

**January 27, 2025**



## **ACQUISITION OF NEWMONT'S PORCUPINE COMPLEX**

# **Creating a New Canadian Gold Producer with Upside**

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement may be obtained upon request by contacting BMO Capital Markets, Brampton Distribution Centre C/O The Data Group of Companies, 9195 Torbram Road, Brampton, Ontario, L6S 6H2 by telephone at 905-791-3151 Ext 4020 or by email at [torbramwarehouse@datagroup.ca](mailto:torbramwarehouse@datagroup.ca). This document does not provide full disclosure of all material facts relating to the Subscription Receipts. Investors should read the final base shelf prospectus, any amendment and any applicable prospectus supplement, for disclosure of those facts, especially risk factors relating to the Subscription Receipts, before making an investment decision.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



# Forward Looking Statement

This presentation contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this presentation that address activities, events or developments that Discovery Silver Corp. ("**Discovery**" or the "**Company**") expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking information.

When used in this presentation, the words "estimate", "plan", "continue", "anticipate", "might", "expect", "project", "intend", "may", "will", "shall", "should", "could", "would", "predict", "forecast", "pursue", "potential", "believe" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information pertaining to, without limitation, statements with respect to: the anticipated timing and closing of the Transaction (as defined herein); the anticipated benefits of the Transaction, including the impact of the Transaction on the Company's operations, financial condition, cash flows and overall strategy; the Porcupine Complex, including the assumptions and qualifications contained in the Porcupine Technical Report (as defined herein); the completion of the Public Offering (as defined herein); the expected closing dates of the transactions described herein; the exercise of the over-allotment option for the Public Offering; the receipt of all necessary regulatory approvals to effect the Public Offering; the expected use of net proceeds from the Public Offering, which ultimately remains subject to the Company's discretion, as well as the impact of general business, economic and political conditions; the anticipated timing and closing of the financing package from Franco-Nevada (as defined herein) as well as the anticipated use of proceeds therefrom and the impact thereof on the Company's financial condition; receipt of shareholder approvals; the future price of gold and other metals; currency exchange rates and interest rates; favourable operating conditions; political stability; timely receipt of governmental approvals, licenses, and permits (and renewals thereof); access to necessary financing; stability of labour markets and in market conditions in general; availability of equipment; the accuracy of mineral resource estimates, and of any metallurgical testing completed to date; estimates of costs and expenditures to complete our programs and goals; the speculative nature of mineral exploration and development and mining operations in general; there being no significant disruptions affecting the development and operation of the Company's properties; exchange rate assumptions being approximately consistent with assumptions; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions; labour and materials costs being approximately consistent with assumptions; assumptions made in mineral resource estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing factors; other statements relating to the financial and business prospects of the Company; information as to the Company's strategy, plans or future financial or operating performance; and other events or conditions that may occur in the future.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include, among others: the satisfaction of all conditions to closing the Transaction, the Public Offering, and the financing package from Franco-Nevada and, in each case, on the timeframes contemplated; the purchase price of the Transaction, subject to post-closing adjustments and the payment of the deferred cash consideration; the successful completion of the Transaction and the Company's ability to obtain the anticipated benefits therefrom; the accuracy of historical and forward-looking operational and financial information and estimates provided by Newmont (as defined herein); the Company's ability to integrate Porcupine into the Company's operations; the accuracy of financial and operational projections of the Company following completion of the Transaction; statements regarding the Porcupine Complex, including the results of technical studies and the anticipated capital and operations costs, sustaining costs, internal rate of return, concession or claim renewal, permitting, economic and scoping-level parameters, mineral resource and/or reserve estimates, the cost of development, mine plans and mining methods, dilution and mining recoveries, processing method and rates and production rates, projected metallurgical recovery rates, infrastructure requirements, capital, operating and sustaining cost estimates, the projected life of mine and other expected attributes of the properties, the net present value, the timing of any environmental assessment processes, changes to configuration that may be requested as a result of stakeholder or government input to the environmental assessment processes, government regulations and permitting timelines, and reclamation obligations; the anticipated use of proceeds of the Public Offering; the timing for completion, settlement and closing of the Public Offering; the satisfaction of the conditions to closing of the Public Offering, including receipt in a timely manner of regulatory and other required approvals and clearances, including the approval of the TSX; the plan of distribution for the Public Offering; the ability to repay the debt financing components of the Franco-Nevada financing package; the anticipated effect of the Transaction on the consolidated capitalization of the Company following the completion of the Public Offering; receipt of shareholder approvals; statements or information concerning the future financial or operating performance of the Company and its business, operations, properties and condition, resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone; potential expansion of mineralization; the timing and results of future resource and/or reserve estimates; the timing of other exploration and development plans at the Company's mineral project interests and at Porcupine; the proposed timing and amount of estimated future production and the illustrative costs thereof; requirements for additional capital; environmental risks; general business and economic conditions; delays in obtaining, or the inability to obtain, third-party contracts, equipment, supplies and governmental or other approvals; changes in law, including the enactment of mining law reforms in Mexico; accidents; labour disputes; unavailability of appropriate land use permits; changes to land usage agreements and other risks of the mining industry generally; the inability to obtain financing required for the completion of exploration and development activities; changes in business and economic conditions; international conflicts; other factors beyond the Company's control; and those factors included herein and elsewhere in the Company's public disclosure.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. See the section entitled "Risk Factors" in the prospectus supplement and the accompanying base shelf prospectus, and in the section entitled "Risk Factors" in the Company's annual information form dated as of March 28, 2024 for the financial year ended December 31, 2023, for additional risk factors that could cause results to differ materially from forward-looking statements.

There can be no assurance that such information will prove to be accurate as actual developments or events could cause results to differ materially from those anticipated. These include, among others, the factors described or referred to elsewhere herein, and include unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control.

The forward-looking information included in this presentation is expressly qualified by the foregoing cautionary statements. Readers of this presentation are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, unless required under applicable laws. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this presentation.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed and are based on the results of a preliminary economic assessment which is preliminary in nature. Please refer to the Cautionary Language set out in Slide 3

# Additional Cautionary Language

**Third Party Information:** This presentation includes market and industry data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this presentation or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. The Company does not make any representation as to the accuracy of such information.

**No Investment Advice:** This presentation is not, and is not intended to be, an advertisement, prospectus or offering memorandum, and is made available on the express understanding that it does not contain all information that may be required to evaluate and will not be used by readers in connection with, the purchase of or investment in any securities of any entity. This presentation accordingly should not be treated as giving investment advice and is not intended to form the basis of any investment decision. It does not, and is not intended to, constitute or form part of, and should not be construed as, any recommendation or commitment by the Company or any of its directors, officers, employees, direct or indirect shareholders, agents, affiliates, advisors or any other person, or as an offer or invitation for the sale or purchase of, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities, businesses and/or assets of any entity, nor shall it or any part of it be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever. Readers should not construe the contents of this presentation as legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters.

**No Reliance:** This presentation does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate the transaction or entities described herein. No representation or warranty, express or implied, is given and, so far as is permitted by law and no responsibility or liability is accepted by any person, with respect to the accuracy, fairness or completeness of the presentation or its contents or any oral or written communication in connection with the transaction described herein. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed for any purpose whatsoever on any projections, targets, estimates or forecasts or any other information contained in this presentation. In providing this presentation, the Company does not undertake any obligation to provide any additional information or to update or keep current the information contained in this presentation or any additional information or to correct any inaccuracies which may become apparent.

**Non-IFRS Measures:** The Company uses a variety of financial measures to evaluate its performance including both International Financial Reporting Standards ("IFRS") and certain non-IFRS measures that we believe provide useful information to investors regarding the Company's financial condition and results of operations. Readers are cautioned that non-IFRS measures often do not have any standardized meaning, and therefore, are unlikely to be comparable to similar measures presented by other companies. See the section entitled "Financial Information and non-GAAP Measures" in the Company's Management's Discussion and Analysis for the three months and nine months ended September 30, 2024 (the "MD&A"). In this presentation, such non-IFRS measures include, among others: all-in sustaining costs (AISC) and free cash flow (which are described further in the MD&A).

**Qualified Persons:** The scientific and technical information included in this presentation is derived from the Porcupine Technical Report (as defined herein), which was prepared by Mr. Eric Kallio, P.Geol., an independent consultant to the Company, Mr. Pierre Rocque, P.Eng. of Rocque Engineering Inc., and Dr. Ryan Barnett, P.Geol. of Resource Modelling Solutions Inc. Messrs. Kallio, Rocque and Barnett are independent "Qualified Persons" ("QPs") as such term is defined in NI 43-101. The QP responsible for the Mineral Resource estimates for Hoyle Pond, Borden and Pamour, as provided in the Porcupine Technical Report is Mr. Kallio. The QP responsible for Mineral Resource estimates for Dome as provided in the Porcupine Technical Report is Mr. Barnett. Mr. Rocque acted as QP for the subset of Mineral Resource estimates used in the 2024 LOM plan provided by the Newmont technical services team in the Porcupine Technical Report. Messrs. Kallio, Rocque and Barnett have reviewed and approved the scientific and technical information included in this presentation.

**Preliminary Economic Assessment Disclaimer:** The Porcupine Technical Report (hereinafter defined) includes the results of a preliminary economic assessment which is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.

# Cautionary Note for US Investors

The securities of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered and sold within the United States (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

**IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF ANY APPLICABLE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES OF THE COMPANY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED ON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

Any securities of the Company sold in the United States will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act. Such securities may be resold, pledged or otherwise transferred only pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.

Readers should be aware that the acquisition, holding or disposition of the securities of the Company may have tax consequences both in Canada and the United States. The tax consequences of the acquisition, holding or disposition of such securities for investors who are resident in, or citizens of, the United States are not described herein. Consequently, any prospective investor is advised to consult their own tax advisors regarding the application of federal income tax laws to their particular circumstances, as well as any state, provincial, local, foreign and other tax consequences of investing in the securities of the Company and acquiring, holding or disposing of such securities. **Investing in the Company’s securities involves risks. An investment in the Company’s securities is suitable only for investors who fully understand, and are capable of bearing, the risks of such investment. Prospective investors should review and consider carefully the information disclosed in the applicable offering documents, including any risk factors described therein.**

Information concerning the exploration potential in this presentation has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included or incorporated by reference in this presentation have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this presentation may not be comparable to similar information disclosed by U.S. companies subject to the reporting and disclosure requirements of the SEC. Any mineral reserves and mineral resources reported by the Company in accordance with NI 43-101 may not qualify as such under the SEC standards.

# Transformational Acquisition & Value Creation Opportunity

DSV

Combines quality gold Complex in historic Timmins Camp with management team highly-experienced operating in the area



## Right Assets

**Creates a new Canadian growing gold producer**, ~285 koz/yr (average Years 1-10), Base Case NPV of **\$1.2B**<sup>1,2</sup> or **\$2.3B** using \$2,650/oz LT gold price, with growth potential

## Right Terms

**Attractive acquisition** with consideration of \$275M at closing, including \$200M in cash and \$75M of Discovery equity<sup>3</sup>, and \$150M of deferred consideration

**Favourable \$555M<sup>4</sup> Financing Package** to results in post-closing cash to Discovery's balance sheet of ~\$150M (~C\$220M)

## Right Team

**Highly-experienced management team** that knows Timmins and the Porcupine Complex and is committed to growing production, lowering costs and achieving exploration success

Note: All dollar amounts in this presentation are expressed in US dollars, unless otherwise indicated.

1. All scientific and technical information, including operating and financial data for the Porcupine Complex in this presentation are supported by the technical report entitled, "Porcupine Complex, Ontario, Canada, Technical Report on Preliminary Economic Assessment", with an effective date of **January 13, 2025** (the "**Porcupine Technical Report**" or the "**PEA**"), which will be filed by Discovery on or before January 29, 2025 at [www.sedarplus.ca](http://www.sedarplus.ca), unless otherwise indicated.

2. Economic returns in the Porcupine Technical Report are generated using CIBC World Markets Inc.'s December 2024 consensus gold price estimates, which include: 2025: \$2,576/oz; 2026: \$2,484/oz; 2027: \$2,437/oz; 2028 and beyond: \$2,150/oz. Assumes a CAD:USD rate of 0.75x.

3. A total of approximately 120 million of Discovery common shares to be issued to Newmont at a price of per share of C\$0.90 (approximately \$0.63).

4. Includes \$100M senior debt facility that is assumed to be undrawn.

# Porcupine – Quality Complex in a Tier 1 Gold Camp

## Technical Report Highlights

**~285 koz**  
Avg. Annual production  
(Years 1-10)

**22 Years**  
Current mine life

**3.9 Moz**  
M&I Resources<sup>1</sup>

**12.5 Moz**  
Inferred Resources<sup>1,2</sup>

**\$1,504/oz**  
Average AISC

**\$1.2B**  
After-tax NPV<sub>5%</sub><sup>2,3</sup>  
Base Case  
Analyst Consensus

**\$2.3B**  
After-tax NPV<sub>5%</sub><sup>2,3,4</sup>  
LT Price: \$2,650/oz  
(+23% of Base Case )

## Consideration at Closing

**\$275M**  
Cash & Discovery Equity

## Substantial Value & Growth Potential

1. See full listing of Mineral Resources, with accompanying footnotes, in Appendix 4. Mineral Resources.
2. PEA economic analysis does not include the 11.0 Moz of Inferred Mineral Resources at Dome.
3. Net of royalty payments made in connection to Franco Nevada's 2.25% LOM NSR royalty and 2.00% repayable royalty.
4. Long-term \$2,650 per ounce gold price case (+23% to base case) used in sensitivity analysis.

# Porcupine – Quality Complex in a Tier 1 Gold Camp

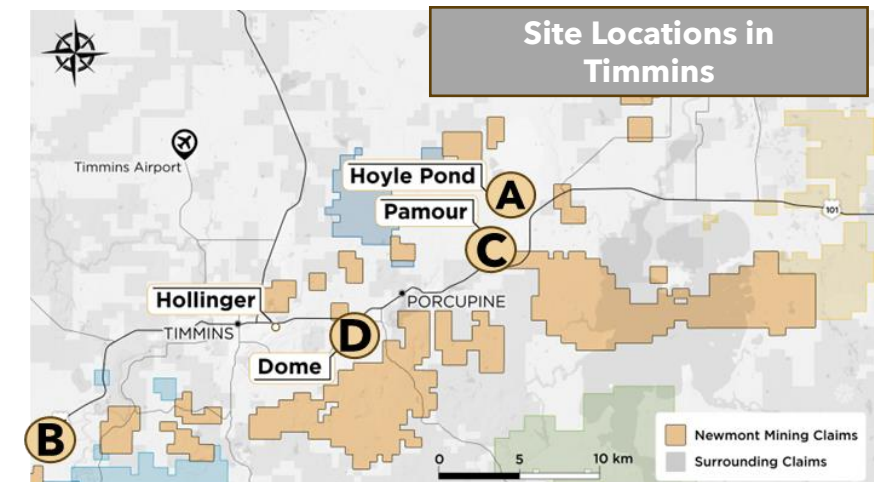
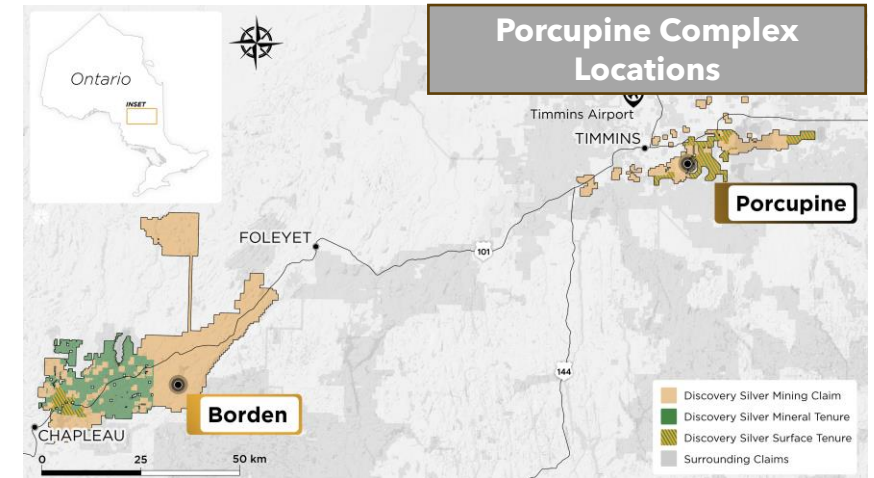
Close to 70 Moz produced<sup>1</sup> with large resource base and substantial exploration upside

- A Hoyle Pond: One of Canada's highest-grade gold mines**
- 4 Moz @ ~11 g/t since 1987 - Excellent track record of replacing reserves
  - 10-year remaining mine life @ ~65 koz/year with significant upside potential

- B Borden: U/G mine on large, under-explored land position**
- 514 koz since 2019 with 8-year remaining mine life and potential for more

- C Pamour: New open-pit mine currently under development**
- ~150 koz / year for 22 years commencing in 2025

- D Dome: 11 Moz inferred Mineral Resource<sup>2</sup> & large milling facility**
- 3.9 Mtpa mill with optimization potential
  - Opportunity to resume mining operations with large resource base



# Long-Life Production Profile with Substantial Upside

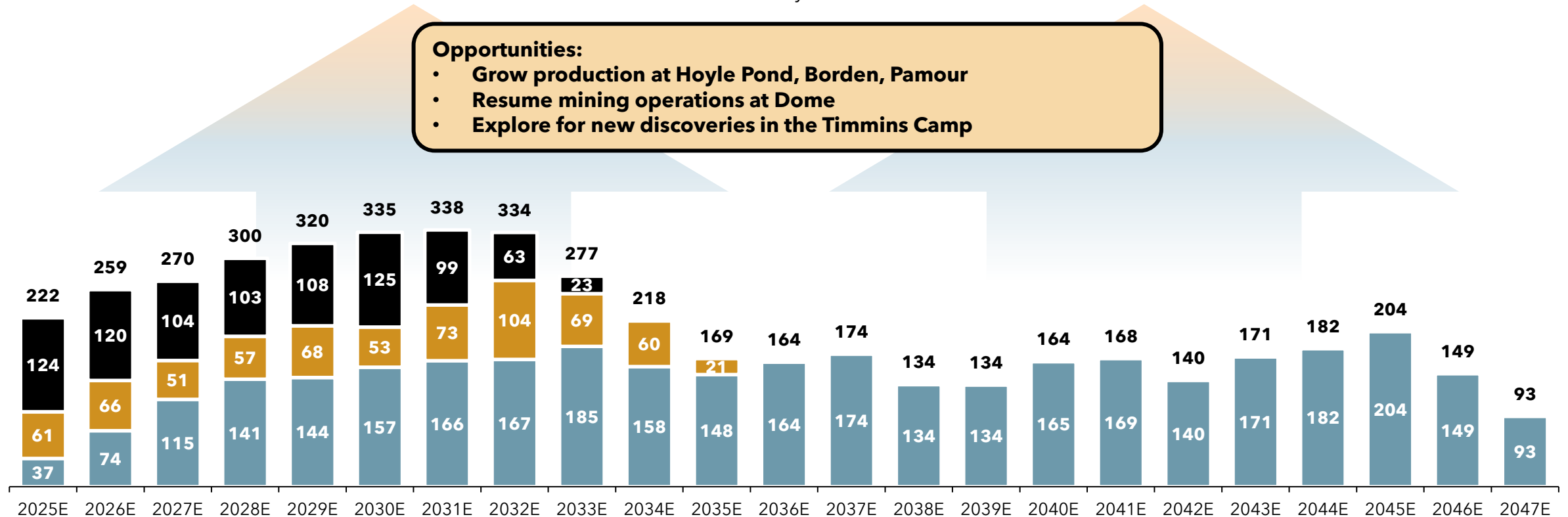
Targeting growth in production and mine life through optimization, investment & exploration success

Annual Gold Production (koz Au)<sup>1</sup>

■ Pamour ■ Hoyle ■ Borden

**Opportunities:**

- Grow production at Hoyle Pond, Borden, Pamour
- Resume mining operations at Dome
- Explore for new discoveries in the Timmins Camp



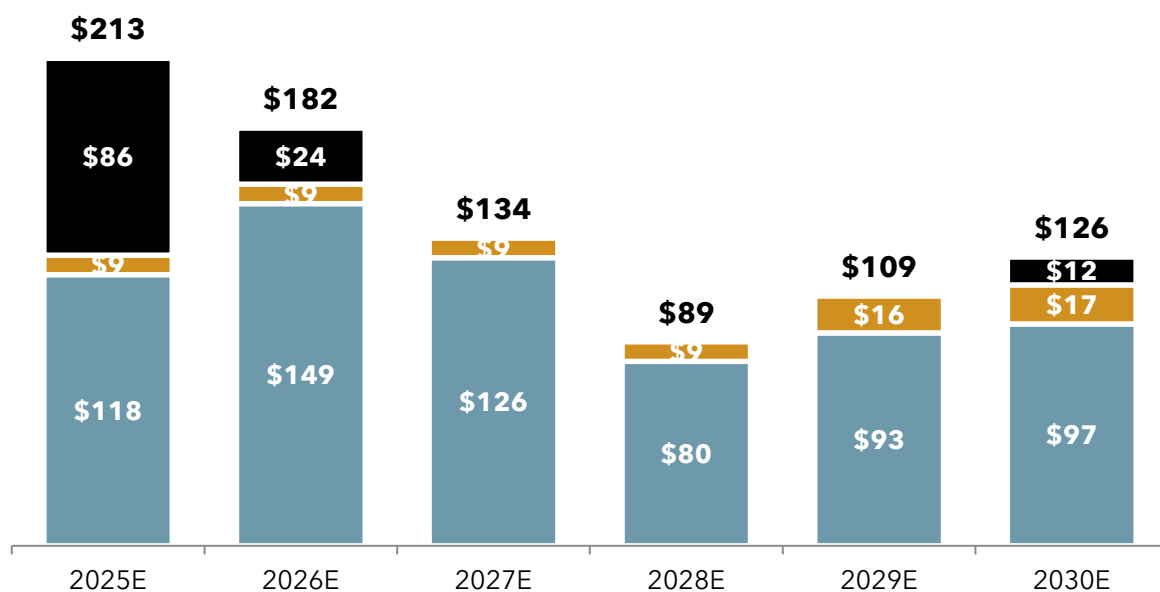


# PEA Results (@ Consensus Pricing<sup>1</sup>)

## Significant free cash flow following funding of Pamour project

### Capital Expenditures (\$M)

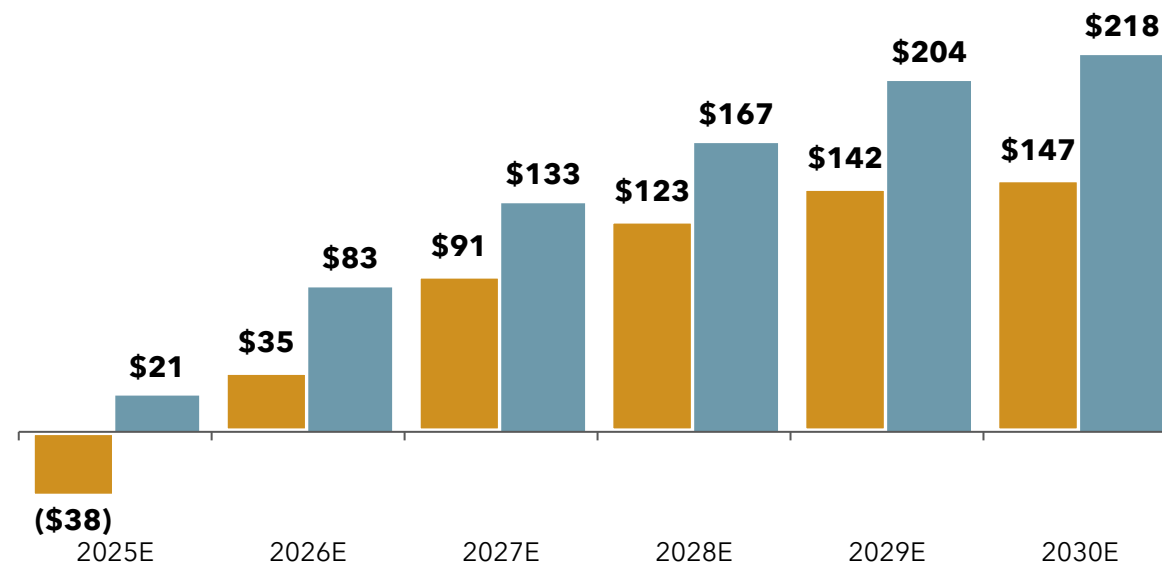
■ Sustaining Capital   ■ Exploration Capital   ■ Development Capital



### Free Cash Flow (\$M)

■ After-Tax Free Cash Flow   ■ Pre-Tax Free Cash Flow

**After-Tax FCF: \$500M**



1. Base case economic returns in the Porcupine Technical Report are generated using CIBC World Markets Inc.'s December 2024 consensus gold price estimates, which include: 2025: \$2,576/oz; 2026: \$2,484/oz; 2027: \$2,437/oz; 2028 and beyond: \$2,150/oz. Assumes a CAD:USD rate of 0.75x.

# Transaction Overview

<b>Transaction</b>	<ul style="list-style-type: none"> <li>Discovery to acquire from a wholly owned subsidiary of Newmont all the issued and outstanding common shares in a newly created entity (the <b>"Reorganization"</b>) formed to hold Newmont's 100% interest in the Porcupine Complex (the <b>"Transaction"</b>)</li> </ul>
<b>Consideration</b>	<ul style="list-style-type: none"> <li>Total consideration of \$425M comprising:             <ul style="list-style-type: none"> <li><b>Upfront cash:</b> total cash of \$200M payable on completion</li> <li><b>Upfront Discovery shares:</b> \$75M payable through the issuance of 120 million Discovery common shares upon completion (at same price as bought deal public offering) and subject to a one-year lock-up</li> <li><b>Deferred cash:</b> \$150M in deferred consideration to be paid in four annual cash payments of \$37.5M commencing on December 31, 2027</li> </ul> </li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>Total financing package of \$555M comprising:             <ul style="list-style-type: none"> <li>\$400M of royalty and debt financing from Franco-Nevada Corporation (<b>"Franco-Nevada"</b>)                 <ul style="list-style-type: none"> <li>\$200M from a 2.25% life-of-mine (<b>"LOM"</b>) NSR royalty</li> <li>\$100M from a 2.00% repayable NSR royalty (extinguished upon the earlier of receiving payments from production equal to 72 koz of gold or receipt of a one-time early cash payment from Discovery equal to a 12% pre-tax IRR)</li> <li>\$100M from a senior debt facility (3M SOFR + 450 bps; available for 2 years; no principal repayment for 5 years)</li> </ul> </li> <li>\$155M bought deal public offering of subscription receipts (the <b>"Public Offering"</b>); Franco-Nevada committed to approximately \$50M (approximately C\$70M) with a 2-year lock-up agreement in place</li> </ul> </li> </ul>
<b>Approvals</b>	<ul style="list-style-type: none"> <li>Discovery shares issued to Newmont that exceed 25% of Discovery's current shares outstanding is subject to shareholder approval (50.1% of shares voting at the meeting).<sup>1</sup> Discovery's two largest shareholders and directors and officers, representing in the aggregate approximately 35% of the issued and outstanding Discovery shares, have entered into voting support agreements pursuant to which they have agreed to, among other things, vote their shares in favour of the share issuance</li> <li>Completion of Reorganization (requires consent of Ontario Minister of Mines)</li> <li>Regulatory approvals (including the TSX and under the <i>Competition Act</i> (Canada)) and other customary closing conditions</li> </ul>
<b>Timing</b>	<ul style="list-style-type: none"> <li>Acquisition completion expected in the first half of 2025</li> </ul>

# Transaction Sources & Uses

Significant excess liquidity to fund future exploration, development capital, and other funding initiatives to support and grow the Porcupine Complex

Cash Sources		Cash Uses	
Franco-Nevada 2.25% Royalty	\$200	Upfront Proceeds to Newmont	\$200
Franco-Nevada Repayable Royalty	\$100	Acquisition Costs <sup>1</sup>	\$30
Bought Deal Public Offering	\$155	Surety Bond Collateral <sup>2</sup>	\$75
		<b>Cash to Discovery Balance Sheet</b>	<b>\$150</b>
<b>Total Sources</b>	<b>\$455</b>	<b>Total Uses</b>	<b>\$455</b>
<b>Undrawn Senior Debt Facility</b>	<b>\$100</b>		

11 | Note: Sources and uses based on cash only items (i.e., excludes share consideration).  
 1. Estimated transaction costs based on acquisition consideration, bought deal public offering, and assumptions on timing of transaction close.  
 2. Estimated cash collateral requirements.

# A Team Uniquely Qualified to Operate in Timmins

## Extensive experience working in the Timmins Camp



### **Tony Makuch | Born and raised in Timmins, Ontario**

- CEO of Kirkland Lake Gold (2016-2022) - Market cap growth of 15x prior to merger with Agnico Eagle
- CEO of Lake Shore Gold (2008-2016) - Transformed LSG from explorer to producer - ~180 koz/year at AISC <\$900/oz (Sold to Tahoe Resources)
- EVP & COO at FNX Mining - Re-developed/opened 3 previously closed mines in Sudbury; Annual production: +10MIb Cu, +8MIb Ni, +65 koz PGM/Au
- 45 years experience in Timmins and Northern Ontario - progressive operations, management, to executive leadership



### **Gord Leavoy | Born and raised in Timmins, Ontario**

- VP of Mineral Processing at Kirkland Lake Gold (2016-2022)
- Mill Manager at Bell Creek Mill (2011-2016), Mill General Foreman at Bell Creek Mill (1998-2002) & Dome Mill (2005-2011)
- Processing and zinc plant operations at Kidd Metallurgical Site (1980-1996)
- ~40 years experience in Timmins and Northern Ontario



### **Eric Kallio | Raised in Timmins, Ontario**

- SVP Exploration at Kirkland Lake Gold (2018 - 2022) & Lake Shore Gold (2009 - 2016)
- Instrumental in discovery/advancement of projects including Dome Mine Open Pit, Detour Lake Open Pit, Timmins West & Bell Creek
- ~40 years working in Timmins and Northern Ontario - Chief Geologist at Dome from 1988 - 1996



### **Duncan King | Born and raised in Timmins, Ontario**

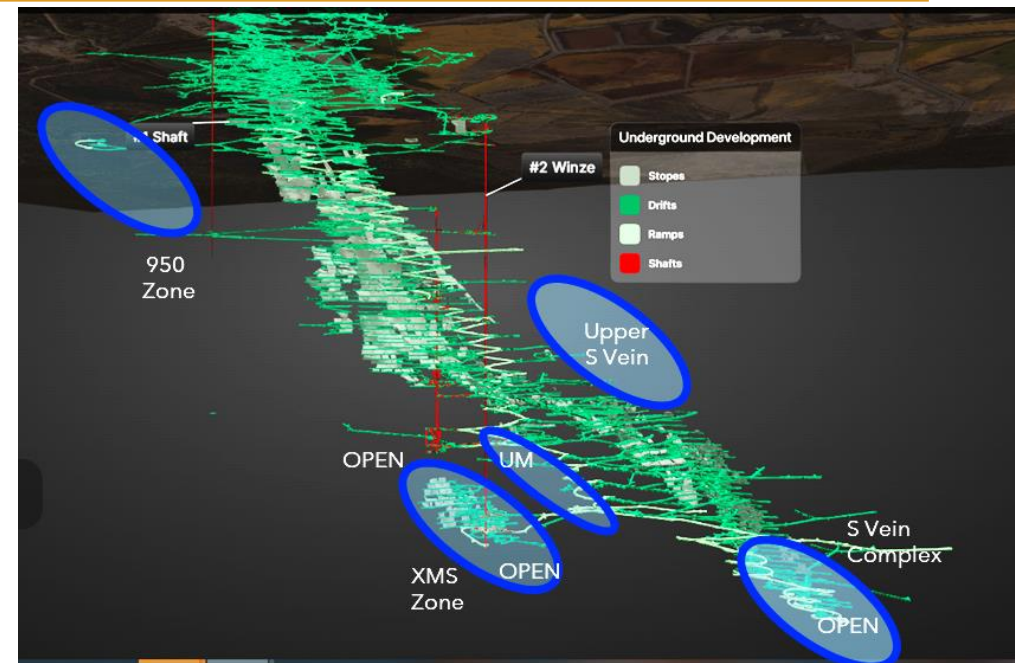
- VP Canadian Operations at Kirkland Lake gold (2019-2022)
- Mine Manager at Bell Creek Mine (2013-2016)
- General Superintendent at Timmins West Mine (2008-2012)
- Hoyle Pond Mine - General Operations (1993-1999)
- +30 years working in Timmins and Northern Ontario

# Substantial Upside – Near-Mine Exploration

Multiple targets with little or no drilling in recent years

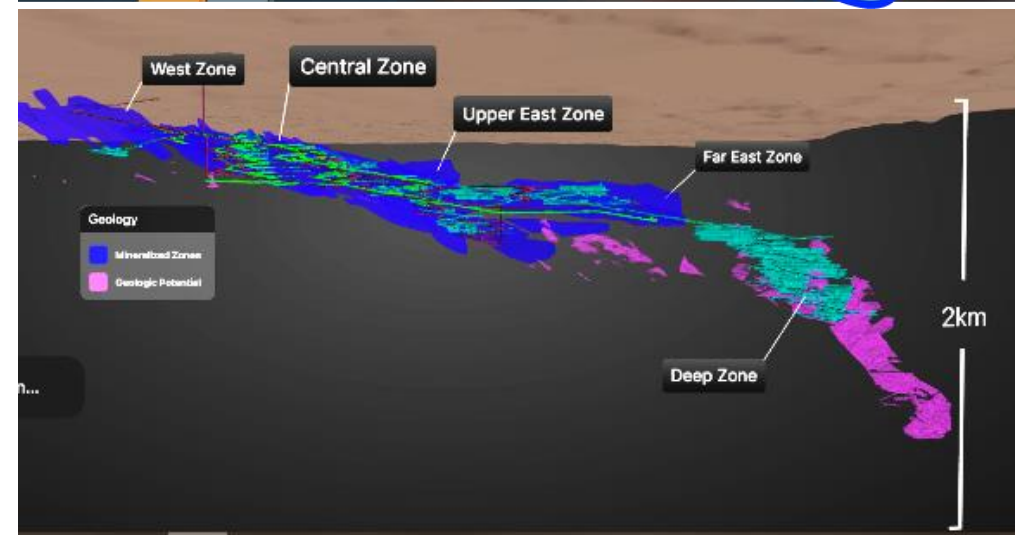
## Hoyle Pond

- S Zone Deep, S Zone Upper, XMS Zone, TVZ Zone, PST Zone, Owl Creek Zone



## Borden

- Depth extensions and open along strike to east and west
- Large number of prospects with little or no previous drilling

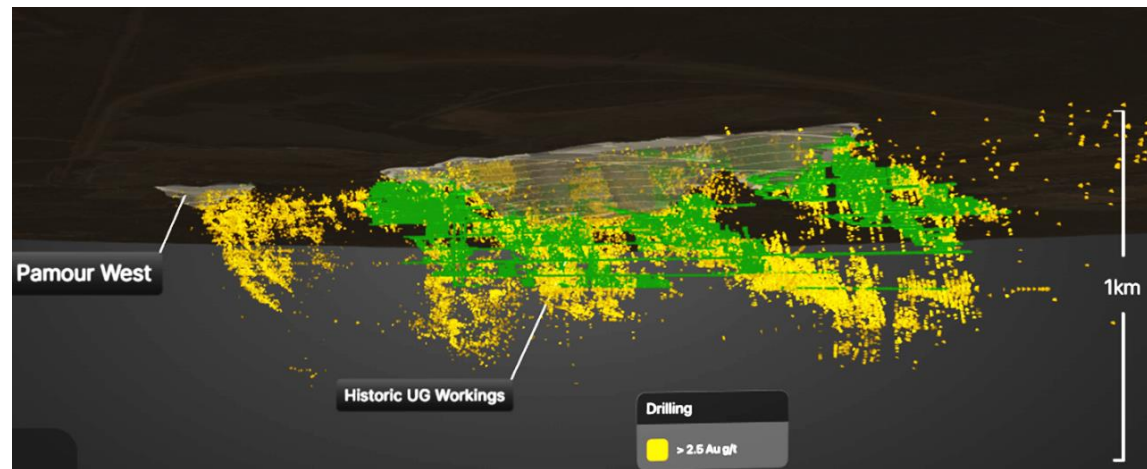


# Substantial Upside – Near-Mine Exploration

## Multiple targets with little or no drilling in recent years

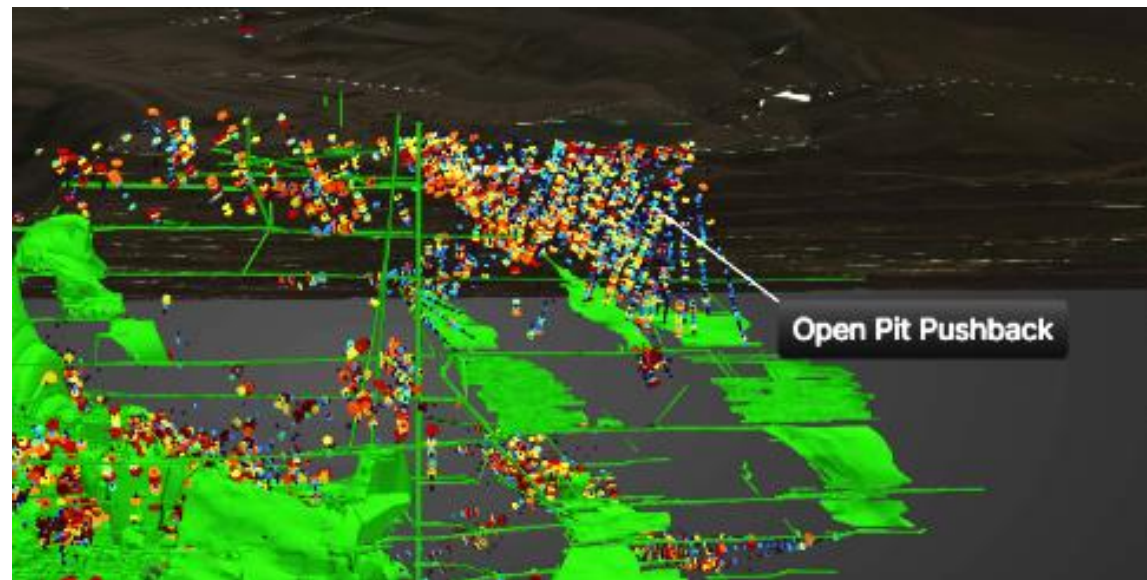
### Pamour

- Remains open at depth and along strike of the old underground workings
- Potential to extend mineralization to the north of the current Mineral Resource model
- Pamour West open at depth; potential between Pamour and Pamour West a



### Dome

- Upgrade existing Inferred Mineral Resources<sup>1</sup>
- Establish Mineral Resources within blocks where existing drill density is insufficient
- Potential to establish Mineral Resources amenable to underground mining through drilling and supporting studies

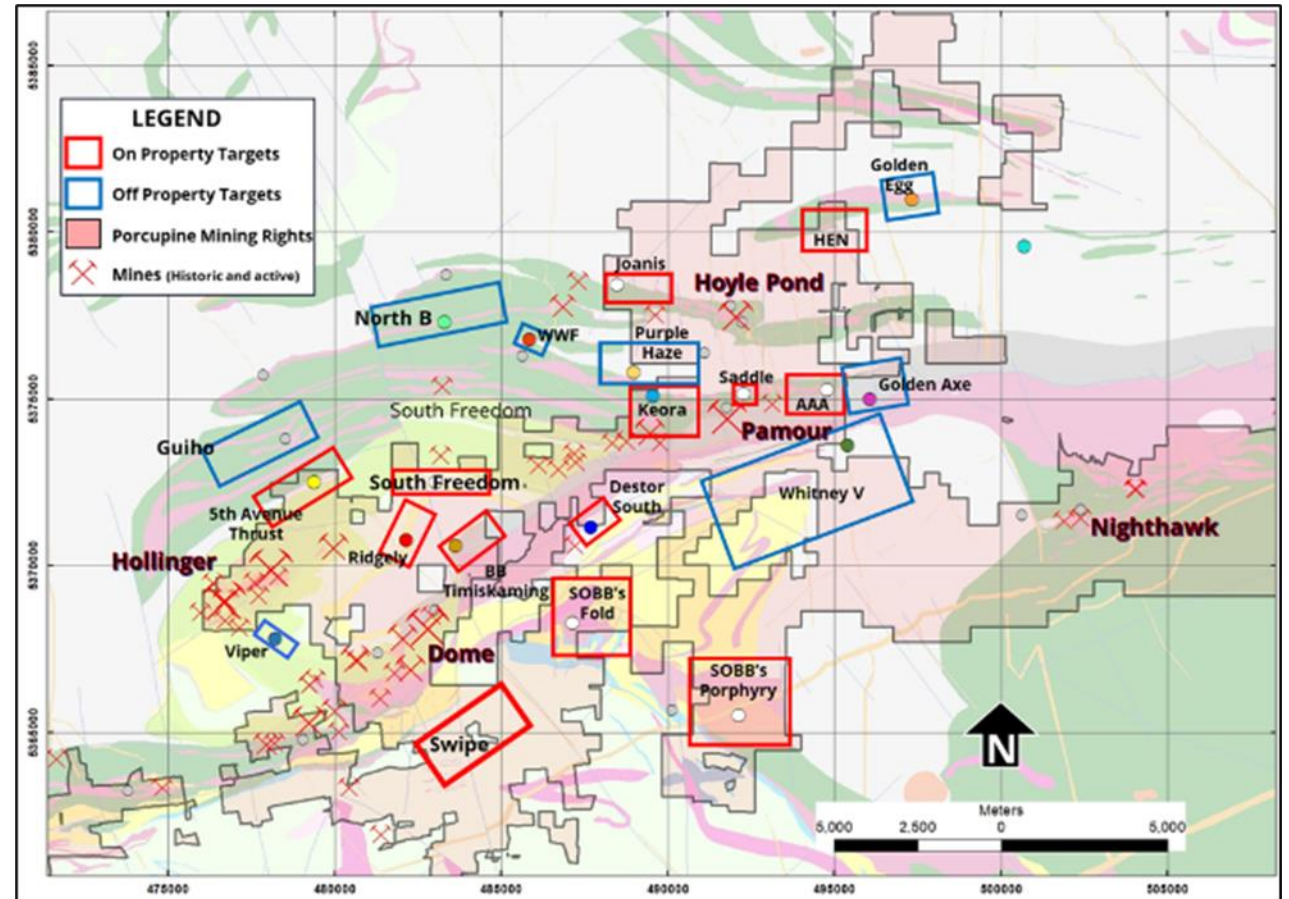


# Substantial Upside – Regional Exploration

Exploration key to growth in production, Mineral Resources and mine life extensions

## Key Regional Exploration Targets

- Multiple targets in Timmins along Destor-Porcupine fault zone
- Legacy sites provide numerous opportunities at depth and along strike of the Hollinger-McIntyre trend, Broulan, Coniaurum, Owl Creek Deep, and Paymaster zones
- Numerous opportunities at Borden, zones west of Borden ramp and the Roswell East and West zones show prospectivity



# Substantial Upside – Optimization and Growth

## Opportunities to grow production and reduce costs

### Grow Production

- **Grow production and lower costs** at Borden and Hoyle Pond
- Investments to improve ventilation, haulage, equipment, mining and back fill processes, ground support and material handling

### Develop Pamour

- **Optimize Pamour Project**
- Opportunities include reducing/eliminating waste rock rehandling, evaluating potential to replace truck haulage to Dome Mill with conveyors/Rail-veyors, and improving drilling methodologies

### Dome Mine Project

- **11.0 Moz Inferred Mineral Resource estimated at Dome<sup>1</sup>**
- Mineral Resource reported based an open pit mining assuming production of 20,000 tpd milled

### Improve Milling Ops

- **Improve performance at Dome Mill**
- Lower costs and increase mill throughput through optimization and debottlenecking
- Increase utilization rates through improved material handling & maintenance processes
- improve recoveries through reduced solution losses and optimized grind size



# Substantial Upside – Optimization & Growth – Mining

## Opportunities to reduce costs and improve throughput

### Hoyle Pond

- Increase ventilation U/G
- Improve backfill quality and procedures
- Remove bottlenecks in material handling
- Increase use of automation and technology
- Introduce battery-electric equipment
- Evaluate known zones of mineralization that currently do not have Mineral Resource estimates and were not included the PEA LOM plan (e.g. TVZ)

### Borden

- Optimize workflow
- Upgrade underground haulage trucks
- Investigate making greater use of BEVs
- Improve ground support design
- Backfill system
- Improve ventilation underground

# Substantial Upside – Optimization & Growth – Mining

## Opportunities to reduce costs and improve throughput

### Pamour

- Reduce or eliminate waste rock re-handling
- Evaluate use of alternatives for truck haulage to Dome Mill
- Evaluate shop at site versus at Dome

### Dome

- 11.0 Moz Inferred Mineral Resource estimated at Dome<sup>1</sup>
- Evaluate potential for new production from Dome Mine

# Substantial Upside – Optimization & Growth – Milling

## Opportunities to improve utilization rates, lower costs, increase recoveries and throughput levels

### Mill Throughput

- Potential of 30% improvement on A Circuit and 15% on B circuit through improvements in maintenance program and program execution
- Address material handling issues at Borden and Hoyle Pond

### Lower Costs

- Current milling costs higher than the first principles-based budget
- Assess cost reduction opportunities

### Recoveries

- Reduce high solution losses by investigating the carbon handling procedures and practices
- Optimize grind size - opportunity to increase grind to improve gold recovery

### Tailings Deposition

- Improve environmental performance and water management

# Sustainability and Stewardship

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## Committed to building on Discovery's strong track record for responsible mining

- Recognize and work constructively with First Nations partners
- Support and contribute to the success and welfare of local communities
- Recognize the value of people and suppliers and the strength they provide the Porcupine Complex
- Demonstrate responsible environmental stewardship
  - Committed to progressive rehabilitation - don't wait for closure to deal with obligations
  - Overriding objective to effectively "Heal the Earth" from past impacts

# Appendix 1

# Financing

# \$400M Franco-Nevada Royalty and Debt Financing

## \$200M LOM Royalty

- 2.25% life-of-mine net smelter return royalty (the "**LOM Royalty**")
- Applies to all mineral produced from the Porcupine Complex
- Establishes a long-term strategic partnership with Franco-Nevada

## \$100M Repayable Royalty

- 2.00% net smelter return royalty (the "**Repayable Royalty**")
- Applies to all minerals from the Porcupine Complex
- Will be extinguished upon the earlier of:
  - Franco-Nevada receiving payments from production attributable to the Repayable Royalty equal to 72,000oz of gold
  - Receipt by Franco-Nevada of a one-time early cash payment equal to 12% pre-tax internal rate of return

## \$100M Debt Facility

- \$100 million senior debt facility (the "**Debt Facility**") to fund capital expenditures and support working capital
- Funds available for 2 years after transaction close; maturity date of 7 years and one day from transaction close
- Interest rate of three-month SOFR + 450 bps per annum
- No principal repayments required for first 5 years, followed by eight quarterly payments equal to 5% of the balance outstanding and a bullet payment equal to 60%
- Applicable upfront fee of 2% on any principal drawn, and a standby fee of 100 bps per annum on undrawn funds
- Discovery to issue approximately 3.9 million warrants to Franco-Nevada with an exercise price of C\$0.95 per warrant and a three-year term
- Debt Facility will be secured, including first ranking security interest on the Porcupine Complex if drawn

# \$155M Public Offering of Subscription Receipts

- Public Offering of subscription receipts ("**Subscription Receipts**") of Discovery for expected gross proceeds of approximately C\$225M (\$155M)
- Each Subscription Receipt entitles holder to receive one Discovery common share, without payment of additional consideration and further action, upon closing of Transaction
- Full terms and conditions of the Public Offering provided in Prospectus Supplement<sup>1</sup>
- BMO Capital Markets and SCP Resource Finance LP to act as co-lead underwriters in a syndicate of underwriters, including: Cormark Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., Raymond James Ltd. and Ventum Financial Corp.
- Underwriters granted over-allotment option to purchase additional Subscription Receipts representing up to 10% of the base offering
- Franco-Nevada to participate in Public Offering to a level of approximately C\$70M (\$50M) (2-year lock-up agreement in place)
- Director and officer participation totaling approximately ~C\$9M (~\$6M)
- Public Offering is expected to close on or about February 3, 2025

# Appendix 2

# Exploration

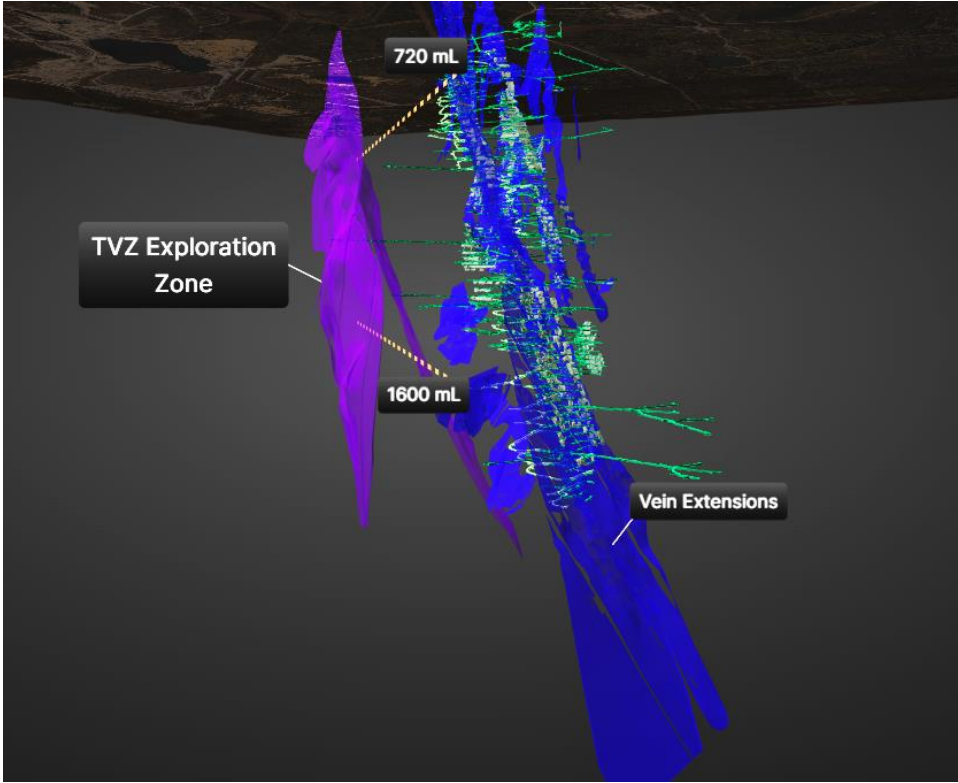
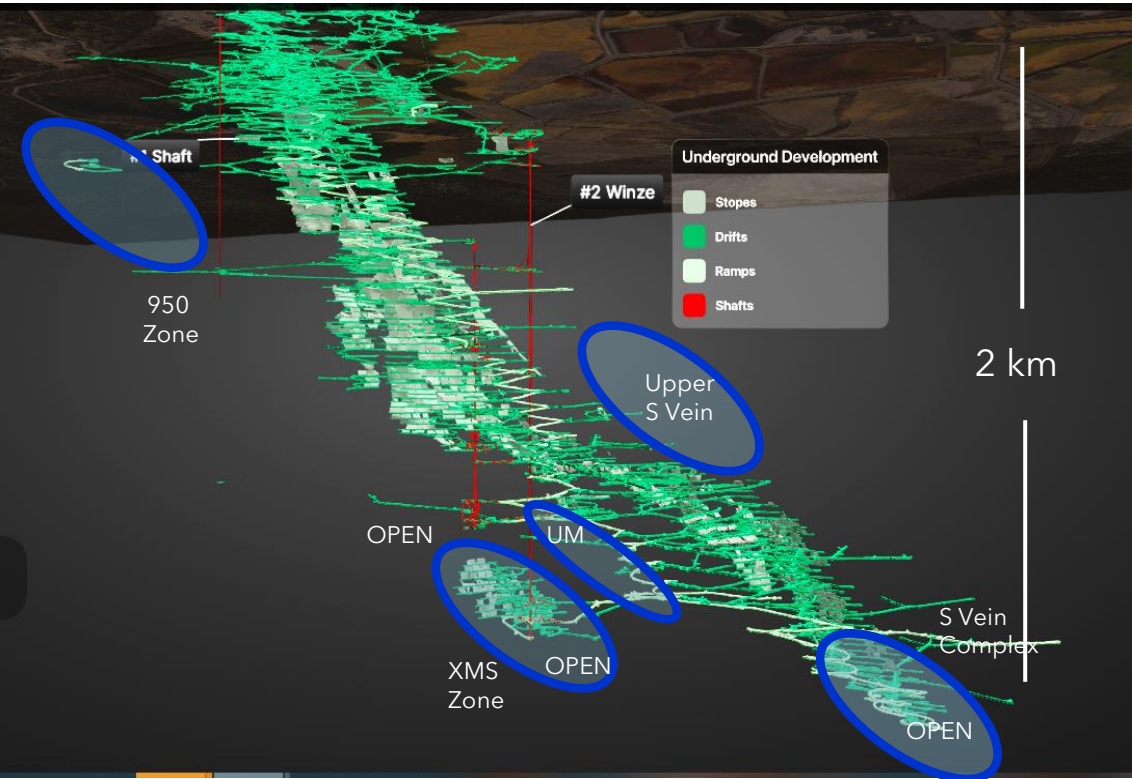


# Substantial Upside – Exploration – Hoyle Pond

Exploration key to growth in production, Mineral Resources and mine life extensions

## Key Targets

- Multiple near-mine targets: S Zone Deep, S Zone Upper, XMS Zone, TVZ Zone, PST Zone, Owl Creek Zone

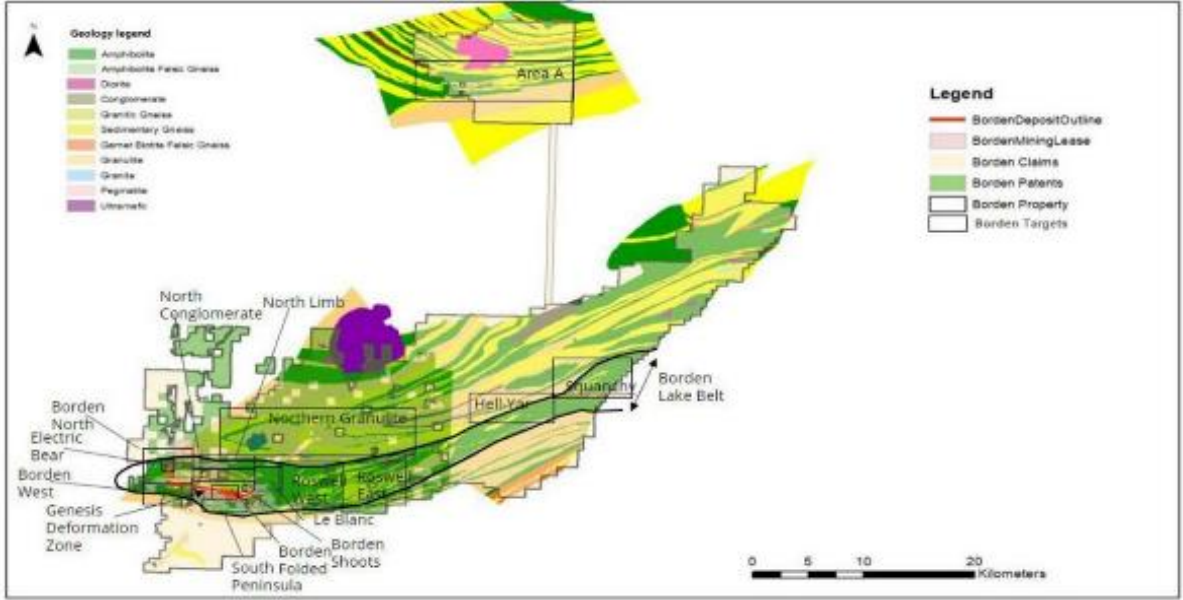
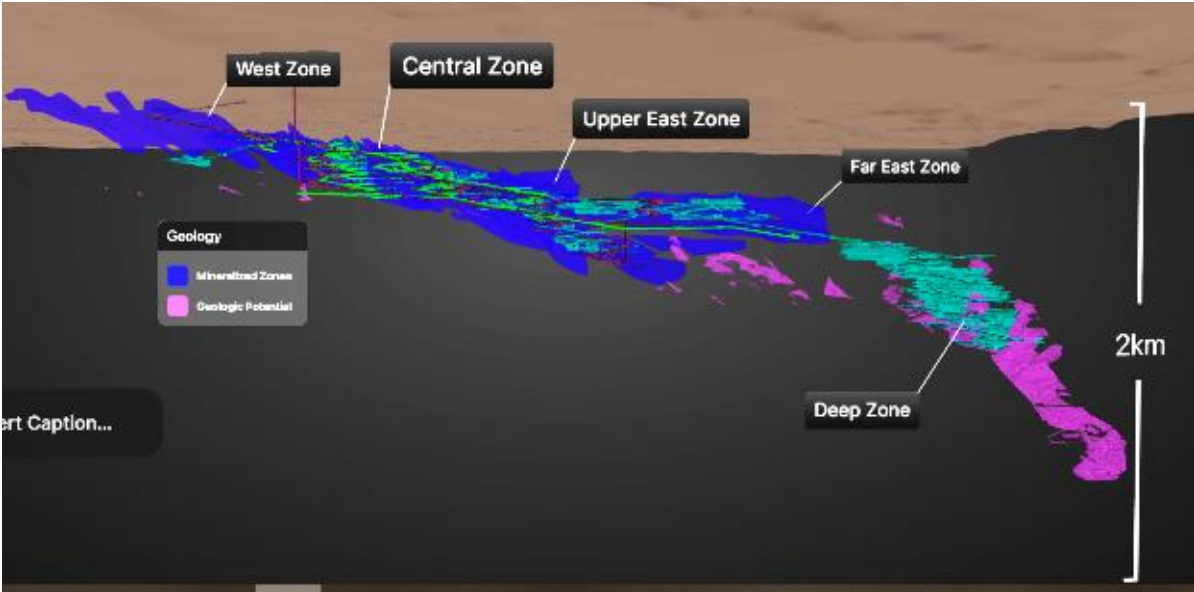


# Substantial Upside – Exploration – Borden

Exploration key to growth in production, Mineral Resources and mine life extensions

## Key Targets

- Depth extensions and open along strike to east and west
- Large number of prospects with little or no previous drilling

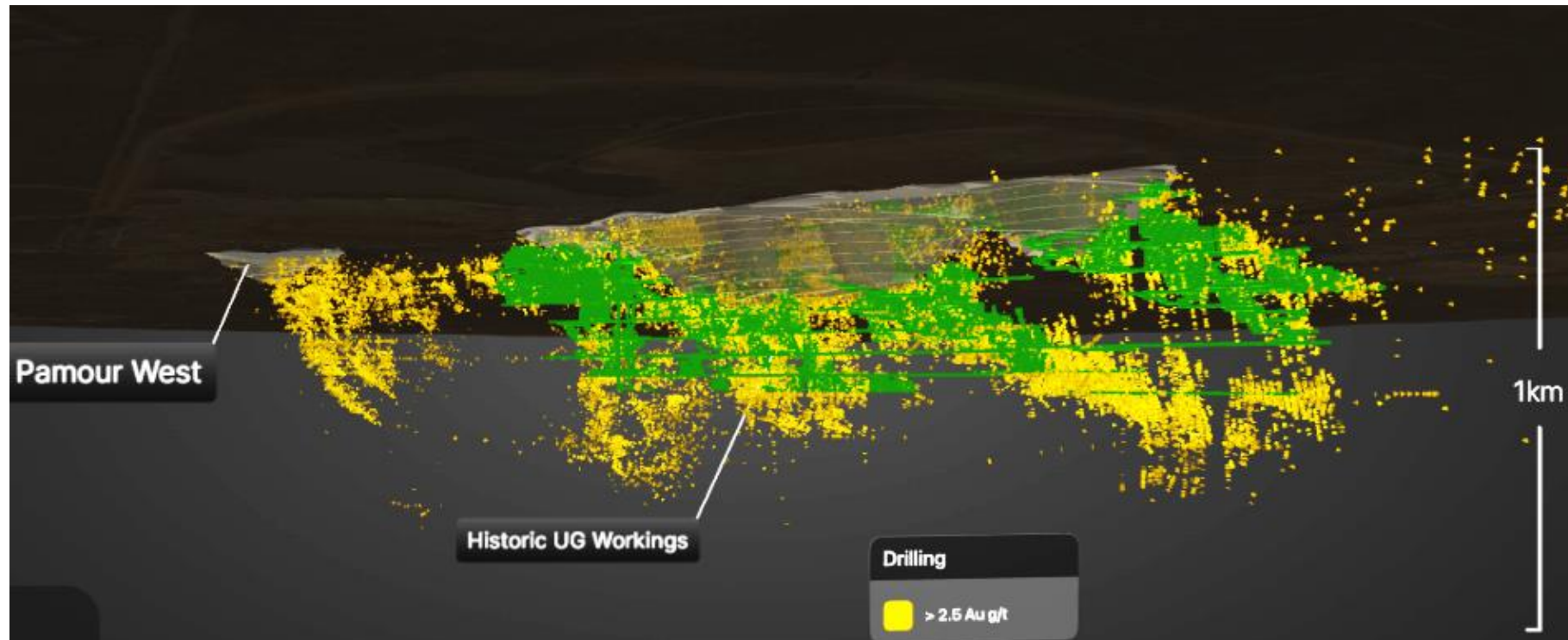


# Substantial Upside – Exploration – Pamour

Exploration key to growth in production, Mineral Resources and mine life extensions

## Key Targets

- Remains open at depth and along strike of the old underground workings
- Potential to extend mineralization to the north of the current Mineral Resource model
- Pamour West open at depth; potential between Pamour and Pamour West

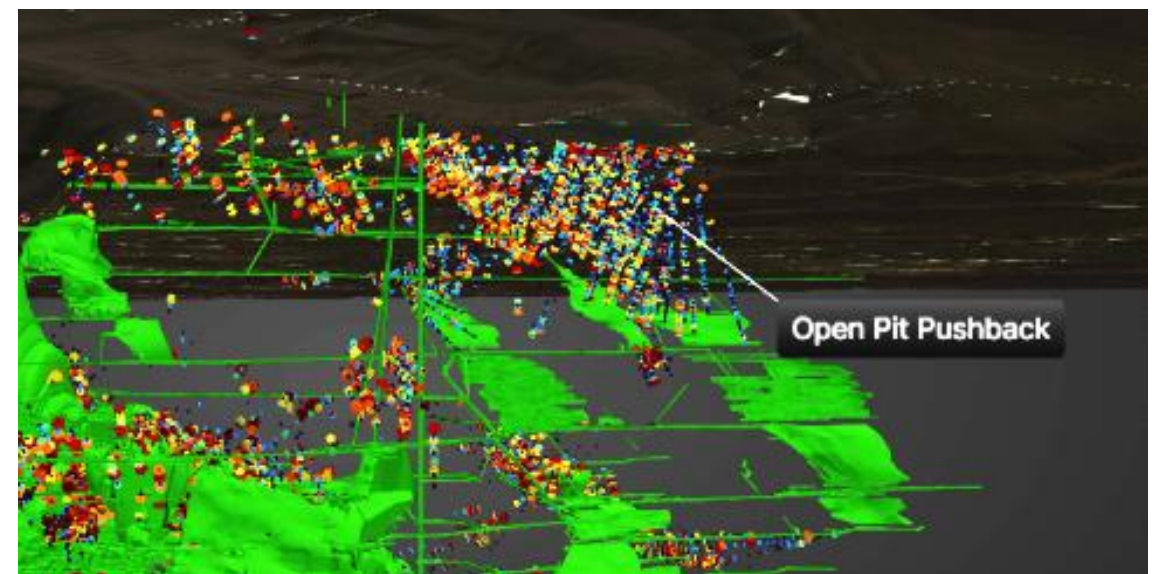
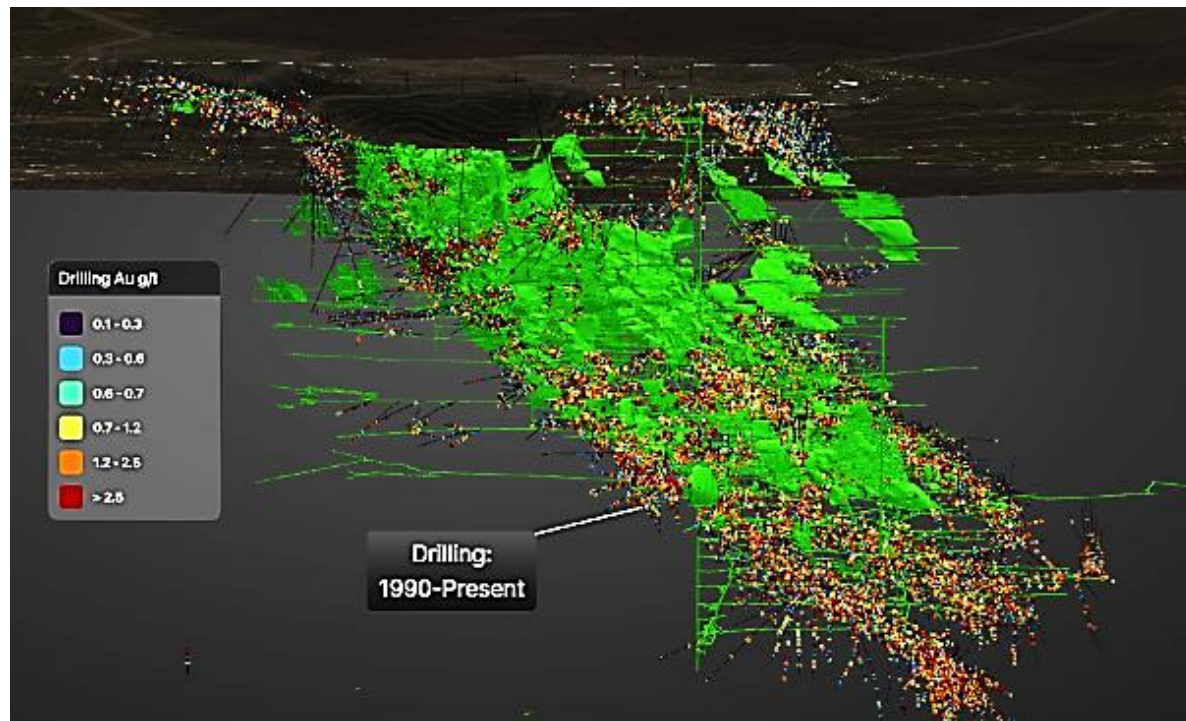


# Substantial Upside – Exploration – Dome

Exploration key to growth in production, Mineral Resources and mine life extensions

## Key Targets

- Upgrade existing Inferred Mineral Resource to higher confidence categories
- Establish potential resource classifications within blocks in/around pit where existing drill spacing is currently insufficient for Inferred Mineral Resources
- Potential to support estimation of Mineral Resources amenable to underground mining methods with additional drilling and supporting studies



Appendix 3.

# Porcupine Complex – Overview

# Hoyle Pond<sup>1</sup>

## High-grade underground mine with attractive exploration potential

- 4 Moz produced @ average grade of ~11 g/t since 1987
- Planned mining rate ~500 tpd, hoisting capacity of 2,200 tpd
- Mined material trucked 17 km to Dome Mill
- Production to average ~65 koz per year with a remaining mine life of 10 years based on PEA LOM plan
- Opportunities: Improve ventilation, material handling, backfill systems, increase automation (tele-remote), evaluate though additional drilling and studies known zones of mineralization that currently do not have Mineral Resource estimates and were not included the PEA LOM plan (e.g. TVZ)
- Key exploration targets include: S Zone Deep, S Zone Upper, XMS, Owl Creek, TVZ, PST Zone



Resources	Tonnes	Grade	Ounces
	(kt)	(Au g/t)	(koz Au)
Measured	-	-	-
Indicated	1,167	12.90	484
<b>Total M&amp;I</b>	<b>1,167</b>	<b>12.90</b>	<b>484</b>
Inferred	578	15.24	283

Performance		2025E	2026E	2027E	2028E
Material Mined <sup>2</sup>	(Mt)	0.2	0.2	0.2	0.2
Material Milled	(Mt)	0.2	0.2	0.2	0.2
Grade	(g/t)	9.99	10.97	9.70	9.90
Recovered Ounces	(koz)	61	66	51	57

1. Please refer to the Preliminary Economic Assessment Disclaimer on Slide 3.

2. Refers to mineralized material mined and sent to Dome Mill for processing rounded to the nearest tenth. Does not include waste mined.

# Borden<sup>1</sup>

## Underground mine in highly prospective area with camp potential

- Underground mine in township 20 km from Chapleau, Ontario
- Long hole mining method with current mining rate of 2,000 tpd
- Mined material is trucked to surface and then 190 km to Dome Mill
- Production to average ~105 koz per year over next 8 years
- Opportunities: Optimize workflows, upgrade haulage fleet, increase use of electric vehicles, improve ground support and backfill processes, increase supply of fresh air underground
- Key exploration targets include: Depth extensions and open along strike to east and west where a large number of prospects have had little or no previous drilling



Resources	Tonnes	Grade	Ounces
	(kt)	(Au g/t)	(koz Au)
Measured	1,471	6.17	292
Indicated	2,274	6.15	449
<b>Total M&amp;I</b>	<b>3,745</b>	<b>6.16</b>	<b>741</b>
Inferred	1,372	5.22	230

Performance		2025E	2026E	2027E	2028E
Material Mined <sup>2</sup>	(Mt)	0.7	0.7	0.7	0.7
Material Milled	(Mt)	0.7	0.7	0.7	0.7
Grade	(g/t)	5.63	5.39	4.80	4.87
Recovered Ounces	(koz)	124	120	104	103

1. Please refer to the Preliminary Economic Assessment Disclaimer on Slide 3.

2. Refers to mineralized material mined and sent to Dome Mill for processing rounded to the nearest tenth. Does not include waste mined.

## Open Pit project with substantial exploration potential

- Involves layback of existing open pit located 13 km from Dome Mill
- To provide feed to Dome Mill through to 2047
- Expected annual production to average 150 koz over a 22-year production life (21 years of mining, additional year of processing stockpiled material)
- Opportunities: Reduce/eliminate waste rock rehandling, evaluating potential alternatives to replace truck haulage to the Dome Mill
- Key exploration targets include: Open at depth and along strike, potential to extend mineralization to north, potential west towards and at Pamour West



Resources	Tonnes	Grade	Ounces
	(kt)	(Au g/t)	(koz Au)
Measured	--	--	--
Indicated	64,755	1.30	2,704
<b>Total M&amp;I</b>	<b>64,755</b>	<b>1.30</b>	<b>2,704</b>
Inferred	23,264	1.34	1,002

Performance		2025E	2026E	2027E	2028E
Material Mined <sup>2</sup>	(Mt)	1.1	2.1	3.2	3.9
Material Milled	(Mt)	1.1	2.1	3.2	3.4
Grade	(g/t)	1.16	1.18	1.22	1.41
Recovered Ounces	(koz)	37	74	115	141

1. Please refer to the Preliminary Economic Assessment Disclaimer on Slide 3.

2. Refers to mineralized material mined and sent to Dome Mill for processing rounded to the nearest tenth. Does not include waste mined.



## Large mill built in early 1980s, century-old mine with large Inferred Resource

- Conventional gold plant, crushing, grinding, cyanide leaching, CIP, and 8 tonne carbon strip / EW circuit
- Technical report assumes capacity of 3.9 Mtpa with average recoveries of ~92%
- Dome mine produced close to 17 Moz since 1910
- Mine ceased production in 2017
- Significant Inferred Resources remain outside current pit shell
- Potential to re-open mine through push back of existing pit to be evaluated



Resources <sup>2</sup>	Tonnes (kt)	Grade (Au g/t)	Ounces (koz Au)
Measured	--	--	--
Indicated	--	--	--
<b>Total M&amp;I</b>	--	--	--
Inferred	229,284	1.49	10,978

# Appendix 4.

# Mineral Resources

# Mineral Resources

Mineral Resources	Tonnes	Gold Grade	Contained Ounces
	(kt)	(g/t Au)	(koz Au)
Hoyle Pond	-	-	-
Borden	1,471	6.17	292
Pamour	-	-	-
Dome	-	-	-
<b>Total Measured Resources</b>	<b>1,471</b>	<b>6.17</b>	<b>292.0</b>
Hoyle Pond	1,167	12.90	484
Borden	2,274	6.15	449
Pamour	64,755	1.30	2,704
Dome	-	-	-
<b>Total Indicated Resources</b>	<b>68,196</b>	<b>1.66</b>	<b>3,640.0</b>
Hoyle Pond	1,167	12.90	484
Borden	3,745	6.16	741
Pamour	64,755	1.30	2,704
Dome	-	-	-
<b>Total Measured &amp; Indicated Resources</b>	<b>69,667</b>	<b>1.76</b>	<b>3,931.9</b>
Hoyle Pond	578	15.24	283
Borden	1,372	5.22	230
Pamour	23,264	1.34	1,002
Dome	229,284	1.49	10,978
<b>Total Inferred Resources</b>	<b>254,499</b>	<b>1.53</b>	<b>12,493.5</b>

## Notes:

1. Mineral Resources are reported insitu, using the 2014 CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. Mineral Resources have an effective date of 3 December, 2024. The Qualified Person for the Borden, Hoyle Pond and Pamour estimates is Mr. Eric Kallio, P.Ge., an independent Qualified Person. The Qualified Person for the Dome estimate is Dr. Ryan Barnett, P.Ge., an employee of Resource Modelling Solutions.
3. Mineral Resources that are considered amenable to underground mining methods at Borden are constrained within conceptual mineable shapes that use the following input parameters: gold price of US\$2,000/oz Au, mining costs of US\$120.08/t mined, process costs of US\$18.30/t processed, general and administrative costs of US\$31.58/t processed, variable metallurgical recoveries by mining zone ranging from 81.08-93.64%, refining costs of US\$0.98/oz Au, dilution percentages that vary by mining zone, ranging from 18-25%, and a 4.6% royalty. Mineral Resources are reported at varying cut-off grades by mining zone, ranging from 3.3-4.2 g/t Au.
4. Mineral Resources that are considered amenable to open pit mining methods at Dome are constrained within a pit shell that uses the following input parameters: gold price of US\$2,000/oz Au, mining costs of US\$3.85/t mined, process costs of US\$18.75/t processed, general and administrative costs of US\$3.86/t processed, average 91% metallurgical recovery, refining costs of US\$0.94/oz Au, and pit slope angles of 45°. Mineral Resources are reported above a 0.40 g/t Au cut-off.
5. Mineral Resources that are considered amenable to underground mining methods at Hoyle Pond are constrained within conceptual stope designs that use the following input parameters: gold price of US\$2,000/oz Au, mining costs of US\$371.55/t mined assuming longitudinal long-hole retreat methods and US\$277.33/t mined assuming underhand cut-and-fill methods, process costs of US\$45.01/t processed, general and administrative costs of US\$47.05/t processed, average 94.3% metallurgical recovery, refining costs of US\$0.98/oz Au, dilution percentages that vary by zone and mining method, ranging from 12-194%, and a royalty of 8.0%. The Mineral Resource estimate is reported at a cut-off grade of 12.3 g/t Au in the stopes assumed to be mined using longitudinal long-hole retreat methods and 6.05 g/t Au in the stopes assumed to be mined using underhand cut-and-fill.
6. Mineral Resources that are considered amenable to open pit mining methods at Pamour are constrained within a pit shell that uses the following input parameters: gold price of US\$2,000/oz Au, mining costs of US\$5.50/t mined, process costs of US\$23.70/t processed, general and administrative costs of US\$10.47/t processed, average 91% metallurgical recovery, refining costs of US\$0.94/oz Au, and pit slope angles of 25° in overburden and 45° in rock. Mineral Resources are reported above a 0.53 g/t Au cut-off.
7. Estimates have been rounded. Grades and contained metal content are presented as weighted averages.
8. The preliminary assessment is preliminary in nature and includes inferred resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.