. See Appendices for detailed Resource Estimate

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