



## ACQUISITION OF NEWMONT'S PORCUPINE COMPLEX

# Creating a New Canadian Gold Producer with Upside

**BMO - 2025 Global Metals, Mining and Critical Minerals Conference**  
**Hollywood, Florida**  
**February 23 - 26, 2025**

# 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.

# Porcupine Complex – 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 **\$2.2B** using fixed \$2,700/oz LT gold price, with growth potential

## Right Terms

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

**~\$575M<sup>4</sup> Financing Package** on favourable terms provides DSV with significant balance sheet strength

## 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 was filed on January 28, 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.

# 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>2</sup>	\$30
Bought Deal Public Offering	\$175 <sup>1</sup>	Surety Bond Collateral <sup>3</sup>	\$75
		<b>Cash to Discovery Balance Sheet</b>	<b>\$170</b>
<b>Total Sources</b>	<b>\$475</b>	<b>Total Uses</b>	<b>\$475</b>
<b>Undrawn Senior Debt Facility</b>	<b>\$100</b>		

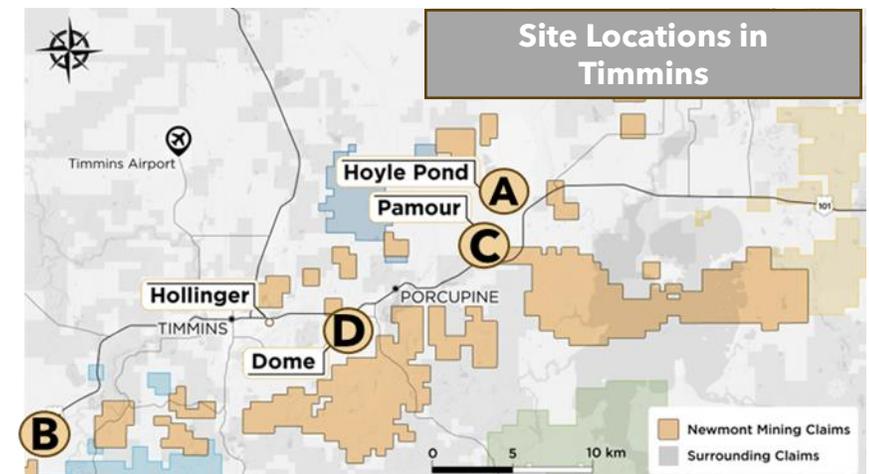
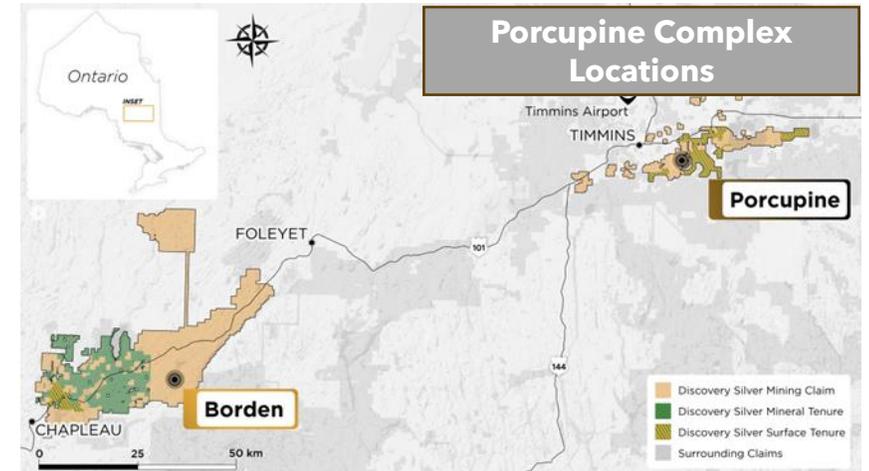
Note: Sources and uses based on cash only items (i.e., excludes share consideration).

1. Total gross proceeds of C\$247.5 million, including full exercise of underwriters' overallotment option. See press release entitled, "Discovery Announces Completion of C\$247.5 Million Bought Deal Public Offering of Subscription Receipts," dated February 3, 2025.
2. Estimated transaction costs based on acquisition consideration, bought deal public offering, and assumptions on timing of transaction close.
3. Estimated cash collateral requirements.

# 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**
- 105 koz/year for 8-year 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



# Porcupine – Quality Complex in a Tier 1 Gold Camp

## PEA Highlights

- **~285 koz/year of average annual production over 22 year mine life**
- **\$1,504/oz average annual AISC<sup>1</sup> with significant potential for improvement**
- **3.9 Moz Measured & Indicated Mineral Resource<sup>2</sup>**
- **12.5 Moz Inferred Mineral Resource<sup>2</sup>**



## Substantial Value & Growth Potential

7

1. Example of Non-IFRS Measure.
2. See full listing of Mineral Resources, with accompanying footnotes, in Appendix 4. Mineral Resources.
3. PEA economic analysis does not include the 11.0 Moz of Inferred Mineral Resources at Dome.
4. Net of royalty payments made in connection to Franco Nevada's 2.25% LOM NSR royalty and 2.00% repayable royalty.

# Production Profile – Substantial Upside to Base Case

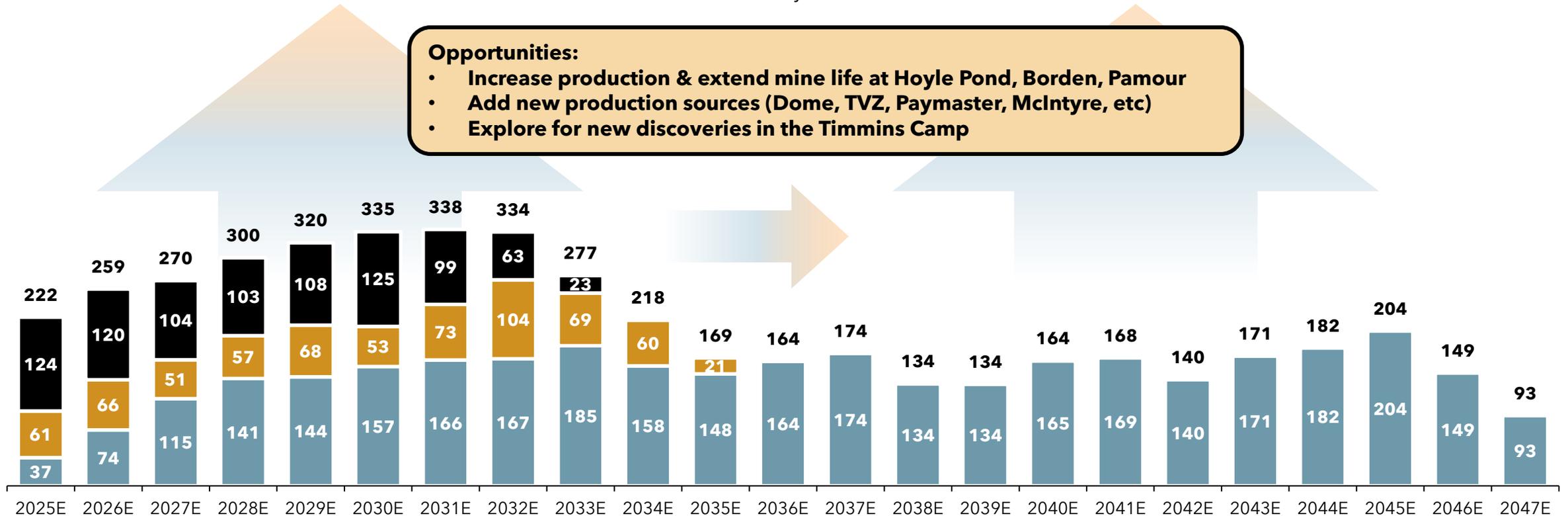
PEA results largely based on existing Newmont Plan - DSV targeting growth in production and mine life through optimization, investment & exploration success

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

■ Pamour ■ Hoyle ■ Borden

**Opportunities:**

- Increase production & extend mine life at Hoyle Pond, Borden, Pamour
- Add new production sources (Dome, TVZ, Paymaster, McIntyre, etc)
- Explore for new discoveries in the Timmins Camp



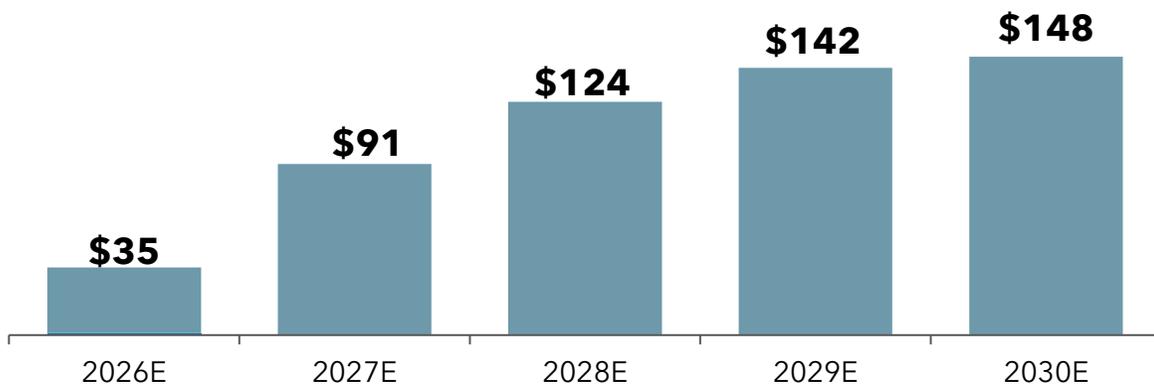


# PEA Results – Free Cash Flow

PEA results largely based on existing Newmont Plan - DSV targeting growth in production and mine life through optimization, investment & exploration success

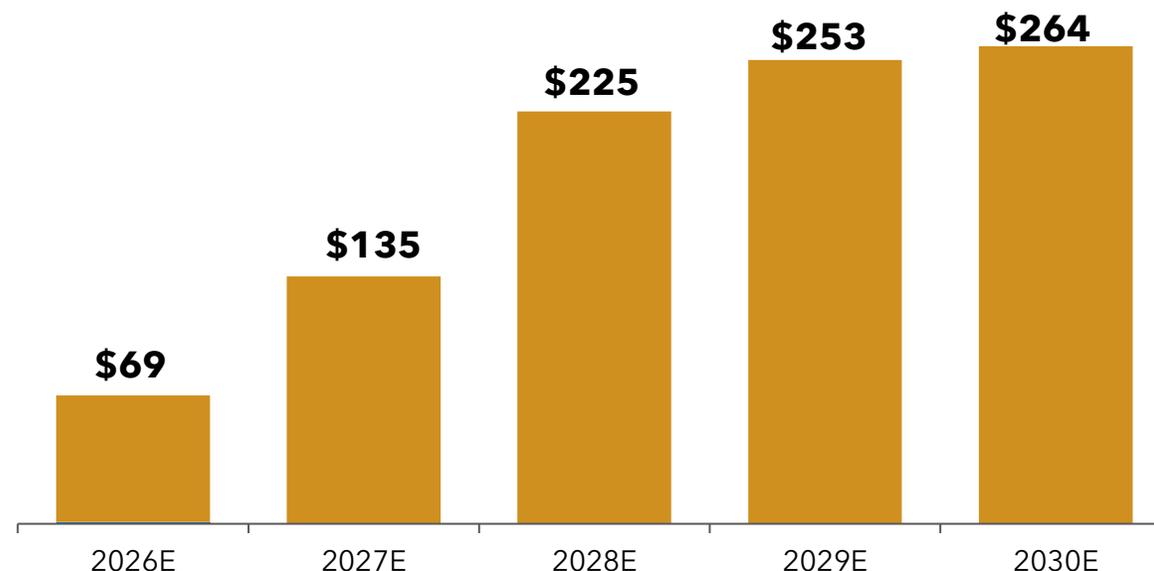
**Free Cash Flow (\$M)<sup>1</sup>**  
**(Base Case - Consensus Pricing<sup>2</sup>)**

**Total: \$540M**



**Free Cash Flow (\$M)<sup>1</sup>**  
**(Fixed 2,700/oz Gold Price)**

**Total: ~\$1,000M**



1. Example of Non-IFRS Measure.

2. 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.

# Upside to PEA Base Case

Opportunities to increase production, reduce costs, add new sources of production

**Increase production and extend mine life**

**Reduce unit costs**

**Add new production sources**

**Exploration success**

# Substantial Upside – Mining

## Opportunities to increase production, reduce costs, extend mine life

Hoyle Pond
<ul style="list-style-type: none"> <li>• Ventilation</li> <li>• Backfill</li> <li>• Grade control</li> <li>• Material handling de-bottlenecking</li> <li>• Automation and technology</li> <li>• Mining methods and equipment selection</li> <li>• Exploration potential</li> </ul>

Borden
<ul style="list-style-type: none"> <li>• Grade control</li> <li>• Ventilation</li> <li>• Backfill</li> <li>• Optimize workflows</li> <li>• Haulage equipment/contracts</li> <li>• Automation and technology</li> <li>• Exploration potential</li> </ul>

Pamour
<ul style="list-style-type: none"> <li>• Waste rock re-handling</li> <li>• Alternatives for truck haulage to Dome Mill</li> <li>• Truck shop at site versus at Dome</li> </ul>

# Substantial Upside – Milling

## Opportunities to increase throughput and reduce costs at Dome Mill

### Dome Mill

#### Increase throughput

- Increase availability and utilization rates

#### Improve recoveries

- Reduce solution losses and optimize grind size

#### Tailings disposition

- Improve water management

#### Longer-term potential

- Reconfiguration of mill circuit



# Substantial Upside – Add New Production Sources

## Opportunities to add new production sources, reduce reclamation obligations

### Dome Mine

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

### Hoyle Pond TVZ Zone

- Large mineralized body adjacent to U/G infrastructure at Hoyle Pond
- Plan to complete additional metallurgical testwork and evaluate processing options

### Historic Sites

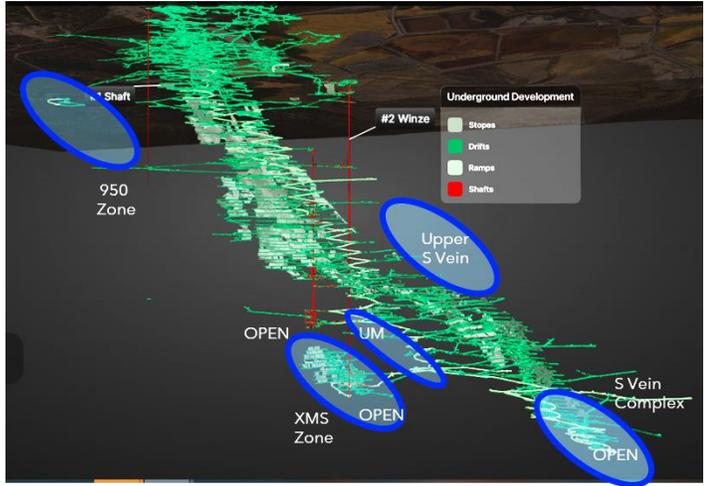
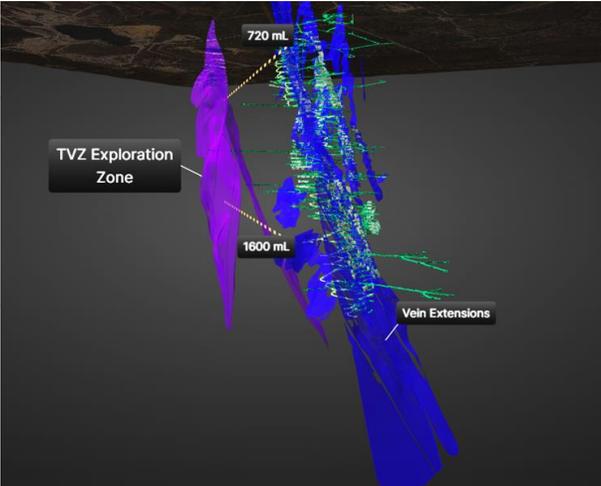
- Potential for production from Paymaster, McIntyre, other historic sites
- Opportunity to reprocess tailings at multiple locations

# Substantial Upside – Near-Mine Exploration

Multiple targets with little or no drilling in recent years

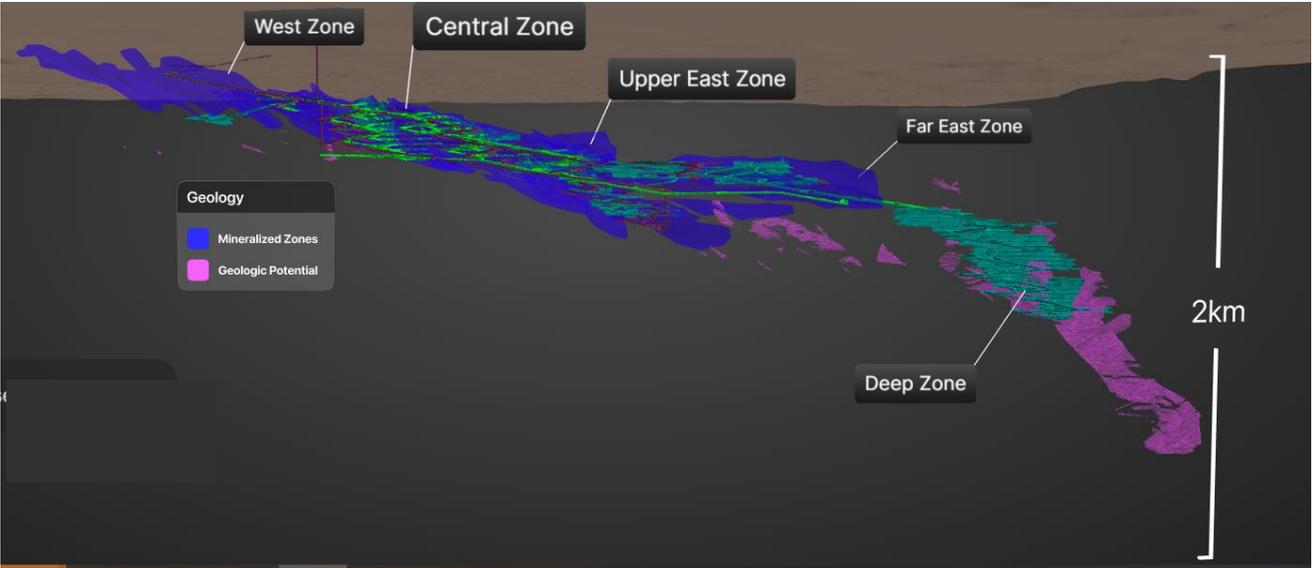
## Hoyle Pond

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



## Borden

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

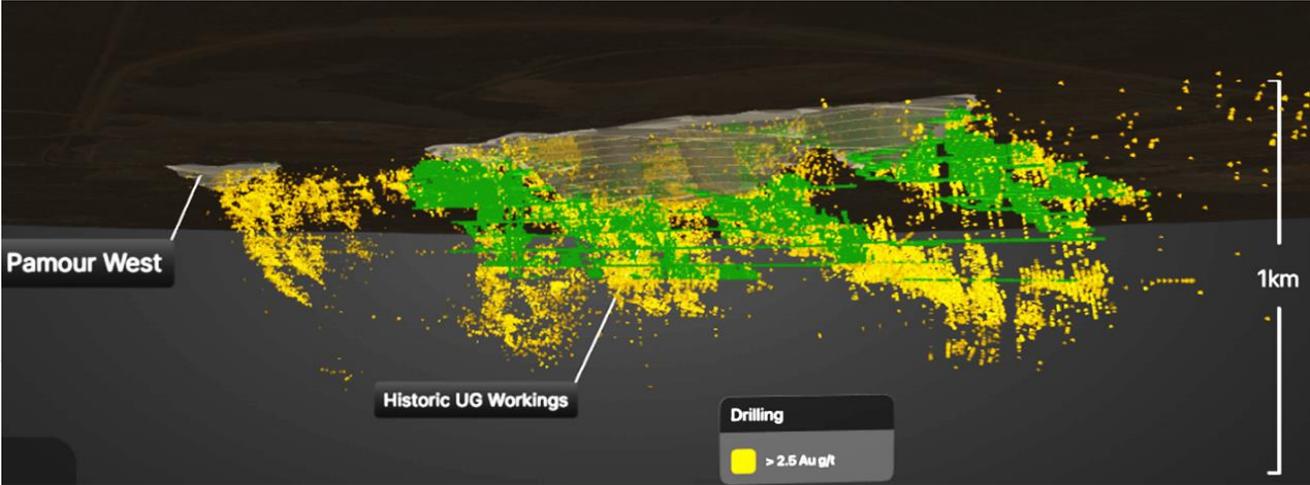


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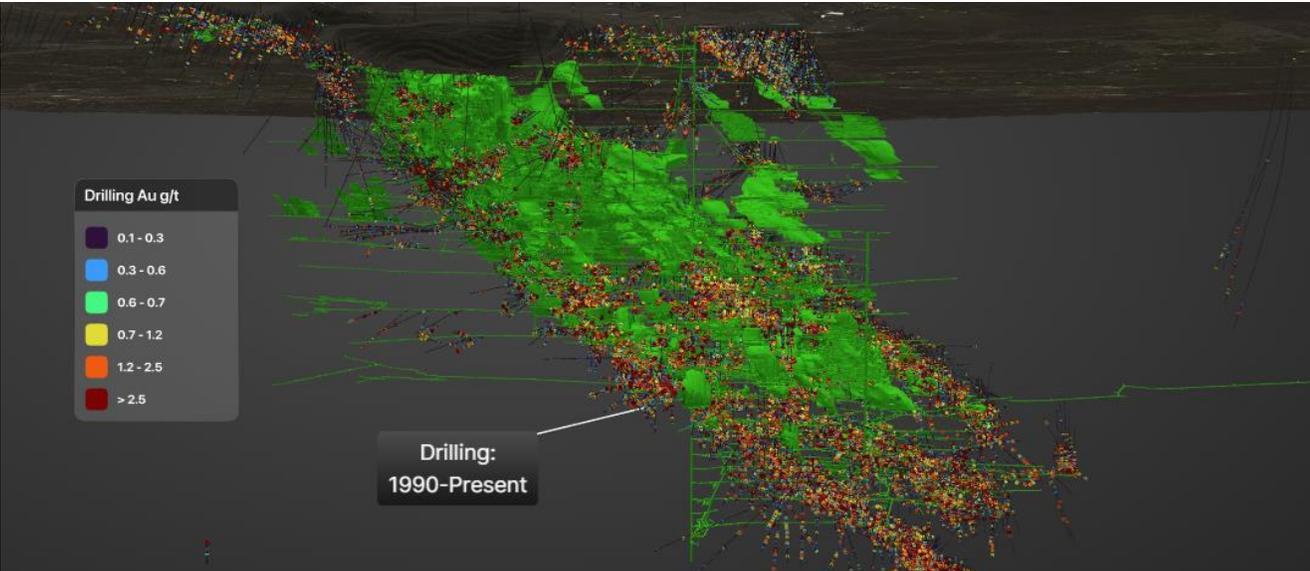
## Pamour

- Remains open at depth, along strike
- Potential to extend mineralization north
- Pamour West open at depth; potential between Pamour and Pamour West



## Dome

- Upgrade Inferred Mineral Resources<sup>1</sup>
- Establish Mineral Resources where existing drill density is insufficient
- Establish Mineral Resources amenable to underground mining



# Sustainability and Stewardship

## 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
  - \$170M (C\$230M) of closure cost obligations related to 13 closure plans
  - Committed to progressive rehabilitation - don't wait for closure to deal with obligations
  - Investments in closure, reclamation and rehabilitation included in PEA economic analysis

# Cordero Silver Project – Mexico

- One of world's largest undeveloped silver reserves
- Feasibility study results released in February 2024<sup>1</sup>
  - NPV \$1.2B at a \$22/oz silver price (grows to \$2.2B in Years 4)
  - 37Moz average annual AgEq<sup>2</sup> production (Years 1 - 12)
  - AISC<sup>3</sup> averaging <\$12.50/oz per year (Years 1 - 8)
  - Low capital intensity (NPV to initial capital ratio of 2:1)
  - 19-year production life
  - Significant socio-economic benefits for Mexico
- Environmental impact assessment ("MIA") submitted in August 2023, awaiting ruling from SEMARNAT



## Acquisition of Porcupine Complex to support financing and ultimate development of Cordero

1. Details of the Cordero feasibility study are available in the technical report entitled, "Cordero Silver Project, NI 43-101 Technical Report & Feasibility Study, Chihuahua State, Mexico" with an effective date of February 13, 2024, available at [www.discoverysilver.com](http://www.discoverysilver.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

2. Refers to silver equivalent ounces.

3. Example of Non-IFRS Measure

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