ANNUAL INFORMATION FORM

For the Fiscal Year Ended December 31, 2025

Dated February 19, 2026

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities laws. Such forward-looking information may relate to future events, facts or circumstances or the Corporation's future financial or operating performance or other future events or circumstances. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or states that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Statements relating to mineral resources and mineral reserves are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources and mineral reserves described exist in the quantities predicted or estimated or that it will be commercially viable to produce any portion of such resources or reserves. Forward-looking information in this AIF include, but may not be limited to, statements and expectations regarding: outlooks for the Porcupine Complex (as defined herein) and the Cordero Project (as defined herein) pertaining to production rates, mining and processing rates, total cash costs, all-in sustaining costs, capital spending, cash flow, operational performance, mine life, value of operations and decreases to costs resulting from the intended mill expansion; intended infrastructure investments in, method of funding for, and timing of completion of the permitting, development and construction of the Cordero Project, planned continuation of negotiation of formal agreements with land owners and Mexican authorities with respect to the Cordero Project, as well as other statements and information as to strategy, plans or future financial and operating performance, such as project timelines, production plans, expected sustainable impact improvements, expected exploration programs, costs and budgets, forecasted cash shortfalls and the ability to fund them and other statements that express management's expectations or estimates of future plans and performance; the Porcupine Complex, including the assumptions and qualifications contained in the Porcupine Technical Report (as defined herein). Forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made, including among other things, the future prices of gold, silver, lead, zinc, and other metals, the price of other commodities such as coal, fuel and electricity, 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 estimation of mineral resource and mineral reserves and the accuracy of the assumptions made in connection therewith 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; assumptions with respect to metallurgical testing completed to date; estimates of costs and expenditures to complete the Corporation's programs and goals; the speculative nature of mineral exploration and development in general; there being no significant disruptions affecting the development and operation of the project, including possible pandemics and other international events or conflicts; exchange rate assumptions being consistent with expectations; the availability of certain consumables and services and the prices for power and other key supplies consistent with expectations; labour and materials costs being approximately consistent expectations; and assumptions made with respect to general marketing, political, business and economic conditions. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of Discovery and could thus cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information.

Forward-looking information and forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any other future results, performance or achievements expressed or implied by such statements. In addition to factors already discussed in this document, such risks, uncertainties and other factors include, among others, risks related to: exploration, development and operations; mineral resource and mineral reserve estimates; the cyclical nature of the mining business and commodity prices; permitting and licenses; environmental and tailings matters; mineral tenure; water sources; infrastructure; community relations and reputation; Indigenous peoples; market price volatility of

the Common Shares; global financial and economic conditions; government regulation; foreign operations; operations in Mexico; health and safety matters; costs of reclamation; climate change; cybersecurity; financing and potential dilution; insurance and uninsured risks; competition conditions; acquisitions and integration; reliance on Goldcorp Canada following completion of the Porcupine Acquisition (as defined herein); future sales of Common Shares by existing shareholders; litigation; shareholder activism; conflicts of interest; dependence on key executive and skilled workforce; disclosure and internal controls; international conflicts; tariffs and import/export regulations; tax matters; foreign mining tax regimes; compliance with anti-corruption laws and ESTMA (as defined herein); currency rates.

Although the Corporation has attempted to identify important factors that could cause actual performance, achievements, actions, events, results, or conditions to differ materially from those described in forward-looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results, or conditions to differ from those anticipated, estimated, or intended. Further details relating to many of these factors is discussed in the section entitled "*Risk Factors*" in this AIF.

Forward-looking statements and forward-looking information contained herein are made as of the date of this AIF and the Corporation disclaims any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events, or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to the Corporation is expressly qualified by these cautionary statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED, AND INFERRED RESOURCES

Information in this AIF, including any information incorporated by reference, and disclosure documents of Discovery that are filed with Canadian securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "measured resources", "indicated resources", and "inferred resources". Shareholders in the United States are advised that, while such terms are defined in and required by Canadian securities laws, the United States Securities and Exchange Commission (the "**SEC**") does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration; however, there is no certainty that these inferred mineral resources will be converted into mineral reserves, once economic considerations are applied. Under Canadian rules inferred mineral resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under NI 43-101 (as defined herein). These standards are similar to, but differ in some ways from, the requirements of the SEC that are applicable to domestic United States reporting companies and foreign private issuers not eligible for the multijurisdictional disclosure system. Any mineral reserves and mineral resources reported by the Corporation in accordance with NI 43-101 (as defined herein) may not qualify as such under SEC standards under Subpart 1300 of Regulation S-K. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of

mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION

This AIF also contains future-oriented financial information and outlook information (collectively, "**FOFI**") about the Cordero Project and the Porcupine Complex. This information is subject to the same assumptions, risk factors, limitations, and qualifications as set forth below in the below paragraphs. FOFI contained in this AIF is made as of the date of this AIF and is being provided for the purpose of providing further information with respect to the Cordero Project and the Porcupine Complex. The Corporation disclaims any intention or obligation to update or revise any FOFI contained in this AIF, whether as a result of new information, future events, or otherwise, unless required pursuant to applicable law. Readers are cautioned that FOFI contained in this AIF should not be used for purposes other than for which it is disclosed herein.

FINANCIAL INFORMATION AND NON-IFRS MEASURES

Discovery has prepared its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**").

The Corporation has included certain non-IFRS performance measures as detailed below. In the mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers and the non-IFRS measures do not have any standardized meaning. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Total Cash Costs

The Corporation calculated total cash costs per ounce by dividing the sum of operating costs, royalty costs, production taxes, refining and shipping costs, net of by-product metal credits, by sold ounces. While there is no standardized meaning of the measure across the industry and it therefore may not be comparable to similar measures presented by other issuers, the Corporation believes that this measure is useful to external users in assessing operating performance.

The Corporation calculated total cash costs per silver equivalent ("**AgEq**") payable ounce by dividing the sum of operating costs, royalty costs, production taxes, refining and shipping costs, net of by-product silver credits, by sold ounces. While there is no standardized meaning of the measure across the industry and it therefore may not be comparable to similar measures presented by other issuers, the Corporation believes that this measure is useful to external users in assessing operating performance.

The Corporation calculated total cash costs per gold payable ounce as the sum of the mining, processing and general and administrative operating costs, change in inventory, royalty payments and treatment and refining costs. While there is no standardized meaning of the measure across the industry and it therefore may not be comparable to similar measures presented by other issuers, the Corporation believes that this measure is useful to external users in assessing operating performance.

All-in Sustaining Costs and All-in Sustaining Costs per Metal Payable Ounce

The Corporation has provided an all-in sustaining costs ("**AISC**") performance measure that reflects all the expenditures that are required to produce an ounce of silver or gold from operations. While there is no standardized meaning of the measure across the industry and it therefore may not be comparable to similar measures presented by other issuers, the Corporation's definition conforms to the AISC definition as set out by the World Gold Council in its updated Guidance Note issued November 14, 2018. The Corporation believes that this measure is useful to external users in assessing operating performance and the Corporation's ability to generate free cash flow from current operations. Subsequent amendments to the guidance have not materially affected the figures presented.

AISC per AgEg payable ounce is calculated as: [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (excluding $37M of capex for the initial purchase of mining fleet in Year 1)] / Payable AgEq ounces.

AISC per gold payable ounce is calculated as: [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + change in inventory + reclamation accretion + exploration expenses + Sustaining Capital] / Payable gold ounces.

Free Cash Flow

Free Cash Flow is a non-IFRS performance measure that is calculated as cash flows from operations net of cash flows invested in mineral property, plant, and equipment and exploration and evaluation assets. While there is no standardized meaning of the measure across the industry and it therefore may not be comparable to similar measures presented by other issuers, the Corporation believes that this measure is useful to the external users in assessing the Corporation's ability to generate cash flows from its mineral projects.

PRELIMINARY NOTES

Throughout this Annual Information Form ("**AIF**"), Discovery Silver Corp. is referred to as "**Discovery**" or the "**Corporation**". All information contained in this AIF is given as of December 31, 2025, unless otherwise stated.

Currency and Exchange Rate Information

This AIF contains references to Canadian and United States dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to "$" are to Canadian dollars and references to "US$" are to United States dollars.

The following table shows, for the years indicated, certain information regarding the Canadian dollar/United States dollar exchange rate. The information is based on the daily average exchange rate as reported by the Bank of Canada. Such exchange rate on February 18, 2026 was US$1.00 = $1.3678 (or $1.00 = US$0.7311).

	Year ended December 31		
	2025	**2024**	**2023**
High	$1.4603	$1.4416	1.3875
Low	$1.3558	$1.3316	1.3128
Average	$1.3978	$1.3698	1.3497
Closing	$1.3706	$1.4389	1.3226

Certain Defined Terms

Throughout this AIF, the common shares in the capital of Discovery are referred to as "**Common Shares**".

Measurements and frequently used abbreviations and acronyms

In this AIF, metric units are used with respect to the Corporation's various mineral properties and operations. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in Table 1 set out below:

Table 1: Conversion Rates from Imperial Measures to Metric Units and from Metric Units to Imperial Measures

Imperial Measure	Metric Unit	Metric Unit	Imperial Measure
2.471 acres	1 hectare ("ha")	0.4047 hectares	1 acre ("ac")
3.281 feet	1 metre ("m")	0.3048 metres	1 foot ("ft
0.621 miles	1 kilometres ("km")	1.609 kilometres	1 mile ("mi.")
2.20 pounds	1 kilogram ("kg")	0.454 kilograms	1 pound ("lb.")
0.032 troy ounces	1 gram ("g")	31.1 grams	1 troy ounce ("oz.")

Measurements and amounts in this AIF have been rounded to the nearest two decimal places, or where applicable, nearest significant digits.

Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the audited consolidated financial statements of Discovery for the years ended December 31, 2025 and 2024 (the "**Audited Financial Statements**") and the accompanying management's discussion and analysis ("**MD&A**").

Unless otherwise indicated, financial information contained in this AIF is presented in accordance with IFRS. The Audited Financial Statements and accompanying MD&A documents are available on the Corporation's website at www.discoverysilver.com and under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

Technical Disclosure

National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, Companion Policy 43-101CP, and Form 43-101F1 (collectively, "**NI 43-101**") are a set of rules developed by the Canadian Securities Administrators, which has established standards for all public disclosure an issuer makes of "scientific and technical information" concerning mineral projects ("**Technical Information**"). Unless otherwise indicated, all Technical Information, including resource and reserve estimates attributable to Discovery's property interests contained in this AIF, and including any information contained in certain documents referenced in this AIF, has been prepared in accordance with NI 43-101, and those standards of the Canadian Institute of Mining, Metallurgy and Petroleum Standing Committee on Reserve Definitions.

The named individuals who supervised the preparation of, and approved, the Technical Information contained in this AIF are qualified persons, as defined under NI 43-101 (each individually, a "**Qualified Person**"). See "*Interest of Experts*".

As at the date of this AIF, the Corporation holds an interest in various mineral properties considered to be material within the meaning of applicable Canadian securities laws:

Project Name	Ownership entity	% Interest
Porcupine Complex	Dome Mine Ltd.	100%
Cordero Project	Minera Titán, S.A. de C.V.	100%

The Porcupine Complex is the subject of a current technical report prepared in accordance with NI 43-101 entitled, "Porcupine Complex, Ontario, Canada, NI 43-101 Technical Report on Preliminary Economic Assessment", with an effective date of January 13, 2025 and a report date of January 28, 2025, authored by Eric Kallio, P. Geo., Pierre Rocque, P. Eng., and Dr. Ryan Barnett, P. Geo., of Resource Modeling Solutions Ltd. (the "**Porcupine Technical Report**").

The Cordero Project is the subject of a current technical report prepared in accordance with NI 43-101 entitled "Cordero Silver Project, NI 43-101 Technical Report & Feasibility Study (Chihuahua State, Mexico)" with an effective date of February 16, 2024, and a report date of March 28, 2024, authored by Tommaso Roberto Raponi, P. Eng. (Ausenco Engineering Canada ULC.), John McCartney, C.Geol. (Ausenco Sustainability Canada Inc.), Jonathan Cooper, P.Eng. (Ausenco Sustainability Canada Inc.), Scott Weston, P.Geo. (Ausenco Sustainability Canada Inc.), Willie Hamilton, P.Eng. (AGP Mining Consultants Inc.), Mo Srivastava, P.Geo. (Red Dot 3D Inc.), Nadia Caira, P.Geo. (Discovery Silver Corp.), Humberto Preciado, PE. (WSP USA Environment and Infrastructure Inc.), Blake Easby, PE. (WSP USA Environment and Infrastructure Inc.) (the "**Cordero Technical Report**", and when referred together with the Porcupine Technical Report, the "**Technical Reports**").

The Technical Reports are available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca. See "*The Cordero Project*" and "*The Porcupine Complex*" for summaries of the Technical Reports.

Unless otherwise indicated, Discovery has prepared the Technical Information in this AIF based on information contained in the Technical Reports and news releases (collectively the "**Disclosure Documents**") available under the Corporation's issuer profile available on SEDAR+ at www.sedarplus.ca. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

CORPORATE STRUCTURE

Name, Incorporation, and Registered Office

The Corporation was incorporated on October 10, 1986, as "R B Technologies Inc." under the *Company Act* (British Columbia). On November 18, 1986, the Corporation's name was changed to "Vertech Systems Corporation", then on June 26, 1989, to "Vercan Investments Inc.", then on January 26, 1998, to "Watersave Logic Corporation", then on July 27, 2006, to "Abode Mortgage Holdings Corp.", then on August 19, 2013, to "Ayubowan Capital Ltd."

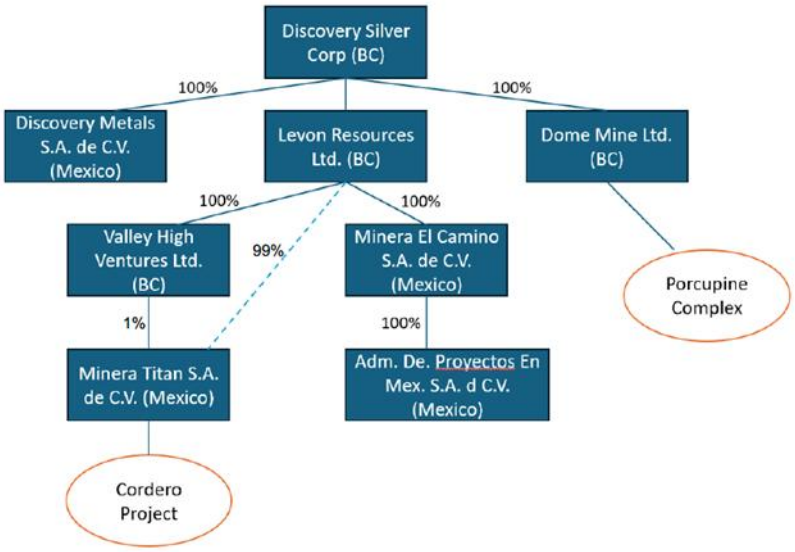
On June 13, 2017, the Corporation's name was changed to "Discovery Metals Corp.", and subsequently on April 13, 2021, to "Discovery Silver Corp.", the Corporation exists pursuant to the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

The principal place of business of the Corporation is located at 2410-79 Wellington Street West, Toronto, Ontario, Canada. The registered office of the Corporation is Suite 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, Canada. At the upcoming annual general meeting of the Corporation, the Corporation plans to seek shareholder approval to continue the Corporation and certain of its subsidiaries from British Columbia into Ontario.

The Corporation also has offices in the Mexican cities of Chihuahua and Parral to support the Cordero Project.

Intercorporate Relationships

A significant portion of the Corporation's business is carried on through its various subsidiaries. The following chart illustrates, as at the date of this AIF, the Corporation's subsidiaries, including their respective places of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2023 Developments

On January 23, 2023, the Corporation announced the appointment of Tony Makuch as Chief Executive Officer ("**CEO**") of the Corporation, following his previous appointment as Interim CEO on June 6, 2022.

On January 24, 2023, the Corporation announced its Preliminary Feasibility Study on the Cordero Project with an after-tax net present value of US$1.2 billion, an internal rate of return of 28%, and a payback period of approximately four years.

On February 2, 2023, the Corporation graduated to the Toronto Stock Exchange (the "**TSX**") and delisted from the TSX Venture Exchange.

On February 10, 2023, the Corporation filed the NI 43-101 technical report titled "Cordero Silver Project – NI 43-101 Technical Report & Pre-Feasibility Study" with an effective date of January 20, 2023, in respect of the Cordero Project. The report was authored by Ausenco Engineering Canada Inc. with support from AGP Mining Consultants Inc., Hard Rock Consulting, LLC, and Knight Piésold Ltd. (USA).

On March 22, 2023, the Corporation announced results from follow-up drilling activity at the Cordero Project, since the release of the pre-feasibility study, which showed a number of higher-grade intercepts within and below the reserves pit in areas that were previously modeled as low-grade or waste demonstrating the potential to further lower the strip ratio through converting waste to ore within the pit and to expand the pit at depth.

On April 19, 2023, the Corporation closed a "bought deal" public offering of 43,125,000 Common Shares at a price of C$1.20 per Common Share for aggregate gross proceeds of approximately C$51.75 million, which included the exercise in full of an over-allotment option. The offering was conducted by a syndicate of underwriters led by Clarus Securities Inc. and Cormark Securities Inc.

On May 24, 2023, the Corporation announced results from additional drilling at the Cordero project, highlighting the potential to further grow reserves within and on the margins of the open pit.

On June 22, 2023, the Corporation provided a further update on critical de-risking items on the Cordero project; securing surface rights, identifying potential sources of water for the project and obtaining water rights, power capacity in the existing grid and accessibility of the grid for mine operations and updates on permits.

On July 6, 2023, the Corporation announced the release of its 2022 ESG Report.

On August 2, 2023, the Corporation announced results from further drilling at the Cordero project consisting of reserve expansion and definition drilling to be incorporated in a Feasibility Study in conjunction with a resource update planned for the first half of 2024.

On August 24, 2023, the Corporation announced certain appointments to the Board of Directors (the "**Board**") and the senior management team, including: Barry Olson as a director of the Corporation; Jonathan Gill and Mike Neumann as advisors to the Board; José Jabalera as Director, Corporate Affairs, Mexico; and Gord Leavoy as Vice President, Mineral Processing.

On August 31, 2023, the Corporation formally submitted for evaluation its Environmental Impact Assessment (Manifestacion de Impacto Ambiental or "**MIA**"), one of the principal permits required for the development of the Cordero project, to Secretaría de Medio Ambiente y Recursos Naturales ("**SEMARNAT**"), the federal government agency responsible for evaluating MIA submissions.

On October 26, 2023, the Corporation announced results from its feasibility study metallurgical test program from its Cordero project that demonstrated improved metallurgical performance including a higher proportion of silver recovered to the precious metals concentrate, significantly lower reagent consumption and improved oxide-sulphide blending.

On November 29, 2023, the Corporation announced the departure of Tony Esplin as Chief Operating Officer ("**COO**") of the Corporation.

2024 Developments

On January 24, 2024, the Corporation announced its 2024 work program for the Cordero Project.

On February 20, 2024, the Corporation announced the results from its Feasibility Study on the Cordero Project with an average annual production of 37 Moz AgEq (Year 1 to Year 12), an average AISC of less than $12.50 over the first eight years of the mine life, after-tax NPV5% ("**NPV**") of $1.2 billion and IRR of 22% with NPV expanding to $2.2 billion in Year 4, reserves of Ag – 302 Moz, Au – 840 koz, Pb – 3.0 Blb and Zn – 5.2 Blb and an initial investment of over $600 million and estimated tax contributions of over $1.4 billion within Mexico.

On March 28, 2024, the Corporation filed the Cordero Technical Report.

On June 5, 2024, the Corporation announced the appointment of Mark Utting as Vice President, Investor Relations.

On August 22, 2024, the Corporation announced the release of its 2023 ESG Report.

2025 Developments

On January 27, 2025, the Corporation entered into a share purchase agreement (the "**Porcupine Acquisition Agreement**") with Goldcorp Canada Ltd. ("**Goldcorp Canada**"), a wholly-owned subsidiary of Newmont Corporation ("**Newmont**"), to acquire (the "**Porcupine Acquisition**") all of the issued and outstanding common shares of Dome Mine Ltd. ("**DML**"), a newly created entity formed to hold all of Goldcorp Canada's rights, title and interest in and to the Hollinger mine, the Hoyle Pond mine, the Borden mine, the Pamour open pit and the Dome mine and mill based in and near Timmins, Ontario (the "**Porcupine Complex**"), for total consideration of US$425 million (the "**Purchase Price**"). The Purchase Price consisted of US$200 million in cash and US$75 million through the issuance of an aggregate of 119,716,667 Common Shares (the "**Consideration Shares**"), both of which were paid on closing of the Porcupine Acquisition on April 15, 2025 (the "**Porcupine Acquisition Closing**"), and US$150 million of deferred consideration to be paid in four annual cash payments of US$37.5 million commencing on December 31, 2027. Following the Porcupine Acquisition Closing, the Porcupine Complex became a material property of the Corporation.

In connection with the Porcupine Acquisition Closing, Discovery and Goldcorp Canada entered into a transition services agreement (the "**Transition Services Agreement**") and an investor rights agreement (the "**Investor Rights Agreement**"). The Investor Rights Agreement was terminated in accordance with its terms on July 15, 2025, when Newmont ceased to hold 10% of the outstanding Common Shares. The Transition Services Agreement ensures that Goldcorp Canada would provide, or cause its affiliates to provide, certain services to Discovery that are required for the operation of the Porcupine Complex in a similar manner as the Porcupine Complex was operated immediately prior to the Porcupine Acquisition Closing. In exchange for the services to be provided under the Transition Services Agreement, Discovery agreed to pay Goldcorp Canada certain prescribed service fees in accordance with the terms of the Transition Services Agreement and reimburse Goldcorp Canada for certain prescribed expenses. The Transition Services Agreement was effective until six months following the Porcupine Acquisition Closing, subject to various extension rights. On December 15, 2025, the Corporation entered into an extension agreement with Goldcorp Canada to extend the Transition Services Agreement until April 15, 2026.

On February 3, 2025, the Corporation completed a bought deal public offering of 275,000,000 subscription receipts of the Corporation (the "**Subscription Receipts**") at a price of C$0.90 per Subscription Receipt (the "**Offering Price**") for aggregate gross proceeds of C$247,500,000, which included the exercise in full of the over-allotment option granted to

the underwriters (the "**Offering**"). The Offering was conducted by a syndicate of underwriters led by BMO Capital Markets. Concurrent with the closing of the Porcupine Acquisition on April 15, 2025, each of the Subscription Receipts was automatically converted into one Common Share.

For the purposes of financing the Porcupine Acquisition, as well as to fund capital expenditures and support working capital needs following completion of the Porcupine Acquisition, Discovery entered into an implementation agreement dated January 27, 2025 (the "**Implementation Agreement**") with Franco-Nevada Corporation ("**Franco-Nevada**") pursuant to which Franco-Nevada agreed to, or to cause certain of its affiliates to: (i) enter into the Royalty Agreement (as defined herein); and (ii) enter into a term loan agreement (the "**FNV Term Loan Agreement**") on the Porcupine Acquisition Closing pursuant to which an affiliate of Franco-Nevada will make available, subject to the satisfaction of the conditions precedent to any advance thereunder, to DML, as borrower, upon closing of the Porcupine Acquisition, a US$100 million term loan facility (the "**FNV Credit Facility**"), to be guaranteed by the Corporation, and any future subsidiary of the Corporation subject to certain exceptions, and, to the extent advanced, the FNV Term Loan Agreement will be secured by, among other things, all assets of the Corporation and DML other than the Cordero Project, including, for avoidance of doubt the Porcupine Complex and all of the shares of DML (collectively, the "**FNV Financing Package**"). Franco-Nevada also purchased 78,833,333 Subscription Receipts under the Offering, which converted into Common Shares on the Porcupine Acquisition Closing. The Common Shares underlying the Subscription Receipts purchased by Franco-Nevada are subject to a two-year lock-up. In addition, Tony Makuch, the CEO of the Corporation, and Murray John, the Chairman of the Corporation, each entered into two-year lock-up agreements with Franco-Nevada Corporation. In September and October 2025, the parties amended the terms of the lock-up agreements with Franco-Nevada and Messrs. Makuch and Murray to permit the locked-up party to sell up to 1/3 of its position. In addition, on closing of the Porcupine Acquisition, the Corporation issued 3,900,000 Common Share purchase warrants (the "**Franco Warrants**") to Franco-Nevada, each exercisable to acquire one Common Share at a price of C$0.95 until April 15, 2028.

On April 15, 2025, the Corporation (as payor parent), DML (as payor) and Franco-Nevada Holdings Corp. (as "**Payee**") entered into a royalty agreement (the "**Royalty Agreement**"). For consideration of US$300 million, DML granted the Payee: (A) a 2.25% life-of-mine net smelter return royalty on all minerals produced from the Porcupine Complex (the "**Fixed Royalty**"); and (B) an additional 2.00% fixed and early repayable royalty on all minerals produced from the Porcupine Complex (the "**Repayable Royalty**" and together with the Fixed Royalty, the "**FNV Royalty Package**"). The Repayable Royalty will be reduced to zero upon the earlier of the Payee receiving payments from production equal to 72,000 gold ounces or receipt by the Payee of a one-time early cash payment from Discovery (through DML, as payor), at Discovery's sole option, equal to a 12% (annual) pre-tax internal rate of return on US$100 million.

The FNV Term Loan Agreement was signed on April 15, 2025 and the FNV Credit Facility was made available to Discovery (through DML, as borrower) to fund capital expenditures and support working capital at the Porcupine Complex following completion of the Porcupine Acquisition and subject to the satisfaction of the conditions precedent to any advance thereunder. In September 2025, in connection with the entry into by the Corporation of the Revolving Credit Facility (as defined herein), the FNV Credit Facility was terminated, the ability of the Corporation to draw on the FNV Credit Facility was cancelled and all obligations in connection therewith released.

On April 25, 2025, the Corporation announced certain senior management appointments, including: Pierre Rocque, P.Eng. as COO; Jennifer Wagner as Executive Vice President, Corporate Affairs and Sustainability; Duncan King as Vice President, Canadian Operations; and Eric Kallio as Senior Vice President, Exploration and Growth.

On May 5, 2025 the Corporation filed a final short form base shelf prospectus (the "**2025 Shelf Prospectus**") with the securities regulatory authorities in each of the provinces and territories of Canada. The 2025 Shelf Prospectus replaces the previous 2023 Shelf Prospectus and provides that the Corporation, if it so chooses at some future date, may make offering of common shares, warrants, subscription receipts, units or any combination thereof, during the twenty-five-month period that the 2025 Shelf Prospectus remains active, for up to a maximum aggregate amount of $500,000,000.

On June 16, 2025 the Corporation announced certain senior management appointments, including: Amy Hu as Senior Vice President, Legal and Sustainability; and Darin Smith as Senior Vice President, Corporation Development. The Corporation also announced the promotion of certain senior management, including: Forbes Gemmell to Executive Vice President, Business Development and Growth; Mark Utting to Senior Vice President, Investor Relations; and Gord Leavoy to Senior Vice President, Mineral Processing.

On July 31, 2025 the Corporation announced the appointment of Alison White as Chief Financial Officer ("**CFO**") of the Corporation.

On September 15, 2025 the Corporation announced that it had entered into an agreement with a syndicate of financial institutions, including the Bank of Montreal ("**BMO**") as administrative agent and lender, BMO Capital Markets as sole book runner and co-lead arranger and Canadian Imperial Bank of Commerce and National Bank of Canada as co-lead arrangers, co-syndication agents and lenders for a revolving credit facility providing the Corporation with the ability to borrow up to US$250,000,000 with an accordion feature of up to an additional **[US]**$100,000 (the "**Revolving Credit Facility**"). The Revolving Credit Facility will mature on September 15, 2028, and is available for general corporate and working capital purposes. It is available by way of: (i) term secured overnight financing rate ("**Term SOFR**") loans with an interest accruing at Term SOFR plus a credit spread adjustment of 0.10% per annum, plus an applicable margin ranging from 2.50% to 3.50% per annum based on the Corporation's consolidated net leverage ratio at the end of each fiscal quarter; (ii) US dollar base rate loans, with interest accruing at BMO's US dollar base rate plus an applicable margin ranging from 1.50% to 2.50% per annum, based on the Corporation's consolidated net leverage ratio at the end of each fiscal quarter and (iii) letters of credit. The undrawn portion of the Revolving Credit Facility is subject to a standby fee ranging from 0.563% to 0.788% per annum, based on the Corporation's consolidated net leverage ratio at the end of each fiscal quarter. Following the entering into of the Revolving Credit Facility, Discovery terminated the FNV Term Loan Agreement which remained undrawn at the time of termination. The Revolving Credit Facility has been guaranteed by certain of the Corporation's subsidiaries that directly or indirectly hold the Porcupine Complex or the Cordero Project (such subsidiaries, together with the Corporation, are collectively referred to as the "**Obligors**"). The Corporation has also guaranteed the obligations of each Obligor in connection with the Revolving Credit Facility. Each Obligor has granted an all asset security interest, subject to certain exclusions, as security for the obligations under the Revolving Credit Facility.

On October 21, 2025 the Corporation entered into a resource development agreement with Taykwa Tagamou Nation ("**TTN**") to establish a framework for ongoing consultation and communication to provide a basis of support for the Corporation's mining and mineral processing activities within TTN's traditional territory (the "**TTN RDA Agreement**"). In connection with the entering into of the TTN RDA Agreement, TTN filed a notice of discontinuance with respect to an action brought in the Ontario Superior Court of Justice which named the Corporation as a defendant, and the Corporation issued a total of 2,762,819 Common Shares to TTN.

On November 17, 2025 the Corporation announced the certain management appointments, including: Ray Yip as Chief Information Officer ("**CIO**"); Kara Byrnes as Vice President, Exploration; Gerry Stinson as Vice President, Environment, Porcupine; and Amanda Kasner as Vice President, Business Optimization.

In December 2025, the Corporation filed its 2024 ESG report with respect to the Cordero Project.

Significant Acquisitions

On April 15, 2025, the Corporation completed the Porcupine Acquisition, which constitutes a "significant acquisition under applicable Canadian securities laws. See discussion in this AIF under the headings "*General Development of the Business – Three Year History – 2025*" and "*The Porcupine Complex*" for more information about the Porcupine Complex and the Porcupine Acquisition.

The Corporation filed a business acquisition report on Form 51-102F4 in connection with the Porcupine Acquisition Arrangement on June 27, 2025 (the "**Business Acquisition Report**"). The Business Acquisition Report has been filed

with the applicable regulatory authorities and is available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

DESCRIPTION OF THE BUSINESS

The Corporation is a growing precious metals company, principally engaged in the acquisition, development and exploration of mineral properties, with a focus on advancing assets capable of supporting profitable operations and generating attractive returns for all stakeholders. The Corporation has two material properties: the Porcupine Complex and the Cordero Project. The Corporation's silver exposure comes from its first asset, the 100%-owned Cordero project, one of the world's largest undeveloped silver deposits, which is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico (the "**Cordero Project**"). On April 15, 2025, Discovery completed the acquisition of the Porcupine Complex, transforming the Corporation into a new Canadian gold producer with multiple operations in one of the world's most renowned gold camps in and near Timmins, Ontario. Discovery owns a dominant land position within the camp, with a large base of mineral resources remaining and substantial growth and exploration upside potential.

The Porcupine Complex

The Porcupine Complex covers approximately 1,400 km2 in and near Timmins, Ontario, with the Porcupine Camp being one of the world's most prolific gold mining camps. Production from the Porcupine Complex commenced in 1910 and, since that time, Porcupine has accounted for close to 70 million ounces of gold production.

The Porcupine Complex consists of the Hoyle Pond, Pamour and Hollinger mine properties, the Dome mine property and milling facility (collectively "**Dome**"), and numerous near-mine and regional exploration targets in and around Timmins, Ontario. The Porcupine Complex also includes the Borden mining operation and large, highly prolific land position near Chapleau, Ontario. All mineralization from the operating mines is treated at Dome, including mineralization from Borden, which is trucked 190 km to the Dome plant.

The current NI 43-101 technical report the Porcupine Complex is the Porcupine Technical Report which is available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

For further details concerning the Porcupine Complex, see "*The Porcupine Complex*" in this AIF.

The Cordero Project

The Cordero Project is considered one of the world's largest undeveloped silver resources. The Cordero Project has all the attributes of a quality project: grade, scale, significant organic growth opportunities, and well located in mining-friendly Chihuahua state on a prolific silver belt. Since acquiring the Cordero Project in August 2019, Discovery's focus has been on leveraging the under-explored higher-grade zones within the larger mineralized system with the objective of defining a high-margin project with scale.

The Mineral Resource Estimate for Cordero was updated in August 2023. This update incorporated an additional 33,400 m of drilling for a total of 310,900 m of drilling in 793 drill holes. The Measured & Indicated Resource grew by 70 Moz AgEq to 1,202 Moz AgEq with the Inferred Resource decreased by 12 Moz AgEq to 155 Moz AgEq. The Mineral Reserve Estimate for Cordero was most recently updated in February 2024, where the Mineral Reserve for silver grew 36 Moz or 14% to 302Moz and the overall Mineral Reserve increased by 10% on an AgEq basis. The increase related to successful resource expansion drilling as well as the impact of positive metallurgical test results in 2023 that supported oxide-sulphide blending up to 15% oxides versus only 10% oxides previously.

The current NI 43-101 technical report the Cordero Project is the Cordero Technical Report which is available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

For further details concerning the Cordero Project, see "*The Cordero Project*" in this AIF.

Expected Changes to the Business

Management of the Corporation does not currently expect any material changes to the business; however, as is typical of the mineral exploration and development industry, from time to time the Corporation reviews potential merger, acquisition, investment, divestiture, and joint venture transactions and opportunities that could enhance shareholder value. See "*General Description of the Business – Three Year History – Recent Developments*".

Current scientific and technical information may change as a result of further exploration and development programs. Accordingly, readers of this AIF are urged to read the press releases issued by the Corporation as they become available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca for full and up-to-date information concerning the Corporation's business and its material exploration property interests.

Competitive Conditions

The Corporation's business is intensely competitive, and the Corporation competes with other exploration, development, and mining companies, many of which also have significant resources and experience. As described in this AIF under "*Risk Factors*", competition in the base and precious metals mining industry is primarily for mineral rich properties which can be developed and operated economically and the capital of which can be used for the purpose of financing development of desired properties. The ability of the Corporation to acquire mineral properties in the future will depend on its ability to operate and develop its present properties and on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration in the future. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. In addition, this competition may impact the Corporation's ability to recruit or retain qualified employees with the technical expertise to find, develop, or operate such properties. See "*Risk Factors*".

Business Cycles

Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. The Corporation's business is not seasonal. See "*Risk Factors*".

Specialized Skills and Knowledge

The Corporation's business requires access to personnel in a wide variety of disciplines, including engineers, geologists, geophysicists, drillers, managers, project managers, accounting, financial, legal, project management, corporate development and administrative staff, and others. Discovery believes that its success is dependent on the performance of its senior management and key employees, all of whom have specialized knowledge and skills relating to the precious and base metals' mining and exploration business. Discovery believes it has adequate personnel with the specialized skills required to successfully carry out its operations. All of the senior management and directors of the Corporation have extensive experience, skills, and knowledge in the exploration, discovery, development and operations of deposits and mines in development Canada and/or Mexico and other Latin American countries, as well as experiencing developing and managing foreign business operations. See "*Directors and Officers*".

Employees

As at December 31, 2025, the Corporation and its subsidiaries had 968 direct employees: 910 workers employed at its Porcupine Complex, 19 workers employed at its Cordero Project and its offices in Mexico, and 39 employees in the corporate office in Toronto. Additionally, 326 contractors were employed at the Corporation's Porcupine Complex as at December 31, 2025.

Health, Safety, and Environment

The Corporation places great emphasis on providing a safe and secure working environment for all of their employees and recognizes the importance of operating in a sustainable manner.

The Health, Safety, Environment and Sustainability Committee of the Board (the "**Sustainability Committee**") meets at least quarterly to review the Corporation's performance and compliance as related to such matters. Discovery has also adopted a Sustainability Charter and has communicated the importance of working in a safe and secure working environment to all employees and significant contractors.

The Corporation believes awareness and communication of risks are critical steps in preventing accidents on each of the property interests operated by the Corporation. During the year ended December 31, 2025, the Corporation adopted several internal policies concerning health, safety and environmental protection. These internal policies aim to:

- support the Corporation's safety and environmental values;
- meet or exceed all applicable laws, regulations and standards to which the Corporation subscribes;
- establish clear, measurable indicators to monitor and improve performance;
- provide timely and transparent communication regarding the Corporation's health, safety and environmental performance;
- limit impacts of the Corporation's operations on the environment, through implementation of measures for efficient use of natural resources, conservation of biodiversity, prevention and reduction of pollution, and responsible management of water and waste;
- plan, monitor and implement adaptive management strategies while promoting continuous improvement throughout the mine's lifecycle from exploration through to progressive reclamation; and
- maintain a high degree of emergency preparedness to effectively respond to emergencies.

During the year ended December 31, 2025, the Corporation had two lost-time incidents at the Porcupine Complex and zero lost-time incidents at the Cordero Project. There have been no lost time incidents from January 1, 2026, to the date of this AIF.

The Corporation is subject to federal, provincial, territorial, state, and local environmental laws and regulations. Management has put in place ongoing monitoring programs at the Corporation's properties and posts surety bonds, as required, in compliance with state and local closure, reclamation, and environmental obligations. The estimate for future reclamation and property closure costs (current and non-current) for the Porcupine Complex at December 31, 2025, was US$496.0 million.

Discovery's projects are subject to periodic monitoring by government agencies with respect to environmental protection plans and practices, which must be detailed when applying for exploration permits. Except for a few instances of gas leaks that were quickly reported to Ministry of Labour, there were no other reportable environmental incidents at any of the exploration properties at which the Corporation is the operator through the 12 months ended December 31, 2025, and up to the date of this AIF.

Corporate Social Responsibility and ESG

Discovery works closely with local communities in Timmins and Chapleau, Ontario and local communities, including ejidos, in the state of Chihuahua in Mexico in order to engage stakeholders and build positive relationships based on transparency, trust, and shared benefits. Where possible, the Corporation hires locally for labour, earth works, geological services, water transport and piping supplies, camp services and supplies, infrastructure items such as trailers and storage sheds, vehicles, and health and safety supplies and training, and all supplies are sourced locally to the extent available. The Corporation has given presentations to the local communities, in order to explain the activities at the

Porcupine Complex and the Cordero Project and has sponsored local events. As it relates to health and safety, the Corporation is constantly investigating ways to continue supporting employees, communities, and other stakeholders.

In December 2025, the Corporation published its fifth annual ESG report (based on 2024 data) in English and Spanish outlining accomplishments to date and strategy going forward with respect to the Cordero Project.

Despite reduced business operations in 2024, the Corporation continued to make an important contribution, paying $4.4 million in salaries and benefits in Mexico and investing close to $4.4 million in local goods and services during the year. The Corporation contributed approximately $122,000 in support of local programs ranging from education programs and school supplies, to investments to provide food to vulnerable groups, to providing water and other supplies to local ejidos. The contribution will expand exponentially once the Corporation is in development and operation at the Cordero Project. Based on the FS, the Cordero Project will create 2,500 direct jobs during construction and a peak of over 1,000 direct jobs while in operation. These will be high-quality jobs that involve extensive training and skills development that will have multi-generational benefits.

Very importantly, over its 19-year life, the Cordero Project will purchase approximately US$4.0 billion of local goods and services, creating indirect jobs that will far exceed the level of direct job creation. The Cordero Project will invest US$1.4 billion of capital and will provide US$1.4 billion in tax revenue to governments in Mexico based on the FS (US$2.3 billion using March 25, 2025 metal prices).

In 2024, the total Scope 1, 2, and 3 GHG emissions at the Cordero Project were 605 tonnes of carbon dioxide equivalent (tCO2e), which was a 51% reduction from the previous year due to decreased drilling and other activity. During the year, Discovery continued implementing Environmental Management Plans ("**EMPs**") for the Cordero Project, approved by Procuraduría Federal de Protección al Ambiente (PROFEPA), being Mexico's Federal Attorney for Environmental Protection, which were developed largely from stakeholder feedback and community engagement in 2023. These EMPs outline strategies to mitigate environmental risks, adhere to regulatory permits and apply industry best practices. A key initiative in 2024 involved water monitoring on community properties and local lands, fostering trust and shared responsibility for future water stewardship. Through these efforts, the Corporation reinforced its commitment to proactive environmental management and strong community relationships.

Further key 2024 highlights of the Cordero Project include:

- Approximately $4.4 million in goods and services purchased from local Mexican businesses;
- Over $10 million in salaries and benefits paid to local employees;
- Total workforce of 35 includes 30 employees and 5 contractors;
  - Employees: 74% Mexican nationals, 91% Canadian
  - Contractors: 100% Mexican nationals
  - Diversity: 40% women, 60% men
- Total Scope 1, 2 and 3 GHG emissions of 605 tonnes of CO_2 equivalent;
- Total water consumed of 304.70 m^3;
- Zero fatalities and a 1.82 total recordable injury frequency rate;
- Zero reportable environmental incidents; and
- The only mining company to receive the Clean Industry Certification from the Mexican Government.

All ESG reports are available on the Corporation's website at discoverysilver.com. To the best of management's knowledge, the Corporation's activities in 2025 were, and continue to be, in compliance in all material respects with such environmental regulations applicable to its exploration activities. The Corporation intends to release its 2025 ESG report in the second half of 2026.

Foreign Operations and Emerging Market Jurisdiction

One of the Corporation's material property interests, the Cordero Project, is located in Mexico, and as such the Corporation's operations are exposed to various levels of regulatory, economic, political and other risks and uncertainties. See "*Risk Factors*".

Legal Framework

The Mexican legal framework is based in a civil law system, and therefore the majority of legal principles are set out in written codes and laws. Written codes and laws are the main source for law, leaving case law and customs as a limited and secondary source of interpretation. This, as opposed to common law systems, provides a fairly stable legal environment, allowing citizens and corporations to have a clear understanding of their rights and obligations.

Notwithstanding the foregoing, certain matters may be subject to case law interpretations, which usually relate to a mining title owner´s ability to perform activities under the rights granted under its properties and assets, than to the good standing of its properties and assets. The following matters are the most common issues subject to judicial and administrative interpretation: (i) the presence of ethnic minorities in the territory covering a mining right, and the need for public hearings prior to the commencement of certain mining activities; and (ii) the presence of environmental areas of special interest, or those restricted from mining and the possibility to perform mining activities in overlapping areas. These matters have been widely considered under Mexican constitutional case law, setting a clear understanding of its scope and framework.

Board and Management Experience

Key members of the Corporation's management team and Board have extensive experience running foreign business operations, including operations in Mexico and other Latin American countries.

Tony Makuch, the Chief Executive Officer of the Corporation, was previously Executive Vice President and President of Canadian Operations of Tahoe Resources Inc. (since acquired by Pan American Silver) which had multiple mineral operations in Latin America.

Alison White, the Chief Financial Officer of the Corporation, was previously the Chief Financial Officer and Executive Vice President of SSR Mining Inc. as well as holding various global executive roles at Newmont Corporation, including as Assistant Treasurer and Group Executive Risk Finance, Group Executive Business Services and CFO of North America.

Roman Solis, the Senior Vice President, Mexico, is Mexican and his career of more than 20 years has focused on exploration, strategy, and planning in Mexico. He was previously Chief Geologist at Alio Gold Inc. based in Sonora, Mexico.

Mr. Jabalera, the VP Corporate Affairs & Sustainability, Mexico, is a Mexican national and has worked collaboratively with mining companies and different government agencies in areas such as community consultation, community agreements and in developing guidelines for responsible mining in Mexico. Prior to joining the Corporation, he was the General Director of Mining Development in the Federal Ministry of Economy (Mexico) from 2019 to 2022 and served as Director of Mining for the State Government of Chihuahua and Industrial Promoter from 2010 to 2019.

Barry Olson, a director of the Corporation, was Senior Vice President, Projects for Goldcorp for 7 years where he oversaw major projects in Mexico (including Peñasquito), Chile, and Argentina; with Amax Gold and Coeur he managed operations in Chile for 4 years, including 1year in Argentina. As a consultant he oversaw engineering for Torex's Media Luna project in Guerrero, Mexico.

Daniel Vickerman, a director of the Corporation, was previously the Chairman of Levon Resources Ltd. prior to its acquisition by the Corporation in 2019. Levon owned the rights to the Cordero Project in Chihuahua, Mexico since 2011 (and continues to hold those rights as a subsidiary of the Corporation), including during the tenure of Mr. Vickerman's leadership at Levon.

Murray John and Jeff Parr have almost 10 years' experience each with multiple mineral resource properties in Mexico.

Many members of the Corporation's senior management team are either fluent in both written and spoken Spanish or has a working understanding of the language. In addition, the Corporation's senior management in Mexico all speak fluent English or have working understanding of English. Language is not considered a barrier to operations.

Permits and Approvals

The Corporation has experienced senior management in Mexico who have dealt with permitting, licensing, and other regulatory approvals on a consistent basis and are in continuous contact with government authorities to ensure all are in place in order to operate under the Mexican NORMA-120 laws. There are currently no restrictions or conditions imposed by the government on the Corporation, nor does the Corporation anticipate and restrictions or conditions to be imposed.

Board Oversight and Control

The Corporation has implemented a system of corporate governance, internal controls over financial matters, and disclosure controls and procedures that apply to the Corporation and its subsidiaries, which are overseen by the Board and implemented by senior management.

While the exploration operations of each of the Corporation's Mexican subsidiaries are managed locally, the Board is responsible for the overall stewardship of the Corporation and, as such, supervises the management of the business and affairs of the Corporation and each of its subsidiaries. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures, and other transactions and matters that are material to the Corporation including those of its subsidiaries.

The Board, through its subcommittees, have effective oversight of the Corporation's assets, including the Corporation's bank accounts (bank account reviews are completed annually through audit confirmations). The Corporation has put in place senior management in Mexico, and members of the Corporation's executive management are directors of the subsidiaries. Budget-to-actual reports and status updates are provided to the Board on a monthly basis.

Executive management of the Corporation meets with the Board at least on a quarterly basis and generally more frequently on an informal basis to discuss any relevant or key topics in Mexico as they relate to operations, and with respect to potential merger and acquisition transactions and corporate opportunities. Key topics include social and environmental licenses, and government influence at the federal, state, and municipal levels. The Corporation holds minimal cash in Mexican bank accounts (banking with the Bank of Nova Scotia in Mexico) and funds the Mexican operations from Canada on a monthly basis.

RISK FACTORS

There are widespread risks associated with any form of business and specific risks associated with Discovery's business and its involvement in the mining industry, in particular the exploration, development and operation of precious and base metals projects. Various risk factors are outside of the Corporation's control and may have a material and adverse impact on the future operating and financial performance of the Corporation. These risks if materialized could cause the Corporation's operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Corporation.

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully reviewed by prospective investors. These risks may not be the only risks faced by Discovery. Risks and uncertainties not presently known by Discovery or which are presently considered immaterial may also adversely affect Discovery's business, properties, results of operations and/or condition (financial or otherwise). **If any of the following risks actually occur, the Corporation's business, financial condition, results, and prospects could be adversely affected.**

All references to "**Discovery**" or the "**Corporation**" in this section include Discovery and its subsidiaries, except where the context otherwise requires. Before making an investment decision, prospective investors should carefully consider

the risks and uncertainties herein, as well as the other information contained in the Corporation's public filings. **Shareholders of the Corporation may lose their entire investment.**

Mexico is still considered to be an emerging market. Many of the Risk Factors identified in this AIF reflect risks and characteristics unique to operating in an emerging market.

Exploration, Development, and Operating Risks

The Corporation's exploration for and development of mineral deposits involves significant risks. There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of minerals with regard to its mineral property interests, or otherwise, will result in discoveries of commercial quantities of gold, silver or other minerals. In addition, the Corporation may expend substantial funds in exploring some of its properties only to abandon them and lose its entire expenditure on the properties if no commercial or economic quantities of minerals are found. Even if commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production.

Finding mineral deposits is dependent on a number of factors, including the technical skill of exploration personnel involved. Furthermore, the exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to locate and establish mineral reserves through drilling, for development of metallurgical processes to extract the metal from the ore, and in the case of new properties, for construction of the mining and processing facilities and infrastructure at any site chosen for mining.

It is difficult to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a silver, gold or other precious or base metal mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. Other factors include: the ability to hire and retain qualified people, the ability to obtain suitable machinery, equipment or labour, and the ability to obtain necessary services in jurisdictions in which the Corporation operates. Unfavourable changes to these and other factors have the potential to negatively affect the Corporation's operations and business.

In the exploration and development phases of a project, no absolute assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, if production is commenced, mineral reserves are finite and there can be no assurance that the Corporation will be able to locate additional reserves as its existing reserves are depleted.

In general, mining operations involve a high degree of risk. The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, silver, and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, and possible legal liability. In addition, statements regarding the results of the pre-feasibility study and the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the projects, anticipated mining and processing methods, proposed pre-feasibility study production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, availability of labour, tax rates and commodity prices that would support development of the projects have inherent risk.

Risks Associated with Mineral Reserve and Mineral Resource Estimates

The figures for mineral resources and mineral reserves included in this AIF are estimates only and there can be no assurance on the anticipated tonnages and grades achieved, that the indicated levels of recovery will be realized, or that the mineral resources and mineral reserves will be processed profitably. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Corporation's control, such as the quantity and quality of available data derived from limited information acquired through drilling and other sampling methods, the assumptions made, and judgments used in engineering and geological interpretation, including structure, grade distributions and trends. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretations available at the time. Additionally, there can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render the Corporation's mineral reserves uneconomic to exploit.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources as a result of continued exploration.

Mineral resource and mineral reserve data is not indicative of future results of operations. The Corporation's ability to recover estimated mineral resources and mineral reserves can be affected by various factors, such as the timing of environmental permitting regulations and requirements, weather events, unforeseen technical difficulties, unusual or unexpected geological structures and work interruptions. As the Corporation gains more knowledge and understanding of project mineralization through on-going exploration and mining activity, the mineral resource and mineral reserve estimates may change significantly. If the Corporation's actual mineral reserves and mineral resources are less than current estimates or if the Corporation fails to develop its mineral resource base through the realization of identified mineralized potential, its future cash flow, profitability and or financial condition may be materially and adversely affected.

Risk Related to the Cyclical Nature of the Mining Business and Commodity Prices

The mining business and the marketability of the products that are produced are affected by worldwide economic cycles and the Corporation's long-term profitability depends in large part on the market price of gold and silver. At the present time, the demand for gold, silver and other commodities in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common, and there are various factors outside of the Corporations control that cause metal prices to fluctuate widely, including the sale or purchase of commodities by various central banks and financial institutions; interest rates and interest rate expectations; exchange rates; inflation or deflation; fluctuation in the value of the United States dollar, the Canadian dollar, the Mexican peso, and other foreign currencies; global and regional supply and demand; the political and economic conditions of major mineral-producing countries throughout the world; the availability and cost of metal substitutes; inventory levels; and carrying charges. There can be no assurance that metal prices will remain at current levels or that such prices will improve.

A decline in metal prices may require the Corporation to write-down mineral resource and mineral reserve estimates, which could result in material write-downs of investments in mining properties. In addition to adversely affecting mineral reserve and mineral resource estimates and the Corporation's results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the Corporation's results of operations, cash flows and financial position.

Future price declines in the market value of gold, silver or other minerals could cause continued development of and commercial production from the Corporation's properties to be impracticable. Economic viability of future production from the Corporation's mining properties, if any, is dependent upon the prices of gold, silver and other minerals being adequate to make the properties economic.

A decrease in the market price of gold or silver could also adversely affect the price of the Common Shares and the Corporation's ability to finance the exploration and development of its projects, which would have a material adverse effect on the Corporation's future results of operations, cash flows and financial condition.

Permitting and License Risks

In the ordinary course of business, Discovery will be required to obtain and renew governmental licenses or permits for the operation and expansion at each of its property interests; or for the development, construction, and other mining activities at any of the Corporation's properties. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving numerous jurisdictions with public hearings and costly permitting and other legal undertakings.

In Mexico and Canada, as with many jurisdictions, there are various federal, provincial, state, and local laws governing land, power, and water use, the protection of the environment, development, occupational health and safety, waste disposal, and appropriate handling of toxic substances. Exploration, development and production activities are also subject to substantial regulation under these laws by governmental agencies and require the Corporation to obtain permits from various governmental agencies. Further, the timing of receipt of such permits may be impacted by governmental changes, including but not limited to, municipal, state, provincial and federal elections which may cause further delays with respect to permitting timelines which are outside of the control of the Corporation.

Exploration generally requires one form of permit while development and production operations require additional permits. Each stage of a property's development can also require multiple permits, and changed mining activities at operating site(s) may require amendments to closure permits. There can be no assurance that all permits, including renewals and amendments thereof, which the Corporation may require for future exploration, possible future development, or continued operation, will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to the Corporation or its properties. Any unexpected refusals of required licenses or permits or delays or costs associated with the licensing or permitting process could increase the Corporation's costs and delay its activities, and could adversely affect the properties, business, or operations of the Corporation.

In addition, failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions.

In particular, in early 2024, the Mexican government implemented staffing reductions in various offices, potentially leading to delays in the evaluation and issuance of permits. These delays may be further influenced by the transition to President Claudia Sheinbaum's administration, which has introduced changes to mining regulations. The new government is evaluating existing concessions based on public perceptions and environmental impact, while encouraging individual prospectors and mining companies to return to the government any unused concessions. The Corporation currently possesses all necessary drill permits to complete its planned work in 2026; however, future applications could be adversely affected by these regulatory changes, resulting in potential permitting delays on the issuance of MIA and discussions with Mexican environmental authorities.

Environmental Risks and Tailings Risks

The mining activities of the Corporation are subject to extensive environmental regulations that mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste, as well as management of any spills, releases or emissions into the environment, such as seepage from tailings facilities. Environmental legislation and international standards are evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation and standards, if any, or that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not adversely affect the Corporation's business, condition, or operations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Corporation from proceeding with the development of a project and any non-compliance therewith may adversely affect the Corporation's business and prospects. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

In particular, there may be liabilities including environmental liabilities associated with the Porcupine Complex that the Corporation failed to discover or was unable to quantify in the due diligence which it conducted in connection with the Porcupine Acquisition and the Corporation may not be indemnified for some or all of these liabilities. The discovery of any material liabilities, or the inability to obtain full indemnification for such liabilities, could have a material adverse effect on the Corporation's business, financial condition or future prospects. While the Corporation estimated these potential liabilities for the purposes of making its decision to enter into the Porcupine Acquisition Agreement, there can be no assurance that any resulting liability including environmental liabilities will not exceed the Corporation's estimates which could have an adverse impact on the Corporation's business, financial condition and results of operations.

The mining industry is also facing greater public and regulatory scrutiny regarding its management of tailings storage facilities and dam failure risks. While tailings storage facilities are subject to rigorous regulatory and engineering standards, unexpected failings or breach of tailings storage facilities can potentially occur, causing release of contamination into the surrounding area and resulting in environmental damage, property damage, personal injury or loss of live. At the Porcupine Complex, the Corporation has robust controls in place with respect to tailings management, but there is no assurance that failures of the tailings management systems could not occur due to operational or external matters, such as extreme weather, seismic event, or other unforeseen incidents. Such failures can result in immediate suspension of mining operations by government authorities and cause significant expenses, and lead to significant costs and expenses as result of remediation orders, injunctions, penalties and fines or suspension/revocation of permits. Liabilities resulting from non-compliance, damage, regulatory orders or demands, or similar, could adversely and materially affect the Corporation's business, results of operations and financial condition, and the Corporation's losses or fines, penalties or other consequences of regulatory action might not be covered by insurance policies.

Risk related to Mineral Tenure

The acquisition and maintenance of title to and the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Corporation is satisfied it has taken reasonable measures to acquire unencumbered rights to explore its mineral property interests, no assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material or adverse to the Corporation. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained secure mineral tenure may be severely constrained. Some of the lands in which Discovery holds an interest, or the exploration equipment and roads or other means of access which Discovery intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. If such third parties assert any claims, Discovery's work programs may be delayed, even if such claims are without merit. Such delays may result in significant financial loss and loss of opportunity for Discovery.

In Canada, certain disputes may arise with mining claims such as disputes over title and over the precise area and location of such claims. There is no guarantee that title will not be challenged or impaired. Although title to the Porcupine Complex has been reviewed by the Corporation, no assurances can be given that there are no title defects affecting the property. There may be challenges to the title of the Porcupine Complex, which, if successful, could result in the loss or reduction of the Corporation's interest in the property. The Porcupine Complex may be subject to prior unregistered liens, agreements, transfers or claims including Indigenous land claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to conduct work on the property as permitted or to enforce its rights with respect to the property. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

In Mexico, the present status of the majority of the Corporation's unpatented mining claims at the Cordero Project located on public lands provides the Corporation with the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Corporation is also allowed to use the surface of the land solely for purposes related to exploration, mining, and processing the mineral-bearing ores.

The Corporation may need to enter into negotiations with landowners and other groups in the local and Indigenous communities in Chihuahua, Coahuila and Ontario in order to conduct future exploration and development work on the Cordero Project and the Porcupine Complex. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Mexico or Ontario or if such agreements will be on terms acceptable to the Corporation so that the Corporation can continue to conduct exploration and development work on these properties.

Risks Related to Water Sources

The Corporation's current and future mining operations require significant quantities of water for mining, ore processing and related supporting facilities. Access to water is dependent on the Corporation's ability to acquire and maintain water rights/permits and the continued functioning of community infrastructures to address any scarcity of water supply concerns. Shortage in water supply or the inability to obtain and maintain the necessary permits or water rights can result in development delays and/or production and processing interruptions.

For the development of the Cordero Project with the objective of commencing full-scale production, the mine and processing infrastructure will require a significant supply of water. The Corporation is currently exploring groundwater around the project site in addition to alternative or complementary sources of supply from the nearby city wastewater treatment plant ("**WWTP**"), which is approximately 32 km from the project. This may require entering into lease or consumption agreements with the city as well as the design and engineering of the WWTP for improvements and use on the project. Future operations may require mapping routes for ducts to supply water to the project, land tenure ownership boundaries, topography and accessibility. These activities may be very costly to the Corporation.

At the Porcupine Complex, the Corporation does not hold exclusive water rights. Water taking from groundwater and freshwater sources is regulated by the Ontario Ministry of Environment, Conservation and Parks (Ministry of the Environment) and requires a Permit to Take Water for any water taking over 50,000 litres per day. The Porcupine Complex has active Permits to Take Water where required for mining and associated activities. Permits to Take Water are required to be renewed on a frequency specified in the permits in order to support mining activities. The Hoyle Pond Mine uses fresh water from a surface water source drawn by the neighbouring Glencore Kidd Metallurgical facility.

Risks Related to Infrastructure

Mining, processing, development, and exploration activities depend on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the

maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition, and results of operations.

Further, the Corporation relies on certain key third-party suppliers and/or contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development and operation of its assets. There can be no guarantee that services, equipment or raw materials will be available to the Corporation on commercially reasonable terms or at all.

Community Relations and Reputational Risk

The Corporation's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Corporation, its operations or extractive industries generally, could have an adverse effect on the Corporation and may impact relationships with the communities in which the Corporation operates and other stakeholders. While the Corporation is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Corporation's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Corporation and its activities, whether true or not. While the Corporation strives to uphold and maintain a positive image and reputation, it does not ultimately have control over how it is perceived by others. Damage to the Corporation's reputation can result from the actual or perceived occurrence of various events, including allegations of fraud or improper conduct, environmental non-compliance or damage, failure to meet the Corporation's objectives or guidance, and measures implemented to handle negative interactions with community groups. Any of these events could lead to negative publicity for the Corporation, including on social media and web-based media platforms, regardless of the truth of the underlying event. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Corporation. In addition, due to the location of the Corporation's operations, an increase in activity as well as publicity through social media could result in the Corporation being exposed to criminal activity.

Certain non-governmental organizations ("**NGOs**") that oppose globalization and resource development are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or other parties generally related to extractive industries or specifically to the Corporation's operations, could have an adverse effect on the Corporation's reputation, impact the Corporation's relationship with the communities in which it operates and ultimately have a material adverse effect on the Corporation's business, financial condition and results of operations.

NGOs may organize protests, install road blockades, apply for injunctions for work stoppage, file lawsuits for damages and intervene and participate in lawsuits seeking to cancel the Corporation's rights, permits and licences. These actions can relate not only to current activities but also historic mining activities by prior owners and could have a material adverse effect on the Corporation's business and operations. NGO's may also file complaints with regulators in respect of the Corporation's, and its directors' and insiders', regulatory filings. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator in the Corporation or such directors or insiders and may adversely affect the Corporation's prospects of obtaining the regulatory approvals necessary for advancement of some or all of its exploration and development plans or operations and the Corporation's business, financial condition and results of operations.

Discovery places a high emphasis on safeguarding the Corporation's reputation, as once compromised, it can be difficult to restore. For these reasons, Discovery's framework for reputational risk management is integrated into all other areas of risk management and is a key component of the codes of business conduct and ethics of which the Corporation's personnel are expected to observe.

Risk Related to Relationships with Indigenous Peoples

The Corporation's ability to pursue exploration, development and mining on its properties may be impacted by Indigenous rights, Indigenous claims to rights, laws and processes for the protection of those rights and interests, and government conduct in respect of Indigenous peoples. The Cordero Project and the Porcupine Complex may in the future be the subject of Indigenous land claims, treaty rights claims, or claims by other local communities. The basis of Indigenous land or treaty claims is a matter of considerable legal complexity and the impact of the assertion of such a claim, or the possible effect of a settlement of such claim upon the Corporation cannot be predicted with any degree of certainty at this time. In addition, no assurance can be given that any recognition of any such claims whether by way of a negotiated settlement or by judicial pronouncement (or through the grant of an injunction prohibiting mineral exploration or mining activity pending resolution of any such claim) would not delay or even prevent the Corporation's exploration, development or mining activities

In particular, the legal requirements associated with Aboriginal and treaty rights in Canada, including Aboriginal title and land claims, are complex and constantly evolving. The decision of the Supreme Court of Canada in Tsilhqot'in Nation v. British Columbia (2014 SCC 44) found that an extensive area within North-Central British Columbia had been established as Aboriginal title. In 2025, the Supreme Court of British Columbia found that hundreds of acres in southern Richmond British Columbia had been established to be Aboriginal title lands, and that *Land Title Act*'s provision enshrining the indefeasibility of title did not apply to protect private interests from findings of Aboriginal title (the decision has been appealed). The federal government has also taken steps to incorporate the United Nations Declaration on the Rights of Indigenous Peoples within the positive law of Canada through the *United Nations Declaration on the Rights of Indigenous Peoples Act.* A ruling by the Federal Court, now under appeal, in *Kebaowek First Nation v. Canadian Nuclear Laboratories*, 2025 FC 319 concluded that the adoption of UNDRIP had altered existing legal principles, including by imposing a requirement to seek Indigenous consent in the context of nuclear waste storage within an Indigenous peoples' traditional territory.

While the Porcupine Complex has a number of agreements with Indigenous groups to share the benefits of the mine and facilitate consultation and mitigation of the potential impact of its mining operations Indigenous rights and interests, there can be no assurances that additional Indigenous groups may not make additional claims vis-à-vis the Corporation or the government in the future, potentially causing suspension or delays in permitting activities.

Developing and maintaining strong relationships with Indigenous peoples is a matter of paramount importance to the Corporation. However, there can be no assurance that any claims and related consultation issues, including outstanding land claims, will not arise on or impact the Corporation's mineral properties or the ability of the Corporation to operate within its properties. These legal requirements and the risk of Indigenous peoples' opposition may increase the operating costs and affect the Corporation's ability to carry on its business.

Risk Arising from Market Price Volatility

The Common Shares are listed on the TSX. Securities markets have had a high level of price and volume volatility, and the market price of securities of many resource companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price that have not necessarily been related to the financial condition, operating performance, underlying asset values or prospects of such companies. This volatility may adversely affect the market price of the Common Shares. There can be no assurance that continued fluctuations in price will not occur.

The trading price of the Common Shares may increase or decrease in response to a number of events and factors, not related to the Corporation's performance, and are, therefore, not within the Corporation's control. These factors include

macroeconomic developments in North America and globally, the price of gold, silver and other commodities, and market perceptions of the attractiveness of particular industries. The effect of these factors and others on the market price of the Common Shares in the future cannot be predicted.

In addition, securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Risks Related to Global Financial and Economic Conditions

In recent years, global financial markets have been characterized by extreme volatility impacting many industries, including the mining industry. Global financial conditions remain subject to sudden and rapid destabilizations in response to future economic shocks, as government authorities may have limited resources to respond to future crises. A sudden or prolonged slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Corporation's growth and profitability. Future economic shocks may be precipitated by a number of causes, including, but not limited to, material changes in the price of oil and other commodities, the volatility of metal prices, governmental policies, geopolitical instability, war, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Corporation's ability to obtain equity or debt financing in the future on terms favorable to the Corporation or at all. In such an event, the Corporation's operations and financial condition could be adversely impacted.

The prices of silver, gold and other metals are affected by numerous factors beyond the Corporation's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, and the political and economic conditions of major silver and gold producing countries throughout the world. The future gold and silver prices are expected to continue to be impacted by the uncertainty surrounding expectations of the US Federal Reserve Bank's tapering of quantitative easing which has injected unprecedented levels of liquidity into capital markets over the last year and a half. Additionally, the geopolitical fears fueled by global conflict, including in Ukraine, the Middle East and Venezuela, could have unpredictable effects on the market for silver, gold and base metals.

Throughout 2025 and into early 2026, inflation remained elevated in Canada and the United States. Factors such as supply chain disruptions, labor shortages, increased consumer demand and rising energy prices have contributed to higher prices. Central banks in both countries have adjusted monetary policy to address inflationary pressures, including potential interest rate hikes. In Mexico, inflation has also been elevated during this period, driven by similar factors such as supply chain disruptions, rising energy prices, and currency depreciation. The Bank of Mexico has implemented monetary policy measures to manage inflation and stabilize prices. As inflation rates increase, the prices of commodities and precious metals may also rise as investors seek to protect their wealth. In addition, any future pandemic or escalation in or emergence of new international conflicts could have an adverse impact on global economic conditions, which may adversely impact the market price of the Common Shares, the Corporation's operations, its ability to raise debt or equity financing, and the operations of the Corporation's suppliers, contractors, and service providers.

Risks Related to Government Regulation

In addition to risks outlined in "*Permitting and License Risks*" above, the mineral exploration activities (as well as the potential for eventual mining, processing, and development activities) of the Corporation are subject to extensive laws and regulations in Canada and Mexico governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species, and other matters. In addition, recent developments in international trade policies, particularly the implementation of new tariffs by the United States on imports from Canada and Mexico, are subject to economic and regulatory implications that could potentially impact the Corporation's operations and costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The costs associated with such instances and liabilities could be significant. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or require abandonment or delays in the development and exploration of its mining properties. The Corporation may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulators in Mexico have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Corporation's mineral exploration activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry, including permitting, water rights, usage rights, or other material considerations which affect the Cordero Project, including shifts in political conditions that increase royalties payable or the costs related to the Corporation's activities or maintaining its properties. Current and future operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation, and mine safety. There is furthermore the potential impact from a lack of application of regulations, leading to delays in permitting. The effect of these factors cannot be accurately predicted. Although the Corporation's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Corporation and could have a substantial adverse impact on the Corporation.

Foreign Operations Risk

The Cordero Project is located in Mexico and consequently may be affected in varying degrees by political stability and government regulations relating to foreign investment, taxation, social unrest, corporate activity, pandemics, and other extractive related activities. Discovery may also acquire or invest in additional properties located in less stable jurisdictions in the future and, as such, its operations are and may increasingly be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; organized crime; violent crime; repression; fluctuations in currency exchange rates; government imposed currency controls; high rates of inflation; labour and civil unrest; the risks of war or civil war, whether within the geographic borders or in neighbouring countries; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; governmental regulations that favour or require the Corporation to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction; and changing political conditions, norms and governmental regulations, including those having to do with environmental requirements.

Political instability may cause changes to existing governmental regulations affecting mineral exploration and mining activities and/or may have a material adverse effect on the Corporation's properties, business, and results of operations. Such changes, if any, in jurisdictions in which Discovery holds properties or assets may adversely affect its operations or potential profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on operations, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

In addition, in the event of a dispute arising from foreign operations, Discovery may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Discovery may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Discovery to accurately predict such developments or changes in laws or policy or the extent to which any such developments or changes may have a material adverse effect on Discovery's properties, business, operations, or financial condition. The Corporation does not currently carry political risk insurance covering its investments. From time to time, management assesses the costs and benefits of obtaining and maintaining such insurance. There can be no assurance that, if obtained, political risk insurance would be available to Discovery, or that particular losses suffered with respect to the Corporation's foreign investments will be covered by any insurance that Discovery may obtain in the future. Any such losses could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Risks arising from Operations in Mexico

The Corporation's Mexican property interests and operations are subject to the political risks and uncertainties associated with investment in any emerging market. The Corporation's property interests located in Mexico are subject to Mexican federal and state laws and regulations and any variation from the current regulatory, economic, and political climate could have an adverse effect on the affairs of the Corporation. In addition, the enforcement by the Corporation of its legal rights to exploit its properties may not be recognized by the government of Mexico or by its court system. The Corporation cannot provide any assurances that changes in Mexican federal and state policies, by the current government or any future governments, will not adversely affect the Corporation's business, financial condition, and results of operations. Investors and credit rating agencies may be cautious about the Mexican government's current policies or future policy changes, which could contribute to a decrease in the Mexican economy's resilience in the event of a global economic downturn.

The security situation across Mexico remains challenging as the country continues to experience high levels of violence and crime due to the activities of organized criminal groups and cartels, particularly in the northern states that border the United States. In response, the Mexican government has implemented various measures to increase security and has strengthened its police and military forces. In particular, the Sheinbaum administration has indicated a militarized approach to combat organized crime, including increased deployment of the National Guard and collaboration with local law enforcement to enhance security measures. However, the effectiveness of these efforts, and efforts to address the root causes of crime such as poverty and lack of education, are still in the early stages and remain uncertain and organized crime (especially drug-related crime) continues to exist and operate in Mexico. The lack of security and safety in Mexico is likely to worsen if and as the economy continues to deteriorate.

The Corporation is aware that it is exposed to various levels of safety and security risks, which could result in injury or death, damage to property, work stoppages, doré, copper concentrate or other metal-bearing material theft, or blockades of the Corporation's mining operations and projects. Specific risks associated with conducting business in the region include, but are not limited to, extortion; kidnappings of employees, contractors and visitors; exposure of employees and contractors to local crime related violence and drug trade activity; and damage or theft of Corporation assets. Additionally, the Corporation's response to criminal activities can give rise to further risks if not carried out consistently with international standards relating to the use of force and respect for human rights.

Such events, or the perception that such events are likely, could have a material adverse effect on the Corporation's results of operations and financial condition and could impede the Corporation's ability to hire and retain qualified personnel and/or engage and retain quality contractor services. Although the Corporation has implemented measures and developed procedures to address these risks, the unpredictable nature of criminal activities means there is no assurance that the Corporation's efforts will effectively safeguard personnel and Corporation property.

Furthermore, the COVID-19 pandemic restricted mobility to certain markets, including in Mexico and therefore any future pandemics could result in the same or additional restrictions. These risks may limit or disrupt the Corporation's

operations, restrict the movement of funds and people or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

Health and Safety Risks

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Corporation assets. The impact of such accidents could cause an interruption to operations, lead to a loss of licences, affect the reputation of the Corporation and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Corporation as an employer. The Corporation strives to manage all such risks in compliance with local and international standards and has or will implement various health and safety measures designed to mitigate such risks. Any such occupational health and personal safety issues may adversely affect the business of the Corporation and its future operations.

While the Corporation regularly deploys and reviews the adequacy of its health and safety policies and procedures and their implementation at sites, there can be no assurance that its efforts to mitigate these health and safety risks will be effective. A fatality, serious injury or violation of local health and safety laws and regulations may lead to, among other things, temporary cessation of activities on its properties, or the imposition compliance orders or procedures that adversely impact Corporation's operational results, financial costs and reputation.

Additionally, the Corporation faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Corporation's business could be adversely impacted by the effects of a virus outbreak or other epidemics. The spread of a virus globally could materially and adversely impact the Corporation's operating activities including but not limited to: employee health, workforce availability and productivity, increased insurance premiums, limitations on travel, and supply chain disruption. A significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Corporation's future prospects.

Risks Related to Costs of Reclamation

The Corporation's operations are subject to closure and reclamation plans that establish the obligations to reclaim properties after minerals have been extracted from the location. These obligations represent significant future costs that can become updated from time to time due to changed regulatory requirements, and other adjustments to scope, timing and estimated costs for execution of such reclamation activities. It is difficult to determine the exact amounts which will be required to complete all reclamation activities in connection with the Corporation's properties. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine, and governmental authorities may from time to time require updates to be made to the amount of a reclamation bond. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities, and actual costs of the reclamation activities may become significantly higher than current estimates. Such costs may have a material adverse impact upon the business, financial condition, and results of operations of the Corporation.

Climate Change Risks

The Corporation operates in jurisdictions where regulatory requirements have taken effect to monitor, report and/or reduce greenhouse gas emissions, as well as evaluating operational impacts of climate change. While the costs to comply with future regulatory requirements are difficult to predict, such costs are not expected to have a material adverse effect on the Corporation's operations. Future regulatory amendments may have unexpected effects on the Corporation and may result in material adverse effects on the Corporation's financial performance and operations. In addition, global efforts to transition to a lower-carbon economy may entail extensive policy, legal, technology and market changes to

address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, focus and jurisdiction of these changes, transition risks may pose varying levels of financial and reputational risk to the Corporation.

The potential physical impacts of climate-related events on the Corporation's operations are highly uncertain and may be particular to the unique geographic circumstances associated with each of its operations. These may include extreme weather events, changes in rainfall patterns, water shortages, intensified floods and/or spring melts, energy disruptions and changing temperatures. These climate-related events can be difficult to predict and can have a direct or indirect impact on the Corporation's operations, resulting in damages to facilities, overflowing pits or containment facilities, disruptions in accessing its mine sites, disruption in workforce transportation, and/or supply chain implications in getting supplies to the Corporation's operations, including transportation issues for essential consumables and materials. While the Corporation routinely monitors and makes plans for business continuity, there can be no assurance that the efforts to mitigate the risk of climate change will be effective, and the physical risks of climate change will not adversely impact Corporation's operational results, financial costs or reputation.

Cybersecurity Risks

The Corporation's information systems, and those of its third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. As the Corporation continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. Cybersecurity risks may take the form of malware, computer viruses, security breaches, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the Corporation and may result in damage or loss of information, the unintended disclosure of confidential information, the loss of control over computer control systems. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets, and consequences. The Corporation's exposure to cyber security risks also includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Corporation's operations depend, in part, on how well the Corporation and those entities with which it does business, protect networks, equipment, information technology systems and software against damage from these threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

Although to date, the Corporation has not experienced any material losses relating to cyber attacks or information security breaches, there can be no assurance that it will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. The Corporation has implemented security procedures and measures in order to protect its systems and information that it believes are appropriate. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Financing Risk and Potential Dilution

The Corporation's mineral exploration, development and other acquisition activities may require additional financing, which historically the Corporation has obtained through equity or debt financing. Although the Corporation has been successful in obtaining financing in the past, there can be no assurance that additional funding, if required, will be available to fulfill the Corporation's future development or acquisition need, or the same can be obtained on terms and conditions favorable to the Corporation. Failure to obtain financing on terms and conditions acceptable to the management may result in indefinite delays or postponement of anticipated capital projects or acquisitions, and would have a material adverse effect on the Corporation's operational and financial condition.

In addition, any future financing may be dilutive to existing shareholders of the Corporation. The Corporation may issue additional Common Shares in future offerings (including through the sale of securities convertible into or exchangeable for Common Shares), and on the exercise or conversion of RSUs, PSUs, DSUs, Warrants, and Options. The Corporation may also issue Common Shares or dilutive securities to finance future acquisitions and other projects. Discovery cannot predict the size of future issuances of Common Shares or dilutive securities, or the effect that future issuances and sales of Common Shares or dilutive securities will have on the market price of the Common Shares.

Issuances of a substantial number of additional Common Shares or dilutive securities, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and Discovery may experience dilution in the Corporation's earnings per Common Share.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or infrastructure, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in operations, monetary losses, and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation does not carry political risk insurance. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation may also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Risks Related to Competitive Conditions

The mining industry is intensely competitive in all phases of exploration, development, and production. The Corporation competes with a number of other entities in the search for and the acquisition of potentially productive mineral properties, some of which possess greater financial, technical and other resources. There is no assurance that the Corporation will continue to compete successfully with its competitors in acquiring mineral properties, financing, key and skilled employees and contractors.

Risks Related to Acquisitions and Integration

As part of the Corporation's business strategy, the Corporation examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial, and geological risks. The Corporation's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation.

Acquisitions of mineral properties are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as operational performance, status of and impact of policy, legislation and regulations and effective tax rates. Many of these factors are subject to change and are beyond Discovery's control. All such

assessments involve a measure of engineering, environmental and regulatory uncertainty that could result in lower revenue or higher operating or capital expenditures than anticipated. The Corporation will need to rely on information provided by any acquisition target, and the Corporation cannot assure the accuracy or completeness of such information, nor can the Corporation compel an acquisition target to disclose events which may have occurred or may affect the completeness or accuracy of such information, but which are unknown to the Corporation.

Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Corporation has committed to complete the transaction and established the purchase price or exchange ratio; a mineral interest may prove to be below expectations; the Corporation may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated benefits or synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Corporation's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In particular, there may be liabilities including environmental liabilities associated with an acquisition that the Corporation failed to discover or was unable to quantify in the course of its due diligence and the Corporation may not be indemnified for some or all of these liabilities.

The Corporation may incur significant costs associated with acquisitions and subsequent integration, the majority of which may be non-recurring expenses and consist of transaction costs. Additional unanticipated costs may be incurred in the integration of any acquisition target into Discovery's existing business and such costs, if incurred, may have a negative effect on the Corporation's business, operations and financial performance and cash flows.

If the Corporation chooses to raise debt capital to finance any such acquisitions, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Risks Related to Reliance on Goldcorp Canada Following Completion of the Porcupine Acquisition

In connection with the Porcupine Acquisition Closing, Discovery and Goldcorp Canada entered into the Transition Services Agreement pursuant to which Goldcorp Canada has agreed to provide, or cause its affiliates to provide, certain services to Discovery that are required for the operation of the Porcupine Complex. As a result, Discovery is reliant on Goldcorp Canada's personnel, good faith, contractual compliance, expertise and judgment in providing the services under the Transition Services Agreement, where the Corporation's ability to manage operational risks may be limited. Accordingly, Discovery may be exposed to adverse developments in the business and affairs of Goldcorp Canada, its management and to its financial strength.

There can be no assurance that the services provided by Goldcorp Canada pursuant to the Transition Services Agreement will continue to be adequate for the Corporation to operate the Porcupine Complex and facilitate the efficient and effective transition of business operations as currently contemplated, or at all. If Goldcorp Canada does not continue to perform the services under the Transition Services Agreement, the operations and financial performance of the Porcupine Complex may be negatively affected, which could have a material adverse effect on the business, financial condition and future performance of the Corporation. If, after the expiration of the Transition Services Agreement, the Corporation is unable to perform these services or replace them in a timely manner or on terms and conditions as favorable as those under the Transition Services Agreement, the Corporation may experience operational problems and an increase in its costs.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Corporation's ability to raise capital through future sales of Common Shares.

Risk of Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation may become involved in legal disputes in the future. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. As of the date hereof, no material claims have been brought against the Corporation, nor has the Corporation received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, should a material claim be brought against the Corporation, there can be no assurance that the resolution of any particular legal proceeding will not a material adverse effect on the Corporation's financial position and results of operations.

Risk of Shareholder Activism

In recent years, publicly-traded companies have been increasingly subject to demands from activist shareholders and proxy solicitation firms advocating for changes to corporate governance practices, such as executive compensation practices, environmental, social, and governance issues, board composition, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders and proxy solicitation firms will not publicly advocate for the Corporation to make certain environmental, social, or governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities and similar activities from proxy solicitation firms, could be costly and time consuming and could have an adverse effect on the Corporation's reputation and divert the attention and resources of the Corporation's management and Board, which could have an adverse effect on the Corporation's business and results of operations. Even if the Corporation does undertake such environmental, social, or governance changes or corporate actions, activist shareholders and proxy solicitation firms may continue to promote or attempt to effect further changes. Activist shareholders may attempt to acquire control of the Corporation to implement such changes. If shareholder activists with differing objectives are elected to the Board, this could adversely affect the Corporation's business and future operations. Additionally, shareholder activism could create uncertainty about the Corporation's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Corporation's business, future operations, profitability, and the Corporation's ability to attract and retain qualified personnel.

Risks Related to Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA and other applicable laws. Nevertheless, there is a risk that conflicts of interest may not always be fully or timely identified which can potentially result in adverse impact to the Corporation.

Risks Arising from Dependence on Key Executives and Skilled Workforce

The Corporation is dependent on the services and technical expertise of several key executives, including the directors of the Corporation, its senior management leadership team, and a small number of highly skilled and experienced employees and personnel. The Corporation's business requires a wide range of specialized skills and knowledge including the following areas: geology, mine planning, permitting, engineering, metallurgy, construction, project

management, mining and milling operations, logistics and procurement. The Corporation faces intense competition for qualified personnel, and there can be no assurance that the Corporation will continue to be able to compete successfully with its peers in attracting and retaining executives, senior leaders, qualified management and technical talent with the necessary skills and experience to execute its stated business strategies. In the event of a loss of one or more key individuals, there may be challenges involved in replacing these individuals in a timely manner, and the length of time required to fill a key position may be longer than anticipated. The Corporation does not currently maintain key-man life insurance on any of its key employees.

Risks Related to Disclosure and Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported in accordance with IFRS. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Corporation in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Corporation has put into place a system of internal controls appropriate for its size, and reflective of its level of operations in order to provide reasonable assurance that: (i) material information relating to the Corporation has been made known to them; and (ii) information required to be disclosed in the Corporation's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Corporation's failure to satisfy the requirements of applicable Canadian securities laws on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm its business and negatively impact the trading price of the Common Shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's operating results or cause it to fail to meet its reporting obligations.

Risks Related to International Conflicts

International conflicts and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Ongoing global conflict, including in Ukraine, the Middle East and Venezuela, can and has led to sanctions being levied against certain countries by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain, oil prices and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Corporation's business, financial condition and results of operations. The extent and duration of these conflicts and related international action cannot be accurately predicted and the effects of such conflict may magnify the impact of the other risks identified in this AIF, including those relating to commodity price volatility and global financial conditions. Because of the highly uncertain and dynamic nature of these events, it is not currently possible to accurately estimate the impact of such conflicts on the Corporation's business.

Risks Related to Tariffs and Import/Export Regulations

The introduction of protectionist or retaliatory international trade tariffs, domestic "buy local" policies, sanctions or other barriers to international commerce, including by the United States and Canada, may impact the Corporation's ability to import materials needed to construct projects or conduct operations at prices that are economically feasible to be competitive, or at all. In addition, the implementation by the US government of new legislative or regulatory policies could impose additional costs on the Corporation, decrease US demand for the Corporation's products, or otherwise negatively impact the Corporation. Any change to tariffs and/or international trade regulations, and related impact to global economic conditions, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may, as a result, have a material adverse effect on our business, financial conditions including cash flows, and results of operations.

Risks Related to Tax Matters

The Corporation's taxes are affected by several factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, the United States or Mexico, could result in an increase in taxes, or other governmental charges, duties or impositions, an unreasonable delay in the refund of certain taxes owing to the Corporation or the application of unfavourable currency controls or on the repatriation of profits. No assurance can be given that new tax or foreign exchange laws, rules or regulations will not be enacted or that existing such laws, rules or regulations will not be changed, interpreted or applied in a manner that could have a material adverse effect on the Corporation. In addition, if the Corporation's filing position, application of tax incentives or similar "holidays" or benefits were to be challenged for any reason, this could have a material adverse effect on the Corporation's business, results of operations and financial condition.

The Corporation is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Corporation's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Corporation's business. There is no assurance that the Corporation's current financial condition will not be materially adversely affected in the future due to such changes.

Risks Related to Foreign Mining Tax Regimes

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and are subject to constant change. The Corporation's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Corporation's operations may be assessed, which could result in significant additional taxes, penalties and interest. In addition, proposed changes to mining tax regimes in foreign jurisdictions could result in significant additional taxes payable by the Corporation, which would have a negative impact on the financial results of the Corporation.

Risks Related to Compliance with Anti-Corruption Laws and ESTMA

The Corporation's operations are governed by, and involve interactions with various levels of government levels, requiring compliance with anti-corruption and anti-bribery laws, including the *Canadian Corruption of Foreign Public Officials Act*. These laws prohibit the Corporation, its employees and intermediaries from bribing or making other prohibited payments to foreign officials or others to obtain or retain business or gain some other business advantage. The Cordero Project is located in Mexico, which is perceived as having higher levels of corruption compared to Canada. The Corporation cannot predict future regulatory requirements or how existing laws might be administered or interpreted. Operating in additional foreign jurisdictions in the future may subject the Corporation to additional anti-corruption and anti-bribery laws.

There has been an increase in enforcement and penalties under such laws, leading to greater scrutiny and punishment of companies violating anti-corruption and anti-bribery laws. If the Corporation is subject to an enforcement action or is found to be in violation of such laws, the Corporation and its senior management may be subject to civil and/or criminal penalties, sanctions, legal expenses, and reputational damage, resulting in a material adverse effect on the Corporation's business, financial condition, and operations.

Increased disclosure regulations, such as the *Extractive Sector Transparency Measures Act* ("**ESTMA**"), require public disclosure of payments to foreign and domestic governments, including taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over $100,000. Failure to report, false reporting, or structuring payments to avoid reporting may result in fines of up to $250,000. Violation of ESTMA could lead to significant penalties, fines, and sanctions, materially affecting the Corporation's reputation. In addition to corruption through misuse of public, government, or regulatory powers, corruption can occur in the award of business, procurement functions (e.g., illicit rebates, kickbacks), and inventory and product sales functions (e.g.,

inventory shrinkage, skimming). Employees and external parties (e.g., suppliers, distributors, contractors) may commit procurement fraud, theft, embezzlement, and other wrongs against the Corporation.

Currency Rate Risks

The Corporation's functional currency is the Canadian dollar. At the date of this AIF, cash balances were held primarily in Canadian and US dollars. Foreign currency risk is the risk that the value of the Corporation's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian dollar could have a significant impact on the Corporation's financial position, results of operations, and cash flows. The Corporation does not currently use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Corporation's exploration expenses are paid in US dollars, and over the past two years the Corporation converted a portion of its Canadian cash balances into US dollars to reduce its currency risk exposure related to the Canadian dollars.

The Corporation is mainly exposed to foreign currency risk on financial instruments (consisting of trade payables) denominated in US dollars and Mexican pesos. As a result, fluctuations in currency exchange rates could significantly affect the Corporation's business, financial conditions and results of operations.

THE PORCUPINE COMPLEX

As of the date of this AIF, the current NI 43-101 technical report on the Porcupine Complex is the Porcupine Technical Report. The Porcupine Technical Report was filed with Canadian securities regulatory authorities under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

The Porcupine Technical Report is incorporated into this AIF by reference. The following is the executive summary extracted from the Porcupine Technical Report. The following summary includes certain table and section references to the Porcupine Technical Report as well as certain defined terms that are defined in the Porcupine Technical Report. The information contained in this summary has been derived from the Porcupine Technical Report, is subject to certain assumptions, qualifications, and procedures described in the Porcupine Technical Report, and is qualified in its entirety by the full text of the Porcupine Technical Report.

The authors of the Porcupine Technical Report have reviewed and approved the scientific and technical disclosure contained in this AIF related to the Porcupine Complex. See "*Interest of Experts*".

Executive Summary

Introduction

Mr. Eric Kallio, P.Geo., Mr. Pierre Rocque, P.Eng., and Dr. Ryan Barnett, P.Geo., collectively the Qualified Persons (QPs), prepared a technical report as set out in National Instrument (NI 43-101) and Form 43-101F1 Technical Report (the Report) on the Porcupine Complex (the Project) for Discovery Silver Corporation (Discovery Silver).

The Porcupine Complex includes operating mines at Borden, Hoyle Pond, and Pamour. The Hollinger open pit is suspended, and is considered to be mined out for the purposes of this Report. All mineralization from the operating mines is treated at the Dome process plant, including mineralization from Borden, which is trucked 190 km to the Dome plant.

This Report provides Mineral Resource estimates for the Borden, Dome, Hoyle Pond, and Pamour deposits. It also includes a preliminary economic assessment (the 2024 PEA) based on the Mineral Resource estimates for the Borden, Hoyle Pond and Pamour deposits.

Key Outcomes

- Mineral resource estimate: Measured and Indicated Mineral Resources totalling 69.7 Mt grading 1.76 g/t Au (approximately 3,932 koz); Inferred Mineral Resources totalling 254 Mt grading 1.53 g/t Au (approximately 12,500 koz; estimated for Borden, Dome, Hoyle Pond and Pamour;

- The 2024 PEA mine plan: based on a sub-set of the Mineral Resources estimates for Borden, Hoyle Pond, and Pamour, and assumes a 22-year mine life, with 10 years of production (2025–2035) from Hoyle Pond, eight years of production (2025–2033) from Borden, and 21 years of production (2025–2046) from open pit operations at Pamour; stockpiled material generated during mining of Pamour will be reclaimed for an additional year of milling at the Dome process plant (2047).

- Capital cost estimate: mining costs over the proposed life-of-mine (LOM) total US$868 M, comprising US$147 M for Borden, US$175 M for Hoyle Pond, and US$546 M for Pamour. Process capital costs total US$642 M and site general sustaining capital are US$61 M over the LOM. The exploration capital costs are US$93 M. Closure costs are estimated at US$722 M. The LOM capital costs, inclusive of closure and reclamation, total US$2,385 M;

- Operating cost estimate: mine operating cost estimates include an average of US$126/t processed at Borden, US$291/t processed for Hoyle Pond and US$18.90/t processed for Pamour. Process costs include an allocation of US$8.93/t processed across all operations (fixed costs) in addition to a variable process cost of US$7.33/t processed for Borden, US$7.33/t processed for Hoyle Pond, and US$6.79/t processed for Pamour. All operating costs related to infrastructure are allocated to either the process plant or each mining operation. Total general and administrative costs are estimated at US$770 M. The G&A unit cost averages approximately US$8.09/t processed. Overall, LOM mining costs total US$2,915 M, LOM process costs total US$1,507 M, and LOM general and administrative costs US$771 M, for a total LOM estimate of US$5,192 M;

- Economic analysis: reported on a 100% project ownership basis. Project acquisition costs are considered to be corporate Discovery Silver costs and are not included in the financial evaluation. A royalty anticipated as part of financing of acquisition is included in the Project economics. The Project valuation date basis was January 1, 2025. A discount rate of 5% was used. A reverting price curve was used for the gold price, based on Canadian Imperial Bank of Commerce (CIBC) consensus forecasts, resulting in a long-term gold price assumption for 2028 and beyond of US$2,150/oz Au. The economic analysis includes provision for the Canadian corporate income tax (Federal and Ontario Income Tax), which consists of a combined 25% income tax, and the Ontario Mining Tax, applied at 10% on production earnings before interest, taxes, and corporate overhead costs. Forecast tax payments over the 2024 PEA LOM are estimated at US$947 M. The after-tax Project NPV is US$1,239 M. The economic analysis does not entail initial capital investment prior to the start of production and of cashflow and so there is no internal rate of return or project payback period relevant to the economic analysis presented;

- The sensitivity of the Project NPV to changes in head grades, gold price, metallurgical recoveries, capital costs and operating cost assumptions was tested using a range of up to 23% above and below the base case values. The Project is most sensitive to changes in metal price, closely followed by head grade. Changes in metal prices approximately mirror changes in the gold grade and metallurgical recovery. The Project is less sensitive to variations in operating costs, and least sensitive to capital cost changes;

- The 2024 PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have 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.

Terms of Reference

The Report was prepared to support disclosures in Discovery Silver's press release dated January 27, 2025, titled "Discovery Announces Transformational Acquisition of Newmont's Porcupine Complex".

The term "Project" and "Porcupine Complex" is used in reference to the overall mineral tenure holdings and includes the areas with Mineral Resource estimates and the sub-set of those estimates in the 2024 PEA. The term "Timmins area" refers to the deposits, including Dome, Hoyle Pond and Pamour, and the surrounding mineral tenure in the area of the township of Timmins. The "Borden area" is used to refer to the Borden deposit and surrounding mineral tenure.

Mineral Resources are classified using the 2014 edition of the Canadian Institute of Mining and Metallurgy (CIM) Definition Standards for Mineral Resources and Mineral Reserves (the 2014 CIM Definition Standards).

Units used in the Report are metric units unless otherwise noted. Ounces are in Troy ounces. Monetary units are in United States (US) dollars (US$) unless otherwise stated. The Report used Canadian English.

Ownership

The Porcupine Complex tenure and operations are currently owned by Goldcorp Canada Ltd., (Goldcorp Canada), a wholly-owned subsidiary of Newmont Corp. (Newmont).

On January 27, 2025, Discovery and Goldcorp Canada entered into a definitive agreement whereby Discovery agreed to acquire the Porcupine Complex by paying US$200 million in cash and US$75 M in Discovery Silver shares at the transaction closing date. An additional US$150 M of deferred compensation is to be paid in four annual cash payments of US$37.5 M, commencing on December 31, 2027.

Prior to the transaction closing, Newmont has agreed to transfer the Porcupine Complex mineral tenures and operations into a new company to facilitate the sale of the Porcupine Complex. When the transaction closes, Discovery Silver will indirectly own 100% of the Project through its ownership of all of the shares in the new corporate entity.

Project Setting

The Dome, Pamour and Hoyle Pond Mines are located within the city limits of the City of Timmins. The mines are easily accessible year-round via Highway 101 and secondary access roads. There are existing dedicated haul roads between the former Hollinger mine and Dome mine, and between the Pamour and Hoyle Pond mines and the Dome mine. A full service airport is located north of Timmins. The Borden mine can be accessed from the township of Chapleau using Ontario Provincial Highway 101.

The local Timmins area climate varies from hot summers to cold winters. Mining operations are year-round.

The mine sites are within driving distance of major towns. Timmins is a regional centre for employing and training mining personnel.

The topography of the Timmins area has moderate relief, whereas relief in the Borden area is low to moderate. Vegetation in the Timmins and Borden areas consists of open boreal forest.

Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

The mineral tenure holdings are divided for the purposes of this Report between two areas, one referred to as the Timmins area, and the second as the Borden area.

In the Timmins area, there are a total of 382 mineral claims that are wholly owned by Goldcorp Canada, covering approximately 17,325 ha, consisting of boundary, multi-cell and single-cell claims. Claims have expiry dates that range from 2027–2030. There are an additional 416 tenures (8,965 ha) held under joint venture, including boundary, multi-cell and single-cell claims, mining leases, mining patents, and surface leases. Expiry dates range from 2025–2032. Four of the surface leases and the mining patents have no expiry dates. There are four exploration permits, held by Goldcorp

Canada and the Ontario Ministry of Energy, Northern Development and Mines (Ministry of Mines), which cover an area of approximately 934 ha and expire in 2026. There are 475 mining patents, covering approximately 10,639 ha, which are wholly-owned by Goldcorp Canada, which have no expiry date. There is a total of 573 surface patents, covering approximately 10,314 ha, which have no expiry date. Three of the surface patents are under joint venture with multiple different parties; the remainder are wholly-owned by Goldcorp Canada. Goldcorp Canada wholly owns 95 mining leases (approximately 3,995 ha), with expiry dates that range from 2025–2044. One mining patent is under joint venture, covering an area of 65 ha, and expires in 2041. Sixty surface leases, wholly-owned by Goldcorp Canada, cover approximately 1,852 ha, and have no expiry dates. There is a single aggregate permit, under joint venture, covering approximately 16 ha that has no expiry date. A land use permit, under joint venture, covers approximately 1 ha and expires in 2029. There are three mining licences of occupation, wholly-owned by Goldcorp Canada, with no expiry date, that cover approximately 722 ha. There are three surface licences of occupation. Two, covering approximately 2 ha, are wholly-owned by Goldcorp Canada. The second, under joint venture, covers approximately 4 ha. None of the surface licences of occupation have expiry dates.

In the Borden area, there are a total of 488 mineral claims (approximately 70,081 ha) wholly owned by Goldcorp Canada, consisting of boundary, multi-cell, and single-cell claims. Claims have expiry dates that range from 2029–2030. There are 491 mining patents covering a total area of approximately 39,140 ha, of which 489 (approximately 31,011 ha) are held by Goldcorp Canada as wholly-owned, and two (approximately 129.43 ha) that are held by third parties. In addition, there are 42 surface patents covering a total area of approximately 2,570 ha, of which 41 (approximately 2,508 ha) are held by Goldcorp Canada as wholly-owned, and one (approximately 62 ha) that is held by third parties. Mining and surface patents do not have expiry dates. There are 21 mining leases, wholly owned by Goldcorp Canada, totalling approximately 2,355 ha. There are an additional 13 surface leases, totalling approximately 1,480 ha, which are wholly owned by Goldcorp Canada. Mining and surface leases expire in 2040.

The Timmins and Borden areas have a number of surface agreements to provide surface rights. Surface rights holdings are sufficient to support the LOM plan.

There are 14 disposition agreements, 17 easement agreements, five memoranda of understanding, 11 lease agreements, six joint venture agreements, three option agreements, two highway permits, and 41 surface agreements for the Timmins area, all of which are with multiple parties. These agreements have various expiry dates that range from 2024–2062. Agreements with 2024 expiry dates, such as some of the surface access agreements, are in the renewal process. Some agreements have no expiry date. There are an additional 11 agreements specifically concluded with Glencore that cover aspects such as agreements on waste rock disposal facilities, mine closure and remediation plans, air dispersion modelling, operations and steering committees, access rights and easements, and water supply and discharge agreements. These have expiry dates that range from 2024–2031. Agreements with 2024 expiry dates are in the renewal process. Where agreements have expiry dates immediately prior, or immediately following, the Report effective date, Newmont experts advised the QP that renewal applications have, or will be, lodged. In some instances, the agreements automatically extend each year and no renewal is needed.

Two surface agreements are in place for the Borden area. One expires in 2035, the second in 2036.

Goldcorp Canada does not exclusively hold water rights for the Porcupine and Borden sites. Water taking from groundwater and freshwater sources is regulated by the Ontario Ministry of Environment, Conservation and Parks (Ministry of the Environment) and requires a Permit to Take Water for any water taking over 50,000 litres per day. The Porcupine and Borden sites have active Permits to Take Water where required for mining and associated activities. Permits to Take water are required to be renewed on a frequency specified in the permits in order to support mining activities. The Hoyle Pond Mine uses fresh water from a surface water source drawn by the neighbouring Glencore Kidd Metallurgical facility. Glencore has announced the closure of that facility in 2026, and as such, alternative freshwater sources are actively being considered.

Royalties consists of an over-arching royalty payable to Franco-Nevada Corporation (Franco-Nevada), and royalties with individuals that are attached to specific claims groups. In the latter instance, the royalties are classified as material or non-material, where a material royalty is on claims that have a current Mineral Resource estimate.

As part of Project acquisition financing, Discovery Silver intends to enter into a 4.25% net smelter return (NSR) royalty arrangement with Franco-Nevada Corporation (Franco-Nevada). Of this NSR, 2.25% is a royalty in perpetuity, and 2% can be re-purchased.

There are eight material royalties in the Timmins area. Royalties with net smelter return obligations range from 1–2.25%. Other royalties are levied on a production tonnage basis. There are 44 non-material royalties associated with the Timmins area. There is one material royalty for the Borden area which has a 1% net smelter return. There are three non-material royalties associated with the Borden area.

Geology and Mineralization

The Project is within the Kapuskasing structural zone of the Wawa sub-province, and Abitibi sub-province of the Archean Superior Craton.

Within the Abitibi sub-province are a number of laterally extensive, stacked, volcano–sedimentary successions and assemblages that may have conformable, unconformable, or disconformable contacts. These assemblages have been variably intruded by a series of granite, tonalite, granodiorite, porphyry, and syenite/albitite intrusions. All of the Abitibi sub-province rocks have been metamorphosed, reaching lower to middle greenschist facies in the Timmins area. Gold mineralization is considered to be generally late in the evolution of the Abitibi sub-province. Mineralization is hosted primarily within the Tisdale, Porcupine and Timiskaming assemblages. Unconformities or disconformities have been identified between each assemblage. Deposits are juxtaposed along the Porcupine–Destor and Larder Lake–Cadillac deformation zones. Mineralization in the Timmins area primarily consists of networks of steeply- to moderately-dipping fault-fill quartz-carbonate ± tourmaline ± pyrite veins and associated extensional, variably deformed, shallowly to moderately dipping arrays of sigmoidal veins hosted in highly carbonatized and sericitized rocks.

A series of structural belts young to the east within the Wawa domain, the youngest being the 5 x 35 km Borden Lake belt that hosts the Borden deposit. This belt comprises an east-west trending assemblage of metasedimentary units, including a polymictic meta-conglomerate, mafic and felsic metavolcanic rocks, and mafic gneisses. Metamorphism in the Kapuskasing structural zone ranges from upper-amphibolite to granulite facies. Metamorphism in the vicinity of the Borden deposit is of upper amphibolite grade. Mineralization in the Borden area occurs as a broad zone with quartz and white mica, biotite, and garnet with disseminated and fracture-controlled sulphides (pyrite and pyrrhotite), within a volcano-metasedimentary package of variable composition. Mineralization consists of low-to-moderate grade gold concentrations, with a higher-grade core that increases in grade toward the southeast.

The Timmins area remains prospective along the Destor–Porcupine fault zone where the Timiskaming Unconformity is in contact with Tisdale ultramafic volcanic lithologies, and around legacy mine sites. These include at depth and along strike of the Hollinger to McIntyre, Broulan, Coniaurum, Owl Creek Deep, and Paymaster zones. In the Borden area the zone west of the Borden ramp at Borden West and the B Roswell East and West zones show prospectivity.

The Borden deposit remains open along strike to the east and west. The Hoyle Pond deposit remains open at the XMS zone, the S-vein upward and down-plunge extensions, the NMV2 zone near the 1350 level of the mine, and the TVZ zone. The Pamour deposit remains open at depth and along strike of the old underground workings. There may be potential for extending mineralization to the north of the current resource model. Pamour West remains open at depth. There may be potential for additional mineralization between the Pamour open pit and Pamour West.

History

The Timmins area has a long history of exploration and production, commencing with the first gold discovery in 1909. Numerous companies were involved in exploration and mining activities from 1910–2002, including Dome Mines Limited, Standard Gold Mines Limited, West Dome Mines Limited, Hollinger Gold Mines Limited, Preston East Dome Mines Limited, Three Nations Mining Co. Ltd., La Palme Porcupine Mines Ltd., Consolidated West Dome Mines Ltd., Paymaster Consolidated Mines Ltd., Porcupine Paymaster Limited, Pamour Porcupine Mines Limited, Noranda Inc., Midcamp Mines Ltd., Preston Mines Limited, Texas Gulf Inc., Texas Gulf Sulphur Company, Kidd Creek Mines Ltd., Falconbridge Gold Corporation, Diepdaume Mines Limited, Kapuskasing Resources, Pamour Inc., Jimberlana Minerals, Giant

Resources Limited, Placer Dome Inc. (Placer Dome), Royal Oak Mines Ltd., Kinross Gold Corp (Kinross). In 2002, the Porcupine Joint Venture (PJV) between Kinross and Placer Dome was established. In 2006, the PJV and other properties held by Placer Dome were acquired by Goldcorp Inc. (Goldcorp) as part of a larger transaction when Barrick Gold Corp. (Barrick) took over Placer Dome. Goldcorp subsequently merged with Newmont Corp. (Newmont) in 2019. Work completed by the companies listed included geological mapping, geophysical surveys, core drilling, mining and technical studies, and open pit and underground mining operations.

Probe Mines Limited commenced work in the Borden area in 2010, and was acquired by Goldcorp in 2015. Work completed included geological mapping, geophysical surveys, core drilling, mining and technical studies, and underground mining operations.

Drilling and Sampling

Core drilling in the period 1905–30 September 2024 from surface and underground in the Project area totals 145,696 drill holes (15,298,198.50 m). As Discovery Silver does not yet own an interest in the Project, all drilling and sampling activities were completed by parties other than Discovery Silver.

Drilling at the Borden deposit comprises 2,553 core drill holes (679,176.04 m). The total drilling at the Dome deposit consists of 1,958,613.96 m of drilling in 32,299 core holes. The drilling at Hollinger consists of 41,504 core holes for 1,673,267.27 m of drilling. Drilling at the Hoyle Pond deposit comprises 24,399 core holes (2,983,592.08 m). The total drilling at the Pamour deposit consists of 1,728,394.87 m of drilling in 27,570 core holes.

Regional drilling in the Timmins area, outside known deposits, consists of 16,591 drill holes (1,511,526 m), with 304 drill holes (62,086 m) completed as part of regional exploration in the Borden area.

A range of drill types and methods have been used at the operations over time. Core sizes include AQ (27 mm core diameter), AQTK (30.5 mm), ATW (30.1 mm), E (21.5 mm), EXT (23 mm), HQ (63.5 mm), NQ (47.6 mm) and PQ (85 mm).

Grade and ore control samples are not used in estimation. They are used for short-term production planning purposes.

Prior to digital logging and databases paper drill logs were used. All relevant historical paper logs supporting current operations/resources have been digitized, and other legacy sites have had available paper logs scanned and are available for digitization into the main geological database. Historical digital logging in the Timmins area was primarily completed using various digital logging platforms both third party and internal databases such as acQuire, Geospark, Access, or Excel spreadsheets were used to capture relevant geological data directly as digital inputs.

Current core logging (2019 to present) adheres to the Newmont global standard for core logging. Qualitive and quantitative geological data are digitally recorded by the geologists using Newmont's internal logging program CORE management 2.0 software, which is a graphical logging program front-end that interfaces with Newmont's Global Exploration Database (GED) where captured data are saved in a series of tables organized by site and by site project, and data type (for example, Hoyle Pond, Borden, lithology, alteration). Geotechnical logging is completed, and can include information such as vein contacts, bedding angles, core recovery, presence of faults and fractures, rock quality designation (RQD), and strain intensity. All core is photographed wet and dry, organized, and named according to the drill hole ID and depth of the interval of core captured. Core photographs are saved to a central server. Core recovery in the Timmins and Borden areas is generally very good.

Collar and down-hole survey intervals, methods, and instrumentation varied over time, and were industry accepted at the time of use.

Historical documentation is not readily available. For many of the early Timmins area drill programs, prior to 1991, the whole core was sent for analysis. Currently, after core is logged, marked and tagged, geologists define the sample intervals on the core whilst logging and add one tag to the core box at the end of each sample interval. Sample intervals varied by deposit, and could range from 0.001–6.4 m, but typically had mean values of either 1.0 m or 1.5 m.

Specific gravity determinations are recorded in the Project database. Data were primarily collected using the Archimedes method, which involves weighing a sample in air, and dividing this value by the difference between the mass in air and the mass while immersed in water. The data are of sufficient quality to support Mineral Resource estimation.

A large number of laboratories, and consequently sample preparation and analytical procedures, were used over the Project history. To 1990, all Dome samples were prepared and assayed at the Dome laboratory, a non-independent, non-accredited run-of-mine laboratory. From 1990–1993 all underground samples were processed at the Dome Mine laboratory, but most surface samples were sent to a variety of different independent external laboratories including Swastika Laboratories in Swastika, Assayers Laboratory in Rouyn-Noranda, SGS Laboratories (SGS) in Rouyn-Noranda, Chimitec in Val d'Or and Quebec City, XRAL Laboratories in Toronto, or Bondar Clegg, in Ottawa. Samples from Blueberry Hill drilling in 1991 were sent to Accurassay laboratories in Kirkland Lake. Accreditations for these laboratories are not recorded in the Project database.

Sample preparation procedures prior to 2009 are not well documented. Since 2009, sample preparation, while not standardized, was quite similar at most operations. Historically sample preparation for pulp and metallic assays was undertaken by the Dome Mine laboratory, Swastika and Chimitec in Rouyn Noranda and Mississauga. Procedures for preparation varied slightly from laboratory to laboratory in terms of particle size and quantity of crushed product, splitting procedures, and the size of the pulp selected for assay. Crushing ranged from 75–85% passing <2 mm; pulverizing from 85–90% passing <75 µm.

Pre-1968, all samples at the Dome mine laboratory were analyzed using fire assay with a gravimetric finish. From 1968–1986 an aqua regia digestion/methyl isobutyl ketone extraction with an atomic absorption (AA) finish (AD/SE) was used. This method was subsequently found to underestimate gold concentrations and was discontinued. After 1986 the laboratory returned to fire assaying, but with AA finish on lower-grade samples and a gravimetric finish on higher-grade samples. Current assay methods for gold typically use fire assay with an AA finish, and overlimit samples are re-assayed using gravimetric methods. Multi-element analyses using aqua regia digestion with inductively coupled plasma–optical emission spectroscopy (ICP–OES) or ICP mass spectrometry (MS) are completed on request.

Many of the samples analyzed for Hoyle Pond during the period from 1969–1990 have been mined out and are no longer considered to be material to the Mineral Resource estimates. A portion of the historical assay data is still used for the Dome and Pamour estimates. There are no records of independent QA/QC procedures being used in gold assaying prior to 1991, although it is possible that some were inserted and used by individual laboratories but not well documented. The first formal QA/QC programs were initiated in 1992. An extensive checking program was in place from 1990–1992 which included comparison of duplicate samples from the various laboratories used in that period, as well as metallic screen assaying and total pulverization testing. A blind QA/QC program was implemented on all Porcupine Joint Venture advanced exploration programs beginning November 12, 2002. The program included insertion of blank, standard and duplicate samples. The initial Borden protocols, in use from 2010–2015, consisted of insertion of blanks and standards. After 2015, the same QA/QC regime as used for the Porcupine Joint Venture was instituted. A comprehensive and rigorous QA/QC program is currently in place for all Project exploration and delineation activities that includes insertion of blank, standard, and duplicate samples, at a 1:20 insertion rate.

Sample security has not historically been monitored. Sample collection from drill point to laboratory relied upon the fact that samples were either always attended to, or stored in the locked on-site preparation facility, or stored in a secure area prior to laboratory shipment. Security tags were used on sample shipments shipped with third-party contractors. Currently and since 2018, laboratory staff directly pick up the samples from the core shacks and transport them to the laboratory. Chain-of-custody procedures consisted of sample submittal forms to be sent to the laboratory with sample shipments to ensure that all samples were received by the laboratory.

Data Verification

Database administrative staff and Project geologists typically completed verification checks during the process of data upload to the databases as set out in standard operating procedures.

Data verification has been completed over the mine history in support of a number of studies, including annual Mineral Resource and Mineral Reserve estimate documentation, internal mining studies, internal studies on specific datasets, and technical reports prepared under NI 43-101. Aspects of these reports and studies were reviewed by the QPs, as applicable to their discipline areas, and provide support for conclusions reached by the QPs that the data can be used in support of Mineral Resource estimation.

The QPs individually reviewed the information in their areas of expertise, and concluded that the information supported Mineral Resource estimation, and could be used in PEA-level mine planning and economic analysis.

Metallurgical Testwork

Mining and milling operations at the Dome site date from 1910, with the current process plant built in the early 1980s. The original carbon-in-pulp (CIP) circuit was constructed in 1988 and in 1995, a new crushing circuit, additional leach tanks, a new CIP circuit, and a second grinding line were added. In 2004, the process plant was expanded by adding a Rod Mill to B Circuit to handle mineralization from the Pamour open pit. Following the 2004 expansion, the plant flowsheet has remained relatively constant.

During the 100+ year history of the Porcupine Complex, a significant number of metallurgical studies and accompanying laboratory-scale and/or pilot plant tests have been completed. The majority of the early testwork is no longer relevant due to the deposit areas that were tested being mined out.

Either internal metallurgical research facilities operated by the property owner at the time, or external consultants, undertook the testwork and associated research. The testwork facilities performed metallurgical testing using industry-accepted procedures and to industry-accepted standards at the time the testwork was completed. There is no international standard of accreditation provided for metallurgical testing laboratories or metallurgical testing techniques.

Metallurgical testwork and associated analytical procedures were appropriate to the mineralization type, appropriate to establish the optimal processing routes, and were performed using samples that are typical of the mineralization style.

Testwork completed since 2019 at Borden, Hoyle Pond and Pamour evaluated head chemical analysis, mineralogical analysis, comminution parameters (semi-autogenous grind (SAG) mill comminution tests (SMC), Bond ball mill work index (BWi), Bond rod mill work index (RWi), abrasion index (Ai), hardness index (HIT), breakage resistance (A*b), generation of grind establishment curves), Knelson gravity separation (at 850 µm), cyanidation leach testwork (at 120, 130 or 140 µm), and single-stage gravity-recoverable gold testwork in support of assessments of process amenability to the material tested and amenability of the material to blending. Results generally indicated that the mineralization tested was amenable to the parameters and equipment used in the Dome process plant.

Environmental characterization testwork was completed on Pamour mineralization to evaluated acid generating potential and metal leachability. No samples were found to have a high mobility of hazardous metals, and none would be designated as hazardous waste if disposed of in a landfill.

Samples selected for testing were representative of the various types and styles of mineralization to be tested. Samples were selected from a range of depths within the deposits. Sufficient samples were taken so that tests were performed on sufficient sample mass.

Recovery factors estimated for Borden, Hoyle Pond, and Pamour are based on appropriate metallurgical testwork, and are appropriate to the mineralization types and the selected process route. Recoveries vary by deposit, and are forecast to be 92.6% at Borden, 95.4% at Hoyle Pond, and 91.0% at Pamour. No testwork reports were available for Dome, and the recovery forecast of 94.3% at Dome is based on plant recovery data from 2003. As a result, the Dome Mineral Resource estimate should be restricted to Inferred until additional information is available.

There are no deleterious elements known that would affect process activities or metallurgical recoveries.

Mineral Resource Estimation

Mineral Resources are estimated for Borden and Hoyle Pond, assuming underground mining methods, and Dome and Pamour assuming open pit mining methods.

Borden

The estimate was completed using commercially-available software.

The geological framework includes 15 grouped geological units, seven fault blocks that define the mining zones, and a major quartz vein domain constraining the mineralization. The quartz vein domains and surrounding lithologies were treated as a hard boundary while the sub-domains within the quartz vein domain were treated as soft boundaries. A nominal compositing length of 1 m was used. An average specific gravity value by lithology type inside or outside the quartz vein domain was assigned to the block model. Capping was applied to composited values. Variograms were calculated for estimation domains.

All domains were estimated using ordinary kriging. All block estimates were completed into the 3 x 3 x 3 m model parent cell. The gold grade estimate was completed using two estimation passes. The first pass was estimated using ranges of 110–440 m depending on domain, with a minimum of 10 samples and a maximum of 24 samples per estimate as well as a limit of five samples per drill hole. In the second pass estimation, search ranges were from 220–880 m, depending on domain, with a minimum of six samples, maximum of 24 samples, and a limit of five samples per drill hole.

Model validation included visual inspection, swath plots, and global bias checks. No material biases or issues were noted as a result of the validation undertaken.

Measured, Indicated and Inferred confidence categories were assigned using drill spacing criteria:

- Measured: drill holes within 12 m;
- Indicated: drill holes within 25 m;
- Inferred: drill holes within 50 m.

A Deswik stope optimizer was run to determine potentially mineable shapes assuming mining will be via longhole stoping methods. Inputs to the shapes included a gold price of US$2,000/oz Au, mining costs of US$120.08/t processed, 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.

Dome

The estimate was completed using commercially-available software.

The geological framework consists of 19 lithologies that were used for the definition of estimation domains, to constrain grade simulations, and specific gravity coding. Primarily hard contacts were used between lithological domains with a few exceptions. Assays were composited to 3 m (10 ft) corresponding with twice the dominant sampling length of 1.5 m (5 ft). Specific gravity was assigned directly to the simulation nodes prior to regularization to selective mining unit scale blocks by lithology.

The QP identified a bias in the low-grade portion of pre-1990 drilling campaigns. To facilitate improved estimation, the QP performed spatial imputation of the low-grade portion of the distributions for each domain. All historical core hole data were simulated from the existing assays (imputed) at low grades to prevent the introduction of a strong positive bias in the model. This imputation procedure provided an unbiased basis for the resource model and validated across data eras, as well as against blast hole models.

Grades were capped, with more conservative capping grades used in waste domains. Pairwise relative experimental variograms were calculated for each estimation domain.

Grades were simulated onto grid nodes spaced at 10 ft3, generating high-resolution models that characterize representative point (composite) scale variability. The nodes were then averaged within 30 ft3 (0.85 m3) selective mining unit scale blocks, implicitly capturing change of support. Localised conditional simulation was used for the estimation of block grades.

Validation of the localised conditional simulation estimation was compared against ordinary kriged and nearest neighbour check estimates. Other validation included visual inspection, global mean comparisons, swath plots, comparison of histograms and grade-tonnage curves, and block value comparisons. No significant errors or concerns were identified during the validation process.

Confidence classifications were based on drill spacing studies:

- Indicated Mineral Resources: at a drill hole spacing ≤30 m (≤100 ft), grade estimates of nominal annual production volumes will be within 15% of predicted with a 90% probability or higher;

- Inferred Mineral Resources: at a drill hole spacing of ≤69 m (≤225 ft), grade estimates of nominal annual production volumes will be within 30% of predicted with a 90% probability or higher.

While areas in the model qualified for the Indicated category based on the drill spacing, given the uncertainty in the precise location of mined-out areas, various other factors related to the quality of the pre-1990 data, and input from process specialists regarding metallurgical recovery assumptions, only Inferred Mineral Resources were classified.

Mineral Resource for Dome have been reported considering an open pit mining method and an assumed 20,000 t/d milling scenario. The optimization parameters used a long-term gold price of US$2,000/oz with a 91% metallurgical recovery based on historical records and numerous metallurgical studies completed on the Dome mineralization. A 45º slope angle was used with consideration for past geotechnical studies, which recommended angles ranging between 40–51º, depending on the slope sector. Mineral Resources have been reported inside the pit shell at a cut-off grade of 0.40 g/t Au.

Hoyle Pond

The estimate was completed using commercially-available software.

The geological framework includes nine lithology models, fault and diabase dyke models, and five major vein set models. Geostatistical domains were defined based on the geometric similarities of different structures across various areas and the spatial relationships between the veins in the geological model. A 1 m composite run length composite was used for S- and Middle-veins. A nominal compositing length of 0.5 m was used for the XMS veins. Capping was applied to the composites at the time of grade estimation. Lithology was used as the basis for coding specific gravity values and a fixed value was applied to each lithology group. Variograms were calculated for estimation domains.

Most geostatistical domains were estimated using ordinary kriging, except for domains with sparse data, which were estimated using an inverse distance weighting approach. For the S-vein system, estimation involved two passes, requiring a minimum of 10 samples in the first pass. In contrast, the Middle vein system used three passes, with a minimum of eight samples for the first pass. Three passes were required to estimate the main XMS material. A minimum of eight samples were required for pass 1, dropping to six samples in pass 2, and three samples in pass 3. The search ellipsoid was doubled for each pass. The grade cap used in pass 1 was 400 g/t Au and was lowered to 300 g/t Au for passes 2 and 3. All other veins and buffers were estimated using one pass. Material outside the veins and buffers was not estimated.

Model validation included visual inspection, swath plots, global bias checks, and a reconciliation check of model performance against production. No material biases or issues were noted as a result of the validation undertaken.

Until the end of 2023, Measured, Indicated and Inferred confidence categories were assigned to the S, Middle and XMS resource models classified using drill spacing criteria: Measured: drill hole within 12.5 m; Indicated: drill hole within 25 m; and Inferred: drill hole within 50 m.

As production has been decreasing since the drill spacing study supporting the classification was completed, a decision was made for the current Mineral Resource estimate in this Report to downgrade all Measured material to Indicated to reflect the impact of a lower production rate on the drill spacing.

A Deswik stope optimizer was run to determine potentially mineable shapes assuming the use of longitudinal long-hole retreat or underhand cut-and-fill mining methods. Input parameters to stope designs included a gold price of US$2,000/oz Au, mining costs of US$371.55/t processed assuming longitudinal long-hole retreat methods and US$277.33/t processed 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, variable dilution based on mining zone ranging from 12–194%, refining costs of US$0.98/oz Au, and royalty of 8%. 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.

Pamour

The estimate was completed using commercially-available software.

The geological framework includes 11 lithology groups, a fault model, and lithology-based mineralization domains created using mineralization types. A hard boundary was used between the Conglomerate unit and adjacent Timiskaming sedimentary lithologies. A 1.5 m composite was selected for estimation purposes. Capping was applied to the composites at the time of grade estimation, and varied by lithological domain. Specific gravity values were assigned as a fixed value for each lithology. Variograms were calculated for estimation domains.

Domains were estimated using ordinary kriging and three successive passes that were primarily aligned with the variogram model orientation:

- Pass 1: estimated within 50% of the variogram range using a minimum of 10 composites with a maximum of six composites from any one drill hole;
- Pass 2: estimated within the variogram range using a minimum of eight composites with a maximum of five composites per drill hole;
- Pass 3: estimated within 200% of the variogram range using at least six composites with a maximum of four composites per drill hole.

The blocks were flagged with a lithology field derived from the supplied geology wireframes, as well as the percentage volume of the block that falls within the supplied mining voids. Additionally, the block model was coded with the percentage of the block occurring below the topographic surface. To account for the mining voids resulting from historical underground mining operations, the percentage block volume falling within mined out regions was used to re-calculate grade and specific gravity for each block intersecting a void.

Model validation included visual inspection, swath plots, and global bias checks. No material biases or issues were noted as a result of the validation undertaken.

Confidence classifications were based on drill hole spacing:

- Indicated Mineral Resources: the block has an effective drill hole spacing of ≤30 m;
- Inferred Mineral Resources: the block has an effective drill hole spacing of ≤60 m.k

Indicated blocks with >10% of their volume within a void were downgraded to Inferred.

Mineralization was constrained within a conceptual pit shell. The pit parameters used a gold price of US$2,000/oz Au, mining costs of US$5.50/t processed, process costs of US$23.70/t processed, general and administrative costs of US$10.50/t processed, average 91% metallurgical recovery, refining costs of US$0.98/oz Au, and pit slope angles of 25º in overburden and 45º in rock. Mineral Resources are reported above a 0.53 g/t Au cut-off.

Mineral Resource Statement

Mineral Resources are reported in situ using the 2014 CIM Definition Standards. The estimates have an effective date of December 3, 2024.

The Qualified Person for the Borden, Hoyle Pond, and Pamour estimates in Table 1-1, Table 1-3, and Table 1-4 is Mr. Eric Kallio, P.Geo., who is an independent consulting geologist. The Qualified Person for the Dome estimate in Table 1-2 is Dr. Ryan Barnett, P.Geo., an employee of Resource Modeling Solutions Ltd.

Table 1-1: Mineral Resource Estimate, Borden

Deposit	Classification	Tonnage (kt)	Grade (g/t Au)	Contained Metal (koz)
Borden	Measured	1,471	6.17	292
	Indicated	2,274	6.15	449
	Measured and Indicated	***3,745***	***6.16***	***741***
	Inferred	1,372	5.22	230

Notes to accompany Borden Mineral Resource estimate:

(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 estimate is Mr. Eric Kallio, P.Geo., an independent Qualified Person.
(3) Mineral Resources that are considered amenable to underground mining methods 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 3.30–4.20 g/t Au.
(4) Estimates have been rounded.
(5) This table is not additive to Table 1-5.

Table 1-2: Mineral Resource Estimate, Dome

Deposit	Classification	Tonnage (kt)	Grade (g/t Au)	Contained Metal (koz)
Dome	Measured	—	—	—
	Indicated	—	—	—
	Measured and Indicated	—	—	—
	Inferred	229,284	1.49	10,978

Notes to accompany Dome Mineral Resource estimate:

(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 estimate is Dr. Ryan Barnett, P.Geo., an employee of Resource Modeling Solutions Ltd.
(3) Mineral Resources that are considered amenable to open pit mining methods are constrained within a pit shell that uses the following input parameters: gold price of US$2,000/oz Au, mining costs of US$3.86/t mined, process costs of US$18.74/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 45º. Mineral Resources are reported above a 0.40 g/t Au cut-off.
(4) Estimates have been rounded.
(5) This table is not additive to Table 1-5.

Table 1-3: Mineral Resource Estimate, Hoyle Pond

Deposit	Classification	Location	Tonnage (kt)	Grade (g/t Au)	Contained Metal (koz)
Hoyle Pond	Measured		—	—	—
	Indicated	Stopes	1,098	13.12	463
		Development	69	9.38	21
	Measured and Indicated	***Stopes + development***	*1,167*	*12.90*	*484*
	Inferred	Stopes	569	15.24	279
		Development	10	14.93	5
	Inferred	***Stopes + development***	*578*	*15.24*	*283*

Notes to accompany Hoyle Pond Mineral Resource estimate:
(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 estimate is Mr. Eric Kallio, P.Geo., an independent Qualified Person.
(3) Mineral Resources that are considered amenable to underground mining methods 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 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.
(4) Estimates have been rounded.
(5) This table is not additive to Table 1-5.

Table 1-4: Mineral Resource Estimate, Pamour

Deposit	Classification	Tonnage (kt)	Grade (g/t Au)	Contained Metal (koz)
Pamour	Measured	—	—	—
	Indicated	64,755	1.30	2,704
	Measured and Indicated	***64,755***	***1.30***	***2,704***

	Inferred	23,264	1.34	1,002

Notes to accompany Pamour Mineral Resource estimate:

(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 estimate is Mr. Eric Kallio, P.Geo., an independent Qualified Person.
(3) Mineral Resources that are considered amenable to open pit mining methods 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 25º in overburden and 45º in rock. Mineral Resources are reported above a 0.53 g/t Au cut-off.
(4) Estimates have been rounded.
(5) This table is not additive to Table 1-5.

Table 1-5: Mineral Resource Summary Table

Classification	Tonnage (kt)	Grade (g/t Au)	Contained Metal (koz)
Measured	1,471	6.17	292.0
Indicated	68,196	1.66	3,640.0
Measured and Indicated	***69,667***	***1.76***	***3,931.9***
Inferred	254,499	1.53	12,493.5

Notes to accompany combined Mineral Resource estimate:

(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.Geo., an independent Qualified Person. The Qualified Person for the Dome estimate is Dr. Ryan Barnett, P.Geo., an employee of Resource Modeling Solutions Ltd.
(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 45º. 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 25º in overburden and 45º 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) This table is not additive to any of Table 1-1, Table 1-2, Table 1-3, or Table 1-4.

Factors that may affect the Mineral Resource estimates include: metal price and exchange rate assumptions; changes to the assumptions used to generate the gold grade cut-off grade; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shapes, and geological and grade continuity assumptions; changes to assumptions as to locations of historical voids and their impacts on estimation and confidence classifications; specific gravity and domain assignments; changes to geotechnical, mining, mining dilution, and metallurgical recovery assumptions; changes to the input and design parameter assumptions that pertain to the conceptual pits constraining the Pamour and Dome estimates; changes to the input and design parameter assumptions that pertain to the conceptual stope shapes constraining the Borden and Hoyle Pond estimates; and assumptions as to the continued ability to access the site, retain or obtain mineral and surface rights titles, maintain or obtain environment and other regulatory permits, and maintain or obtain the social license to operate.

Mining Methods

The 2024 PEA mine plan is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves, and there is no certainty that the 2024 PEA based on these Mineral Resources will be realized.

The 2024 PEA mine plan assumed conventional underground and open pit operations, and the use of conventional equipment. Production included in the 2024 PEA comes from the Borden, Hoyle Pond and Pamour mines. The proposed total mine life will be 22 years, from 2025–2047. Hoyle Pond underground mine will operate from 2025–2035, Borden underground mine from 2025-2033 and Pamour open-pit mine from 2025–2046. Stockpiled material from Pamour will be rehandled in 2047 to the process plant. No production is assumed from Dome. The 2024 PEA is based on the sub-set of the Mineral Resource estimate in Table 1-6. The production forecast used in the 2024 PEA is displayed in Figure 1-1.

Mill feed from all operations will be hauled to the Dome process plant via on-road trucks from the Borden mine and mine trucks from the Pamour and Hoyle Pond mines.

Borden

The Borden deposit is accessed via a main ramp from surface. There will be six mining zones, accessed using 15 m-spaced mining levels. Each zone has a central access. Secondary egress is via the fresh air raise. The overall mining sequence in each zone is a bottom-up retreat towards the central access in a chevron pattern.

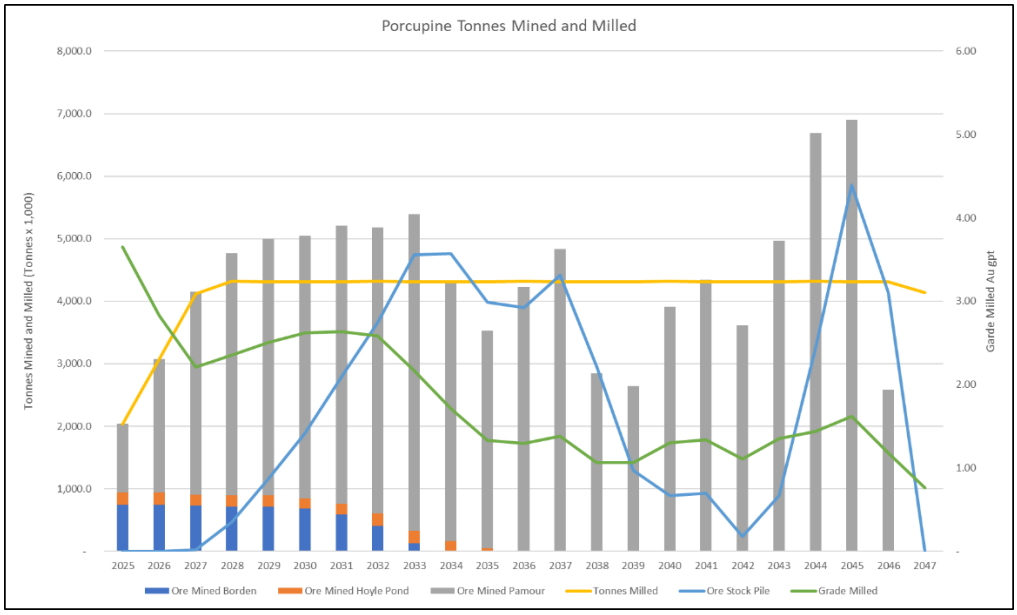
Table 1-6: Subset of Mineral Resource Estimate in 2024 PEA Mine Plan

Deposit	Classification	Tonnage (kt)	Grade (g/t)	Contained Metal (koz)
Borden	Measured	1,471	6.17	292
	Indicated	2,274	6.15	449
	Sub-total Measured + Indicated	3,745	6.16	741
	Inferred	1,372	5.22	230
Hoyle Pond	Measured	—	—	—

	Indicated	1,167	12.90	484
	Sub-total Measured + Indicated	1,167	12.90	484
	Inferred	578	15.24	283
Pamour	Measured	—	—	—
	Indicated	64,755	1.30	2,704
	Sub-total Measured + Indicated	64,755	1.30	2,704
	Inferred	23,264	1.34	1,002

Note: Footnotes to Table 1-1, Table 1-3 and Table 1-4 also apply to this table. The Qualified Person for the subset of the Mineral Resource estimate used in the 2024 PEA mine plan is Mr. Pierre Rocque, P.Eng., Rocque Engineering Inc. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Estimates have been rounded. This table is not additive to Table 1-1, Table 1-3, Table 1-4, or Table 1-5.

Figure 1-1: 2024 PEA LOM Production Schedule



Note: Figure prepared by Discovery Silver, 2024.

Longitudinal long-hole retreat stoping method with primarily unconsolidated rock fill or cemented rock fill is the only method in place at Borden. The planned throughput is approximately 2,000 t/d. Waste generated at the mine is used in the backfill process, mostly as loose rockfill; however, the backfill material must be trucked from Dome, since there is no waste backfill materials on site anymore.

Rock mass classification ranges from Fair to Good. Geomechanical domaining is divided between an East and West domains, based on drill hole logging results. Ground support requirements are based on semi-empirical methods and consist of rebars and friction bolts. Crown pillar stability was assessed in 2017 with no potential issues identified. A comprehensive Ground Control Management Plan is in place.

A maximum material movement of approximately 3,200 t/d is scheduled in the 2024 PEA, with a maximum of two stope mucking activities with truck load-out at any one time. There is a mix of Owner and contractor diesel and battery-electric equipment. Load–haul–dump vehicles load the stoping and development material into a 40 t haulage truck, which transports the material to a designated location on surface where it is subsequently loaded into a surface road haulage truck.

The mill feed material hauled to the Dome process plant via Highway 101 over a distance of approximately 190 km. This activity is performed by an external contractor who is under contract until June 2029. The current equipment fleet is sufficient for the 2024 PEA LOM plan.

Fresh air is pulled from surface down a fresh air raise to the second ramp on 255L. Return air exhausts via the internal ramps to the main ramp to the surface portal. To support future production, a new return air raise reaching surface will be required. Studies are underway to finalize the design and location in 2025. Once the planned return air raise is completed, the system will become "pull-push".

Backfill material is mostly waste rock, with some stopes requiring cemented rockfill.

Intersected faults have resulted in localized damp or dripping conditions underground but there are no indications of water inflow under pressure.

Hoyle Pond

Surface access is provided by two ramps (the Hoyle Pond ramp and the 1060 Zone ramp) and by #1 Shaft (8.5 m by 2.4 m) in combination with #2 Winze (5.5 m diameter concrete-lined). The two ramps connect at the 200L mine horizon. Main levels are spaced 24 to 40 m, with sub-levels spaced between 12 to 20 m apart (vertically, floor to floor). Future sub-levels are planned at 18 m spacing. The current development plan extends down to 2290L for the S Zone and 1840L for the XMS Zone.

Two mining methods are used at Hoyle Pond: longitudinal long-hole retreat stoping above 1900L and underhand cut and fill, mainly for the S-vein below 1900L. Main haulage levels are typically driven at 60 m intervals.

Measurements of rock strength, RQD, structural joint set and foliation form the basis of rock mass classification. Currently, both RMR89 (60-70) and Q' (20-10) systems are used. Geomechanical domaining is mining zone-based with consideration for rock type and primary structural controls. Ground support requirements are based on semi-empirical methods, and typically consist of resin rebar rock bolts, and Swellex bolts where required. A comprehensive Ground Control Management Plan is in place.

The material handling system capacity is approximately 2,200 t/d. Blasted muck is hauled up the ramp and dumped either on 1330L or 1600L, where rock breakers are located. Muck is then loaded into 12 t skips on the 1670L loading pocket (#2 Winze) through a conveyor. The muck is skipped to 720L at a 190 t/h hoisting rate and trammed across to #1 Shaft via 8 t cars, where it is hoisted to surface in 8 t skips at a 140 t/h skipping rate. Surface trucks haul the mineralization to the Dome process plant, located approximately 17 km from the mine. The current equipment fleet is sufficient for the 2024 PEA LOM plan.

A ventilation expansion below 1900L was completed at the end of 2023. An extension is planned from 1900L down to 2080L in the S Zone with additional ventilation and egress raises. Approximately 250 m3/s flows to the mine and booster fans located near the 900L assist in flow redistribution.

Backfill is supplied via a surface paste fill plant.

No significant water inflow zones have been intersected at depth in the mine.

Pamour

The proposed Pamour open pit will use conventional open pit mining methods and a truck-and-shovel operation. Two 6030 Cat shovels will be used as the main loading units with 993 and 992 loaders for additional support in loading

activities. Mill feed material will be loaded into 785 Cat haul trucks (136 t) and transported to the Dome process plant, located 13 km from Pamour. Waste will be transported to either a waste rock storage facility (WRSF) or to a separate overburden pile.

Haul roads were designed at a width of 33.2 m. The maximum grade of the haul roads will be 10%, except for the lower benches where the grade was increased to 12% and the ramp width was narrowed to 20.75 m to minimize waste stripping.

For the 2024 PEA, all slopes were designed using a 52° inter-ramp slope angle for bedrock and 25° for overburden slopes.

A low-grade stockpile is planned during years when mine production will allow mining rates beyond the mill capacity. The low-grade stockpile will be used to supplement mill feed during high stripping periods of the pit phases. Grades >1.0 g/t Au will be fed directly to the process plant and material grading 0.53–1.0 g/t Au will be hauled to the stockpile.

Blocks near voids were diluted to account for the percentage of the block that had been mined-out from the historic underground mining. For the 2024 PEA mine plan, no further external dilution was applied to the Pamour mine schedule.

Benches will be blasted and mined on 9 m levels. Buffer rows and pre-shear are planned for controlled blasting and minimize damage to the highwalls.

In order to dewater the Pamour open pit, a new water treatment plant was completed at the end of 2022 and began discharging in 2023. Pit dewatering rates were modelled using a GoldSim model.

WRSFs were designed to minimize surface disturbance and backfill mined-out pits where future mining is not anticipated. The West and Northwest WRSFs cover historical tailings storage facilities and will require permitting approval for their construction.

A new fleet of production equipment has already been purchased for the Pamour open pit, including shovels, loaders, drills, dozers, haul trucks and a grader. Equipment from the currently suspended Hollinger operations that are assessed as in "good" or "fair" condition are only required as spares and or parts for the new fleet. Two additional shovels, two production drills and seven haul trucks are planned to be purchased in the later years of the mine plan.

Recovery Methods

The process plant is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs. The flowsheet is based upon unit operations that are well proven in industry.

Mining and milling operations at the Dome site date from 1910, with the current process plant built in the early 1980s. The original carbon-in-pulp (CIP) circuit was constructed in 1988 and in 1995, a new crushing circuit, additional leach tanks, a new CIP circuit, and a second grinding line were added. In 2004, the process plant was expanded by adding a rod mill to B Circuit to handle mineralization from the Pamour open pit. Following the 2004 expansion, the plant flowsheet has remained relatively constant.

The Dome process plant consists of a three-stage crushing circuit and two parallel rod mill and ball mill circuits ahead of a single leach and CIP circuit. The plant has a permitted capacity of up to 15,000 t/d, and the 2024 PEA assumes a 12,000 t/d maximum throughput. Operating capacity depends on the proportion of the feed sources but is approximately 3.9 Mt/a at the current feed blend with A circuit able to handle 3,300 t/d and B circuit 7,700 t/d. In the mid-2000s, the plant operated at 4.3 Mt/a with A circuit at 3,360 t/d and B Circuit at 8,400 t/d when processing Hoyle Pond, Pamour, and some Dome stockpile materials. Throughput reduced in 2022 to approximately 3.0 Mt/a due to maintenance issues that began that year.

The process plant operates 24 hours per day, 365 days per year and recovers approximately 92% of the gold in the combined mill feed.

Newmont planned an adjustment to the grinding circuit, which would increase the current P80 of the grinding circuit product from 120 µm to 140 µm due to the hardness of the Pamour open pit material and the comparatively higher

crusher work index of this material versus the other mill feed materials. Additional testwork will be completed by Discovery Silver following the anticipated closing of the acquisition to maintain the grind at P80 120 µm or reduce it further to 90 µm to maintain or increase metallurgical recovery. Throughput capacity of the Dome process plant is primarily dependent on the characteristics of the feed blend constituents. Throughput can be impacted through reduced crushing circuit availability caused by the presence of contaminants from the Hollinger open pit reclaim stockpile (e.g. wood, steel, rubber from old underground workings, and blasting mats). A simple power-based throughput model was developed in 2020 and revised in 2023 to estimate the throughput capacity of the two grinding circuits at current and future blends as well as individual mineralization constituents. This model considers the comminution characteristics of each material type and the installed power in the crushing and grinding circuits; this was calibrated, based on observed differences between the two grinding lines. This model was conservative and will be re-analyzed by Discovery Silver following closure of the acquisition.

The main 120 kV power lines feeding the Dome property are owned by Hydro One. Distribution lines and transformer stations are located throughout the property to provide electrical power to various site components. A total of 12 MW is fed to the site.

Water is reclaimed from the tailing impoundment area and returned to the milling circuit as mill water. Water reclaimed from the tailings impoundment area represents approximately all the process water requirements. If additional water is required, fresh water can be used.

Reagents and media used in the process plant include circuit rods, ball mill media, cyanide, flocculant, carbon, lime, caustic, anti-scalant, dust suppressant, oxygen, Calfoam, lead nitrate, and leach-aid.

Project Infrastructure

The major infrastructure required to support operations is built, and operating. Key components are summarized in Table 1-7.

The Hollinger open pit has five associated WRSFs. The waste is not acid-generating. Two facilities are planned for the Pamour open pit. The WRSF capacity planned for Pamour is sufficient for the 2024 PEA LOM plan.

Table 1-7: Key Infrastructure

Mine	Key Infrastructure
Borden	Underground mine with portal and ramp access; low-grade stockpile; mine backfill plant; ventilation and emergency egress; water supply and distribution network, both on surface and between surface and the underground mine; electrical workshop; maintenance workshop; warehouse; administrative buildings for operational management, safety and training facilities, and logistics support; fuel offloading and surface storage facilities; exploration and core analysis facilities; laydown and storage area; surface water management systems, including a surface water pond for underground dewatering; 6 km long, 25 kV power distribution line from a transformer station near Chapleau, connecting to Hydro One transmission lines through a 115 kV transmission line.
Dome	Open pit mine (historical); underground mine with No. 8 shaft (decommissioned; used for ventilation); power supply infrastructure, with power transformers and site wide power distribution; workshop and maintenance buildings; warehouse; administration building; site access roads for light vehicles and haul roads for ore delivery to the dome mill from various operations from Porcupine Complex; assay laboratory; security gatehouse; processing facilities; fuel storage and dispensing facilities; administrative buildings and facilities; exploration facilities, including core shack; surface water collection and management systems.

Mine	Key Infrastructure
Hoyle Pond	Underground mine with two decline ramps and one four compartment shaft; mine backfill plant; ventilation and emergency egress; waste stockpile; mine offices; outdoor laydown area
Pamour	Open pit; four WRSFs; administrative buildings; dewatering wells; water treatment plant and plant discharge points

There is one active tailings storage facility (TSF), the No. 6 Tailings Area, located south of the Dome Mill. The facility has sufficient capacity to 2038, and will store an estimated 176 Mt of tailings. Post 2038, production will require tailings construction that has been conceptualized for future deposition. An area for the proposed facility has been identified and study work has begun.

Containment structures include the North Dam, East Dams, South Dam, South Dam Extension, West Dam and Emergency Spillway. To support additional tailings from the processing of Pamour material the No. 6 Tailings Area perimeter dams will be raised and buttressed.

The free contact water pond from within the No. 6 Tailings Area will be transitioned away from the North Dam towards the centre of the No. 6 Tailings Area. Installed monitoring systems include: vibrating wire piezometers, Shape Acceleration Arrays (real-time data acquisition), pneumatic piezometers (monthly), inclinometers (real-time), monitoring wells (quarterly), and bathymetric surveys (semi-annually).

Surveillance inspections are performed five times daily. Newmont commissioned a number of recent TSF reviews, with no significant issues noted.

Process water is primarily sourced from the TSF. Water for gland make-up is taken from Porcupine Lake, and the lake can be used as a back up supply if needed. Water ponds provide water for mining uses such as dust suppression. Potable and shower/sanitary water is provided, depending on the operations as bottled water, from wells, or from the City of Timmins water supply.

Contact water management includes ponds, sediment ponds, former TSFs, and engineered collection ditches.

There are no accommodations camps associated with the operations. Employees and contractors reside or are accommodated in towns immediately adjacent the operations or in other regional centres.

Power is sourced from the provincial grid. The current average daily demand at Borden is 5.7 MW. The current average daily demand at Dome is 13 MW and the infrastructure can support a 22 MW average daily demand. Hoyle Pond Underground average daily demand is 11 MW. Pamour average daily demand is an additional 2 MW. Once the Pamour open pit is running, average daily demand is forecast to increase to 3.5–4 MW. There is sufficient capacity for the 2024 PEA LOM plan.

Environmental, Permitting and Social Considerations

Environmental Considerations

The Porcupine Complex comprises a set of operating mines, which, in the Timmins area, have at least 100 years of operating history. Environmental regulations and awareness has progressed significantly from the beginning of the various mining activities. Over time, baseline studies, various improvement and legacy reclamation initiatives, and other activities to ensure compliance as regulatory regimes change were undertaken. As the mine and plant sites have continued to operate, and in some cases, expand, supporting environmental studies were completed to assess site environmental conditions, and to support permit applications and decision-making processes.

The Project area has been subject to extensive baseline, environmental monitoring, and technical studies, as per provincial and federal regulatory requirements. Depending on the deposit, when the survey was conducted, and the permitting regime in place at the time, studies have included topography, physiography, and geology; hydrology and hydrogeology; soil; surface water and groundwater quality; vegetation; wildlife; air quality; noise; threatened,

endangered, species at risk; waste rock characterization studies; groundwater modelling; geochemical studies; archaeological and heritage; and First Nations. The survey results, where applicable, supported permit applications for mining operations and continue to support the ongoing mining activities and permit renewals.

Monitoring of various environmental factors is in place, and has generated an extensive environmental dataset that supports site management.

The Porcupine Complex includes one active and a number of inactive/legacy tailings areas. Engineers of Record have been assigned to all Tailings Management Areas, and regular Dam Safety Inspection and Dam Safety Reviews are conducted at the facilities. Results of the inspections and reviews are used to guide the management of the active and inactive facilities. An Independent Tailings Review Board was established for the Porcupine No. 6 Tailings Area (the active Dome mine TSF) in 2020. Observations and recommendations from the Independent Tailings Review Board are assigned a priority and actioned for correction or improvement through the implementation of an action plan. The Porcupine Complex has adopted the Mining Association of Canada Towards Sustainable Mining Standard (MAC TSM) and the Global Industry Standard on Tailings Management (GISTM) and has been implementing requirements of the GISTM on all of its TSFs. The TSFs are in various stages of implementation of the requirements of the standard. Dam safety inspections and reviews at the Report date had not identified any significant issues that would impact the operations or the 2024 PEA LOM plan.

Closure

In Ontario, Closure Plans are regulated under the Ontario Mining Act, and contents of the plan are regulated under Ontario Regulation 35/24 Rehabilitation of Lands. Closure Standards are specified in the Mine Rehabilitation Code of Ontario, most recently updated in April, 2024. The contents of closure plans are standardized in the regulation, and plans must contain specified information.

For the Porcupine Complex, 13 Closure Plans have been filed by the Ministry of Mines. Closure costs as registered by the Ministry of Mines total approximately C$223.4 M, of which about C$178 M is associated with current operations. The Porcupine Complex includes a number of historical mine features and hazards that are not required to have a Closure Plan in place since these mines pre-dated the Ontario mine closure regulations. These sites are considered to be under "Progressive Rehabilitation" under the Ontario Mining Act, and rehabilitation plans are in progress to address their closure.

As part of the proposed Project acquisition from Newmont, Discovery Silver made a commitment to assume the following at closing of the transaction, subject to consent from the Province of Ontario to transfer the financial obligations related to closure plans:

- Newmont's environmental obligations related to existing closure plans, including bonding and letters of credit;
- Liabilities at certain legacy sites that are not included in Newmont's current closure plans;
- Obligations related to ongoing and future mining operations, including those in support of progressive reclamation.

Some legacy mine hazards are not included in the filed closure plans, since they were in place prior to the Mining Act closure regulations promulgation; however progressive rehabilitation plans and programs are in place for these features and costs associated with that work is part of the economic analysis in this Report, and included in the capital cost estimates.

Permitting Considerations

All permits are in place for the activities taking place at the operating sites.

Social Considerations

Newmont has agreements in place with several Indigenous Communities and Metis communities who have treaty and Indigenous rights asserted within the areas in which Newmont Porcupine operates or has legacy sites.

On 20 November, 2024, a statement of claim was filed by the Taykwa Tagamou Nation against the Government of Ontario, including the Ministry of Mines and Ministry of the Environment, which alleges, among other things, that the Government of Ontario failed to adequately consult the Taykwa Tagamou Nation regarding certain permits issued with respect to the Pamour Mine. Newmont and Goldcorp Canada Ltd. were named as defendants in this action. The Government of Ontario has filed its Notice of Intention to Defend as of November 22, 2024, and Newmont filed their Notice of Intention to Defend as of January 15, 2025.

Porcupine Complex personnel undertake ongoing discussions and consultation with regulatory authorities, as required, in preparation for permit applications, as well as with respect to compliance management and required regulatory reporting.

Markets and Contracts

No market studies are currently relevant as the Porcupine Complex is operating, and it is producing a readily saleable commodity in the form of doré, with the principal commodity being gold.

Commodity prices used in Mineral Resource estimates and in the PEA economic analysis are set by Discovery Silver corporately. The gold price provided for Mineral Resource estimation is US$2,000/oz Au. The 2024 PEA financial model uses a reverting price curve from 2025 to long-term pricing in 2028, ranging from US$2,576/oz Au in 2025 to US$2,150/oz Au in 2028 and thereafter. Pricing is based on CIBC consensus forecasts.

Major contracts include fuel supply, mine blasting materials and services, heavy equipment supply and rental, transportation services, reagent and consumables, electric power, property security, and surface haulage and contract mining (Borden). Contracts are negotiated and renewed as needed, and currently all material contracts are in place to support the operation. Contract terms are within industry norms, and typical of similar contracts in Ontario that Discovery Silver is familiar with.

Cost Estimates

Unless otherwise noted, the costs are stated in US dollars (US$ or USD), with no allowance for escalation or exchange rate fluctuations.

The cost estimates are reported at a Class 5 classification as set out by AACE International, and are deemed appropriate. Class 5 estimates have a typical variation in low and high ranges at an 80% confidence interval of:

- Low: -20% to -50%;
- High: +30% to +100%.

Capital Cost Estimates

The capital cost estimate consists of various categories:

- Exploration and growth capital: investments specifically to support Mineral Resource additions;
- Development and expansion capital: investments into new infrastructure or plant that would be additional to existing operation;
- Sustaining capital: spending to keep existing assets operating as they are;

- Closure and reclamation capital: spending to close and rehabilitate impacted areas by the operation at the end of the operating life.

Most capital costs in this Report originate from the near-term plans (budgets) and LOM plans prepared by Newmont. A detailed and thorough review and validation process of these estimates took place as part of the multi-step due diligence process by Discovery Silver.

Actual performance cost data were either confirmed as valid, or were adjusted to reflect adjustments to the intended LOM scope and the most current market conditions. The cost estimates were developed using Q3 2024 US dollars.

All capital cost estimates included labor costs appropriate for the scope, taking into consideration the actual track record of productivity and wages locally. The site currently has about 730 employees, and 330 contractors. In terms of hourly versus salaried employees, the split is approximate 40% salaried, and 60% hourly.

Given the different sources and timelines for costs in the estimate, various levels of contingency were applied, ranging from 10–15% for sustaining capital to 25% for long-term development projects.

Table 1-8 summarizes the estimated mine capital costs by mine and reflects the mining method as either an open pit or underground. Exploration capital is estimated at US$93 M. Process costs are summarized in Table 1-9.

General and administrative costs are fully accounted for and presented in the operating cost section. The site currently spends approximately US$34M per year on general and administrative items, and this level of spending is expected to continue. There is no further consideration for general and administrative expenditures in the capital cost estimates. Closure cost estimates are provided in Table 1-10. The LOM capital costs are summarized in Table 1-11 as a LOM total. Capital cost estimates, inclusive of closure and reclamation costs, over the LOM total US$2,385 M.

Operating Cost Estimates

Since the Porcupine Complex is in production, there is a robust database of historical cost data from operations. These data were reviewed and validated in detail by Discovery Silver during the due diligence process. While long term historical information is considered to be indicative rather than currently accurate, the actual costs achieved over the past 12 months are the most relevant in forecasting operating costs.

Mining cost estimates are based on assumed underground mining operations at Hoyle Pond and Borden, and open pit operations at Pamour. In general, the mining costs presented are inclusive of all the normal mining task such as drilling, blasting, loading, hauling and support. Mining operating costs (unit rates and annual spends) are not constant over time due to variations in the mine plans.

Process operating costs are inclusive of power, reagents, consumables, maintenance, labor, mobile equipment, laboratory services and general support services. The process operating cost consists of fixed costs (common to all deposit sources) and variable costs that are specific to each mineralization source. Therefore, the total operating cost for each source is the sum of the fixed and their variable costs.

Infrastructure operating costs not estimated separately. All operating costs related to infrastructure are allocated to either the process plant or each mining operation. The general and administrative operating costs are for the most part fixed cost in terms of the amount spent per year. The current operation spends approximately US$34M per year in general and administrative costs. It is expected that this level of spending will continue for the remainder of the LOM. Total general and administrative costs are estimated at US$771 M. The unit cost averages approximately US$8.09/t processed.

Table 1-8: Forecast Mine Capital Costs

Mine/Deposit	LOM (US$ M)	Forecast End Mining LOM (year)
Borden	147	2033
Hoyle Pond	175	2035
Pamour	546	2047

Table 1-9: Forecast Process Capital Costs

Area	LOM (US$ M)	Forecast End Process LOM (year)
Process	642	2047
General site infrastructure	61	2047

Table 1-10: Forecast Closure and Reclamation Cost Estimate

Area	Forecast Total Cost (US$ M)
Closure and reclamation	722

Table 1-11: Summary, Capital Cost Estimate Forecasts

Capital Cost	Total (US$ M)
Exploration and growth	93
Development	218
Sustaining	1,369
Closure and reclamation	722
Total	**2,385**

A summary of the total operating cost forecast is included in Table 1-12. Operating costs for the 2024 PEA LOM plan total US$5,192 M.

Table 1-12: Summary, Operating Cost Estimates

Operating Cost Category	Total (US$ M)
Mining	2,915
Processing	1,507
General and administrative	770
Total	**5,192**

Economic Analysis

The results of the economic analyses discussed in this section represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented herein. Information that is forward-looking includes the following:

- Mineral resource estimates;
- Assumptions about commodity prices and exchange rates;
- Proposed mine production plan;
- Projected mining and process recovery rates;
- Assumptions about mining dilution and the ability to mine in areas previously exploited using mining methods as envisaged; the timing and amount of estimated future production;
- Sustaining costs and proposed operating costs;
- Assumptions as to closure costs and closure requirements;
- Assumptions as to environmental, permitting, and social risks.

Additional risks to the forward-looking information include the following:

- Changes to costs of production from what is assumed;
- Unrecognized environmental risks;
- Unanticipated reclamation expenses;
- Unexpected variations in quantity of mineralized material, grade, or recovery rates;
- Accidents, labour disputes, and other risks of the mining industry;
- Geotechnical or hydrogeological conditions during mining being different from what was assumed;

- Failure of mining methods to operate as anticipated;
- Failure of plant, equipment, or processes to operate as anticipated;
- Ability to maintain the social licence to operate;
- Changes to interest rates;
- Changes to tax rates.

The 2024 PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have 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.

The financial model that supports the 2024 PEA is a standalone discounted cash flow model that calculates annual cash flows based on scheduled production, assumed processing recoveries, metal sales prices, C$/US$ exchange rate of 1 CAD = 0.75 USD, projected operating and capital costs, royalties, impact benefit agreement payments, and estimated taxes. The financial analysis is based on an after-tax discount rate of 5%. All costs and prices are in un-escalated "real" Q4 2024 dollars. The currency used to document the cash flow is US dollars. Cash flows are taken to occur at the mid-point of each period. The Project valuation date basis is January 1, 2025. All costs are based on the historical or actual costs from the Porcupine Complex, adjusted for planned work in 2025 and onwards until the end of the mine life in 2047, including the forecast closure and reclamation obligations beyond the mine life. Revenue is calculated from the recoverable metals and yearly metal price forecasts.

The economic analysis is reported on a 100% project ownership basis. Project acquisition costs are considered to be corporate Discovery Silver costs and are not included in the financial evaluation. Transaction royalty payments based on forecast royalty sale as part of acquisition funding are included in the economic analysis. The financial analysis assumes a reverting price curve from US$2,576/oz Au in 2025 to US$2,150/oz Au in 2028 and thereafter.

Project economics were evaluated on a post-tax basis. The tax model was compiled by Discovery Silver and the calculations assume the existing tax regime as of the effective date of this Report. Value-added tax was outside the Project economic evaluation. Taxes applied included the Canadian corporate income tax (Federal and Ontario Income Tax), which consists of a combined 25% income tax, and the Ontario mining tax, which is applied at 10% on production earnings before interest, taxes, and corporate overhead costs. At the assumed metal prices, total payments are estimated to be US$947 M over the proposed LOM.

The Project valuation date basis was January 1, 2025. A discount rate of 5% was used. The after-tax project NPV is US$1,239 M. The economic analysis does not entail initial capital investment prior to the start of production and of cashflow and so there is no internal rate of return or project payback period relevant to the economic analysis presented.

Project forecast economics are summarized in Table 1-13, and illustrated in Figure 1-2 (production forecast) and Figure 1-3 (cashflow forecast).

Sensitivity Analysis

The sensitivity of the Project NPV to changes in head grade, gold price, metallurgical recovery, and capital and operating cost estimates was tested using a range of up to 23% above and below the base case values. Post-tax sensitivity to those items are shown in Figure 1-4.

The Project is most sensitive to changes in the gold price. Changes in metal prices approximately mirror changes in the gold grade and metallurgical recovery. The Project is less sensitive to changes to operating costs and least sensitive to changes in capital costs.

Risks

First Nations

On 20 November, 2024, a statement of claim was filed by the Taykwa Tagamou Nation against the Government of Ontario, including the Ministry of Mines and Ministry of the Environment, which alleges, among other things, that the Government of Ontario failed to adequately consult the Taykwa Tagamou Nation regarding certain permits issued with respect to the Pamour Mine. Newmont and Goldcorp Canada Ltd. were named as defendants in this action. T The Government of Ontario has filed its Notice of Intention to Defend as of November 22, 2024 and Newmont filed their Notice of Intention to Defend as of January 15, 2025.

Mineral Tenure and Royalties

The mineral tenure, surface rights and royalty data for the Porcupine Complex are multifaceted, consisting of tenures over 100 years old, multiple ownership consolidations, and multiple levels of agreements and royalty interest consolidation as a result of changes to the mineral title regime in Ontario. While verification of the status of the critical claims and material royalties was completed for the Mineral Resource estimates and operating mine areas, a detailed verification was not completed for tenures outside these areas.

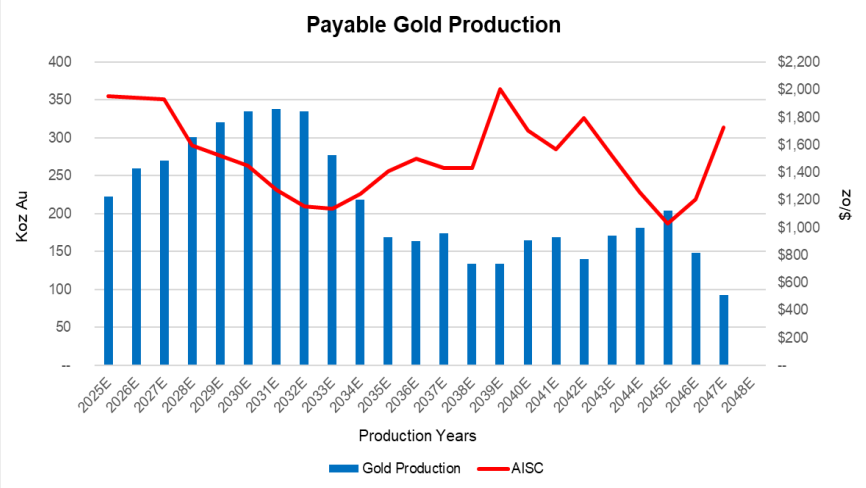
Table 1-13: Cash Flow Summary Table (US$)

Description	Unit	Life-of-Mine Total/Average
General Assumptions		
Gold price (long term)	$/oz	2,150
Discount rate	%	5.0
Production		
Total payable gold	koz	4,919
Operating Costs		
Mining cost, Hoyle Pond	$/t milled	291
Mining cost, Borden	$/t milled	126
Mining cost, Pamour	$/t milled	18.90
Processing cost - average	$/t milled	15.82
Site general and administrative costs	$/t milled	8.09
Cash Costs and All-in Sustaining Costs		
Total cash costs	$/oz Au	1,152
All-in sustaining cost	$/oz Au	1,504
Capital Expenditures		
Development capital	$M	218
Exploration capital	$M	93
Sustaining capital (excl. closure costs)	$M	1,352

Description	Unit	Life-of-Mine Total/Average
Closure costs	$M	722
Economics		
Cumulative cash flow, pre-tax	$M	2,770
Cumulative cash flow, after-tax	$M	1,823
Pre-tax NPV @ 5%	$M	1,874
Post-tax NPV @ 5%	$M	1,239

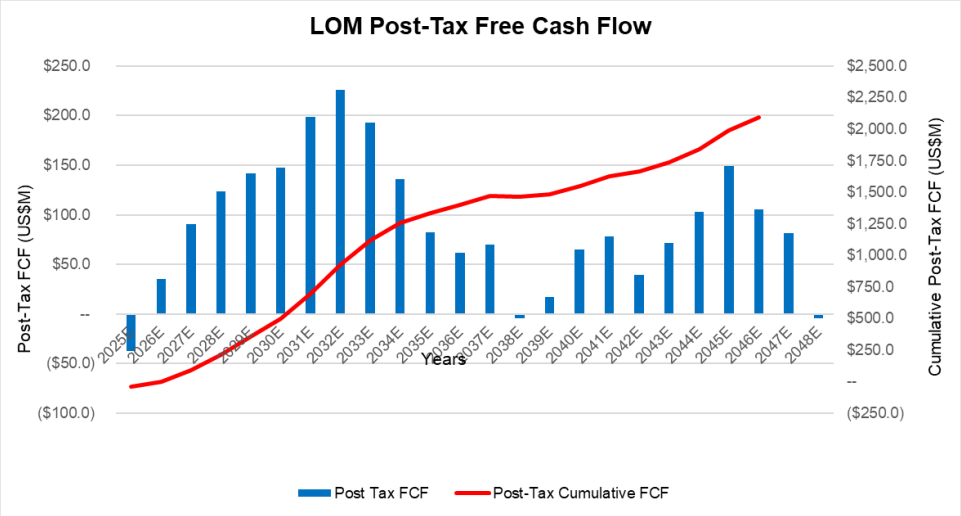
Note: Cash costs defined as the sum of the mining, processing, and general and administrative operating costs, Cost Accounting Standards change in inventory, royalty payments and treatment and refining costs. Equates to costs applicable to sales plus treatment and refining costs. All-in sustaining costs include treatment and refining costs, total operating costs (e.g. operating costs including mining, processing and general and administrative, change in inventory, royalty payments, exploration expenses, reclamation accretion, and sustaining capital costs).

Figure 1-2: LOM Gold Production Forecast



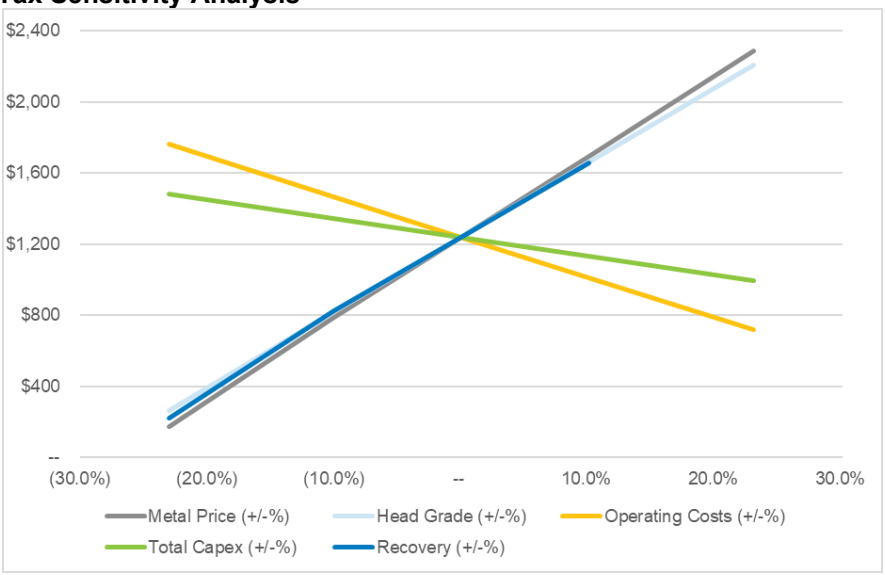
Note: Figure prepared by Discovery Silver, 2024. AISC = all-in sustaining costs. All-in sustaining costs include treatment and refining costs, total operating costs (e.g. operating costs including mining, processing and general and administrative, change in inventory, royalty payments, exploration expenses, reclamation accretion, and sustaining capital costs).

Figure 1-3: LOM Post-Tax Free Cash Flow



Note: Figure prepared by Discovery Silver, 2024. FCF = free cash flow.

Figure 1-4: Post-Tax Sensitivity Analysis



Note: Figure prepared by Discovery Silver, 2024. Capex = capital cost estimate. Vertical axis is the post-tax NPV in US$M.

The QPs have relied upon information from Newmont experts for this information. There is a risk that when a detailed audit is performed, issues may be identified, such as: arrears in or non-compliance with provincial reporting obligations; mis-identification of current royalty holders or changes in individual royalty holder interests; mis-correlation of royalty percentages, agreements, and royalty holders on legacy cell or boundary claims to the current claim boundaries; and the status of, or currency of, agreements not being up-to-date.

Mineral Resource Estimates

Specific risks that may affect the individual estimates include:

- Borden: most of the upside for the Mineral Resource estimate appears to lie on the far east side of the deposit and below Borden Lake and will require either drilling on the lake or new development drifts to support upgrades in confidence categories;

- Dome: the Mineral Resource estimate relies partly on historic drill hole data with procedures for assaying, quality control and QA/QC that varied with time, and were not always well documented. Past verification work has indicated some local biases in assay data that have been addressed in new work, but the data are still not fully verified;

- Hoyle Pond: portions of the Mineral Resource are in small sized, narrow blocks with variable gold grades. A significant proportion of the estimate is at depths below 1,800 m below surface;

- Pamour: the Mineral Resource estimate relies partly on historic drill hole data with procedures for assaying, quality control and QA/QC that varied with time, and were not always well documented.

Water Supply, Hoyle Pond

The Hoyle Pond Mine uses fresh water from a surface water source drawn by the neighbouring Glencore Kidd Metallurgical facility. Glencore has announced the closure of that facility in 2026. Alternative freshwater sources will be required, and are actively being considered.

Opportunities

Exploration and Mineral Resource Estimates

Opportunities include:

- Borden: the Borden property contains a large number of prospects hosted within similar rock types to those found at the Borden mine. These prospects have had little to no previous drilling;

- Dome: there is potential to support upgrade of Inferred Mineral Resources to higher confidence categories through additional drilling, evaluating ways to address historical assay biases, and supporting studies. Within the pit and immediate surrounds are areas where the drill spacing is currently insufficient to classify Inferred Mineral Resources, and those blocks are currently treated as waste or are not included in the 2024 PEA plan. Infill drilling and supporting studies are required to support potential resource classification in these areas. There is potential to support estimation of Mineral Resources potentially amenable to underground mining methods with additional drilling and supporting studies;

- Hoyle Pond: numerous areas retain prospectivity, including the S Zone Deep, S Zone Upper, XMS Zone, Owl Creek Zone, TVZ Zone, PST Zone. These areas will require additional drilling and supporting studies to support Mineral Resource estimation;

- Pamour: there is potential to support upgrade of Inferred Mineral Resources to higher confidence categories through additional drilling, evaluating ways to address historical assay biases, and supporting studies. There is potential to support estimation of Mineral Resources potentially amenable to underground mining methods with additional drilling and supporting studies.

Mining

The QP identified the following opportunities to reduce mining costs and improve throughput at all operations, namely:

- At Borden, by:
    - Renegotiating the existing surface haulage contract;
    - Upgrading the underground haulage trucks from 40 t to 50 t;
    - Investigating the implementation of battery electric vehicle underground to reduce the consumption of diesel and support the ventilation upgrade timeline. Governmental funding may be available to partially offset capital costs;
    - Reviewing ground support design;
    - Locating a source of waste rock material on site to meet backfill requirements. This will eliminate the waste rock back-haul from the Dome site;
    - Upgrading backfill procedures;
    - Increasing the volume of fresh air delivered to the underground mine by sinking an exhaust raise;
- At Hoyle Pond, by:
    - Increasing the volume of fresh air delivered to the underground mine;
    - Improving the quality of cemented paste fill and reviewing binder requirements and delivery procedures;
    - Identifying and addressing bottleneck(s) of the material handling system;
    - Reduce dilution and ground support costs by adopting the underhand cut-and-fill mining method across more areas while re-assessing the sustainability of long hole mining;
    - Enhancing automation and expanding the use of tele-remote systems for load–haul–dump operations, especially between shifts;
    - Studying an alternative mine design for the extension at depth of the S-vein;
    - Evaluating known zones of mineralization (e.g. TVZ), with the support of additional drilling and studies. These zones currently do not have Mineral Resource estimates, and so were not included in the 2024 PEA LOM plan;
- At Pamour, by:
    - Developing short-term plans to reduce or eliminate the waste rock re-handling that is currently taking place to manage dumping of overburden material by mixing the overburden with waste rock;

- Evaluating an alternative to the current mine truck haulage from Pamour to Dome, such as implementing a conveyor, a Rail-Veyor or a RIINO (electric haulage rail) system. This would reduce operating costs and improve efficiency;

- Assessing the option of bringing in a contract drilling company for the bedrock pioneering work. This would be a short-term contract for drilling the uneven terrain below the overburden, but may be more efficient with AirTrack drills.

Process

The QP identified the following opportunities in the process discipline area:

- Increase process plant utilization to industry standards:
  - Potential of 30% improvement on A Circuit and 15% on B circuit in comparison to the 2024 performance numbers by completing an investigation into the mill maintenance program and maintenance plan execution;
  - Address ore handling issues with the wet Borden and Hoyle Pond underground muck during winter months;
- Lower process operating costs:
  - Investigate monthly mill operating cost reports to understand why costs are higher than the first principles based budget and make required changes to achieve savings;
- Increase metallurgical recoveries:
  - Address the high solution losses by investigating the carbon handling procedures and practices;
  - Optimize mill feed material grind size (find optimum between possible grind size and recoveries versus marginal operating cost increase). The opportunity of changing grind size from 120 µm to 90 µm represents a 2–2.5% increase in gold recovery;
- Increase mill throughput:
  - Addition of dilution water to final tailings box is currently a bottleneck on overall plant throughput. The dilution is added in relation to meeting the cyanide code, while not operating the cyanide destruct circuit.
  - Debottlenecking final tailings dilution could allow up to 2,500 t/d more processed material.

Interpretation and Conclusions

Using the assumptions and parameters detailed for the 2024 PEA, which includes Inferred Mineral Resources in the 2024 PEA mine plan, the conceptual economic analysis is positive.

Recommendations

A two-phase work program is planned at an estimated total cost of approximately US$75.9 M.

The first work phase will consist of 1,911 m of extensions to exploration drifts at Borden and Hoyle Pond and construction of drill stations to allow for infill drill programs. It will also include a 600 m long, 5 m diameter, ventilation raise at Borden, and 500 m of exhaust raises at Hoyle Pond. The first work phase is estimated to require a budget of approximately US$31.3 M.

The second work phase will consist of about 990 core holes (about 254,850 m) to be completed at Borden and Hoyle Pond. This drilling is estimated to cost about approximately US$44.6 M. A portion of the program can be conducted concurrently with the first work phase.

THE CORDERO PROJECT

As of the date of this AIF, the current NI 43-101 technical report on the Cordero Project is the Cordero Technical Report. The Cordero Technical Report was filed with Canadian securities regulatory authorities under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

The Cordero Technical Report is incorporated into this AIF by reference. The following is the executive summary extracted from the Cordero Technical Report with certain updates to reflect the progress of the Cordero Project since the date of the Cordero Technical Report. The following summary includes certain table and section references to the Cordero Technical Report as well as certain defined terms that are defined in the Cordero Technical Report. The information contained in this summary has been derived from the Cordero Technical Report, is subject to certain assumptions, qualifications, and procedures described in the Cordero Technical Report, and is qualified in its entirety by the full text of the Cordero Technical Report.

Executive Summary

Introduction

Discovery Silver Corp. (Discovery Silver) commissioned Ausenco Engineering Canada ULC (Ausenco) to compile a feasibility study (FS) of the Cordero Project (the Project). The FS was prepared in accordance with the Canadian disclosure requirements of National Instrument 43-101 (NI 43-101) and in accordance with the requirements of Form 43-101 F1.

The responsibilities of the engineering companies who were contracted by Discovery Silver to prepare this report are as follows:

- Ausenco managed and coordinated the work related to the report and developed FS-level design and cost estimate for the process plant, general site infrastructure, and economic analysis.
- Libertas Metallurgy Ltd. (Libertas) supported Ausenco with the metallurgical test program.
- Ausenco Sustainability ULC (Ausenco) conducted a review of the environmental studies completed by Consultores Interdisciplinarios en Medio Ambienta S.C. (CIMA) and carried out an assessment of the site-wide water management, including sizing and designing water management related structures for the Waste rock stockpiles and process area.
- Ausenco Chile Limitada (Ausenco) prepared designs for a perimeter pit de-watering system and designs for makeup water supply from district wellfields.
- AGP Mining Consultants Inc. (AGP) designed the open pit mine, ore stockpiles, waste rock stockpiles, mine production schedule, and mine capital and operating costs.
- WSP USA Environment & Infrastructure Inc. (WSP) completed geotechnical studies, site wide water balancing, and developed the FS-level design and cost estimate of the tailings storage facility.
- Discovery Silver completed the work related to property description, accessibility, local resources, geological setting, deposit type, exploration work, drilling, exploration works, (Sections 4 through 10).
- RedDot3D Inc. (RedDot3D) completed the work related to sample preparation and analysis, data verification and developed the mineral resource estimate for the project (Sections 11, 12 and 14).

A preliminary economic assessment (PEA) was filed with SEDAR in 2021 for the Cordero Project to process oxides and sulphides separately using a phased approach; the first phase focused on high-grade zones through a conventional flotation concentrator, followed by a second phase that expands into adjacent zones where the grades are generally lower but still moderate to high. A pre-feasibility study (PFS) was then completed in 2023 based on further metallurgical optimization, infill drilling, and the results of further environmental and social consideration studies, and also to process the oxides and sulphides co-currently as a blended feed.

This FS herein proposes the Cordero Project to be developed by a three-phased approach, with the first phase focused on high-grade zones through a conventional flotation concentrator at a nominal throughput of 25.5 kt/d (average through Year 1-3), a second phase that expands the plant to process material at a nominal throughput of 51.0 kt/d (average through Year 4+), and a third phase where the zinc cleaning and concentrate dewatering circuits will be expanded to process higher zinc grades in the feed material. The process plant has been designed to account for variable ore hardness.

The Project has operated under an Environmental Protection Plan filed with the government that describes the reclamation procedures that will be required when exploration activities are completed. Environmental and social baseline studies have been completed for the project, and a study of surface and groundwater is currently underway.

Property Description and Location

Cordero is a silver deposit owned by Discovery Silver in northern Mexico, in the south of the state of Chihuahua, approximately 600 km from the border with the United States. (Figure 0-1). The Project is accessed by vehicle 35 km southwest from Chihuahua City along State Highway 16 to the Parral turn-off to State Highway 24, then 150 km south on Highway 24 where an access road heads east for 10 km to the project site.

Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

The Cordero Project consists of the 26 titled mining concessions totalling 34,909 contiguous hectares owned by Minera Titán S.V. de C.V. Mexico (Titán), a wholly owned Mexican subsidiary of Discovery. Mining concessions are granted for 50 years and may be renewed for an additional 50 years. Concessions are granted on a mining lot that may comprise the area requested by the interested party. There are no limitations to the number of hectares for each mining lot.

The main obligations of the concessionaires are:

- to carry out exploration and exploitation works,
- pay mining duties,
- comply with safety and environmental protection regulations, and
- submit reports to the authorities and fulfill other obligations of lesser importance.

For the San Pedro concession, there is an agreement between Cordilleras and Titán that requires Titán to pay Cordilleras a 2% NSR royalty. Titán can assign the obligation of payment of the royalty to a third party by written notice sent to Cordilleras. If Cordilleras decides to sell its right to receive the royalty, Titán will have the right of first refusal on the same terms and conditions that Cordilleras offered to a third party.

For the Josefina, Berta, La Unidad II, and La Unidad claims there is an agreement between Titán and two concessionaires: Mr. Eloy Herrera Martínez and Cleotilde de la Rosa Ríos which requires Titán to pay a 1% NSR royalty to the concessionaires. If the concessionaires decide to sell their right to receive the royalty, Titán will have the right of first refusal on the same terms and conditions that the concessionaires offered to a third party.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The deposit lies in a region that has a long history of silver mining dating back to the 1600s. In the hills where the Cordero deposit lies, there are several small mines with rich silver veins that reach the surface. In the past two decades, the possibility of a large bulk mining target at depth at Cordero was explored and tested through drilling carried out by Levon. Since 2019, when Discovery Silver acquired the project in a merger with Levon, drilling has continued, with a focus on

high-grade zones at depth, well below the reach of the small-scale historical mines, but within reach for a modern industrial open pit operation.

The QP is not aware of any significant factors or risks that might affect access, title or the right or ability to perform work on the property. Discovery is currently awaiting the Semarnat decision to permit the Project based on the Environmental Impact Assessment (EIA) submitted by the Corporation in 2023.

Figure 0-1: Location of the Cordero Project in Southern Chihuahua State, Mexico

Source: RedDot3D, 2023.

History

Historical records and anecdotal information indicate that the region around Cordero has supported mining activity since the early 17th century when the Spanish established Real de San José at what is now the town of Hidalgo de Parral (or simply, “Parral”). At Cordero, 35 shallow vertical shafts can still be found along with associated small prospect pits on outcrops of high-grade silver-lead-zinc mineralization. In shafts that remain accessible, small open stopes can be found at the bottom. The lack of commentary on production at Cordero by the Parral Silver Company, suggests that mining on the higher ground of Cordero remained small in scale and unorganized into the late 19th century. By the start of the 20th century, the American Smelting and Refining Company (Asarco) operated small mines on what is now the Cordero property, including La Luz, La Ceniza, and Josefina where they worked veins and breccias with high-grade sulphide mineralization. The lack of tailings around the old mill at La Luz, the largest of Asarco’s mines at Cordero, indicates that it was not operational for any significant length of time. In 2013, Titán consolidated claim ownership in the district, bringing unorganized artisanal mining at Cordero to an end. From the very earliest artisanal mining at Cordero, through to the past decade, a shallow water table has created difficulties with dewatering, making all the historical mines at Cordero necessarily shallow. Although three centuries of mining confirm that Cordero hosts abundant silver, lead, zinc, and gold, historical mines have drawn their production only from some of the near-surface resources. Deeper mineralization remains untouched by past production.

In 2000, Industrias Peñoles completed a review of the region for copper, molybdenum, and gold potential, and drilled a few short holes on the Sansón stock, and on the Valle Intrusive Complex at Porfido Norte. From 2006 to 2009, Valley High Ventures Ltd. (Valley High) owned the claims through their wholly-owned subsidiary, Coro Minera. Valley High

carried out surface exploration work, compiled the project's first comprehensive database, and organized drill core that had been stored in several different secure locations. By 2009, Valley High had dropped half of its claim holdings and entered into a joint venture agreement with Levon Resources Ltd (Levon). Beginning in 2009, Levon re-staked mineral claims that had been dropped by Valley High and added adjoining claims. By 2011, Levon had met their vesting requirements for 100% of the property and bought out Valley High. In 2013, Levon added a significant addition to the package of mining concessions with purchase of the Aida claim. In 2019, Levon merged with Discovery Metals Corp. In April 2021, Discovery Metals Corp., which changed its name to Discovery Silver Corp., held 100% ownership of the mineral rights that cover all the land needed for a large open pit that targets Cordero's bulk of mineralization at depth.

Exploration work completed by Valley High included geological mapping, rock sampling, gridded soil sampling, and trenching at the Sansón, La Ceniza, and the Cordero Main target areas. Historic drill core was re-logged and re-sampled, and the results recognized the potential for bulk tonnage targets on the property. Levon carried out reconnaissance mapping which confirmed the importance of three mineralized magmatic hydrothermal belts on the property. In 2009, 2010, and 2011, several different geophysical survey companies completed ground-based and airborne-based geophysical surveys over the Cordero Magmatic-Hydrothermal Belt including ground-based gravity and 3D induced polarization (IP) surveys over the Dos Mil Diez, Pozo de Plata, and Molino de Viento targets. The Cordero main intrusive complex, and La Ceniza Stock defined areas where the chargeability shows a strong multi-km long anomaly both within, and well outside the current resource area to the northeast. In 2010, Aeroquest flew an airborne electromagnetic, magnetic, and radiometric survey over the main Cordero magmatic-hydrothermal belt. The aeromagnetic results defined a sizeable inferred buried intrusive center, north-northeast of the current resource area with an estimated depth of 3.0 km. The radiometric survey defined a high potassium anomaly centered over the current resource pit as well as along the entire Cordero Magmatic-Hydrothermal Belt coincident with known exploration targets. In 2013, Levon completed a 3D IP survey over the La Perla target as well as a magnetotelluric (MT) survey over the Molino de Viento target.

Levon initiated the first significant drilling on the project starting in 2009 and continuing through 2017. Drilling by Levon totaled 133,620 m for a total of 292 core holes ending at drill hole C17-292. The drilling by Levon resulted in the initial definition of the bulk tonnage mineral resource at Cordero.

Evidence of past production at Cordero consists of 35 vertical shafts and approximately 104 mined-out stopes that reach to surface. The stopes vary between 1 and 2 meters in width and are characterized by oxides and sulphides of high-grade Ag-Pg-Zn ± Au veins and vein breccias, some of which outcrop on surface. Local workers and former small-scale underground miners that historically worked in the stopes reported that most of the production involved directly shipping mineralized material that was hand sorted, shipped, and processed in Parral. The historical mines of La Luz, La Ceniza and Josefina show evidence of water pumping efforts and support the anecdotal knowledge that the Cordero project area has abundant groundwater. Local workers have reported that most of the vertical workings are excavated to the water table located at an approximate depth of 50 to 80 m. No reliable records of historical mining have been encountered to date.

Levon filed a technical report on SEDAR that described a mineral resource estimate based on all data available through April 2014. The mineral resource estimate was prepared in accordance with the requirements of NI 43-101. The mineral resource was estimated using an inverse distance ID6 model constrained by an open pit shell. A silver equivalent grade was calculated for each block based on the metal grades, estimate of mill recovery for each metal, and the metal prices. Although the 2017 resource estimate was prepared in accordance with NI 43-101, no qualified person has done sufficient work to classify the historical estimate as current mineral resources and it has since been superseded by the Corporation's own current mineral resource estimate provided in section 14 of this report. Discovery Silver is not treating the historical estimate as current.

In 2018, Levon produced a PEA report with an effective date of March 1, 2018, that was prepared in accordance with NI 43-101. The 2018 mineral resource estimate was based on 263 drill holes (126,235 meters of drilling) completed by the end of 2017. The mineral resource was estimated utilizing an inverse distance methodology and contemplated an open pit geometry based on a standard flotation mill with separate zinc and lead circuits, mill recoveries, operating costs for processing, G&A, and mining. A silver equivalent grade was calculated for each block based on metal grades, estimate of mill recovery for each metal, and the metal prices. No qualified person has done sufficient work to classify the historical

estimate as current mineral resources and Discovery Silver is not treating the historical estimate as current mineral resources. The 2018 historical mineral resource estimate has been superseded by the Corporation's own current mineral resource estimate provided in section 14 of this report.

Geology and Mineralization

Regionally, Cordero lies in an area where sedimentary rocks of the Eastern Basin and Range geological province meet the volcanic rocks of the Sierra Madre Occidental province. The tectonic and magmatic history of the Sierra Madre Occidental (Tertiary Volcanic Province) is thought to extend into parts of eastern and southern Chihuahua as far south as Cordero where the landscape is dominated by Oligocene-Miocene basaltic-andesites, Oligocene ignimbrites, and Eocene volcanic and intrusive rocks (Ferrari et al., 2007). There are three major southwest to northeast magmatic-hydrothermal belts that crosscut the Cordero property subparallel to major transcurrent faults in the area. Other faults in the area include reverse (compressional), extensional and normal faults.

The relationship at Cordero between structural, stratigraphic, magmatic, and geochemical characteristics is complex. The focus of drilling in the current resource area in the past decade has been along the central Cordero magmatic-hydrothermal belt comprised of high-K felsic to intermediate igneous rocks and related breccias, locally forming resistant silicified structural domes bisected by a series of sub-parallel transcurrent mineralized structural corridors (e.g., Cordero, Parcionera, Josefina and Todo Santos) to name a few. The Cordero structural corridor has uniquely been exploited by a sheeted dyke complex that can be followed for at least 3 km from Pozo de Plata in the southwest to La Boquilla in the northeast and beyond. Several NNW-trending reverse faults have severely deformed the sediments and several parallel NW-trending normal faults (e.g., Mega and Southwest faults) have offset the sedimentary and igneous rock package down to the southwest in a stair-step fashion.

Metal tenor, mineralization style and associated alteration changes from La Ceniza and Sanson in the northeast where replacement style Zn-Cu (Ag-Pb) calc silicate skarn cut by quartz molybdenite-(chalcopyrite) stockwork has recently been defined in several deep drill holes including C23-760 to a downhole depth of 1700.9 m. In sharp contrast the Pozo de Plata breccia complex in the southwest is dominated by veinlet, disseminate, and open-space vein breccia silver-lead-(zinc) mineralization where gold grades are higher lacking calc-silicate skarn.

Historical small-scale mining was focused on NE-trending Ag-Pb-Zn mineralized structural corridors comprised of vein, vein breccia, stockwork, and mill breccias that bisect earlier intrusions and associated calc-silicate skarn alteration/mineralization. At the Pozo de Plata breccia complex higher gold grades are associated with the interface between galena-pyrite in electrum and spatially associated with silver tellurides. Favoured mineralization sites include a variety of breccias derived from differing mechanisms including contact breccia, intrusive breccia, mill breccia, mud/phreatic breccia, fault breccia and sedimentary collapse breccia as well as mineralization in disseminate, vein selvage, and open space breccia cement.

The precious and base metal mineralization is spatially associated with sulphide minerals such as pyrite, argentiferous galena (the main silver-bearing phase), sphalerite (both iron-rich and iron-poor), and chalcopyrite as well as pyrargyrite, hessite, tetrahedrite, rare electrum and PGM's. Weathering has created a near-surface oxide layer, locally up to 40 m in thickness, where sulphide minerals are generally absent and precious metals including silver and gold are elevated in grade.

Cordero has characteristics of contrasting paleo-levels juxtaposing different temperatures of emplacement. The southwest part of the resource pit presents as intermediate temperature of formation (e.g., sulfosalt dominant) in shales and calcareous siltstones with similarities to some extensional (E-type) intermediate sulphidation epithermal systems. The majority of Cordero presents as both intermediate temperature Ag-Au-Pb > Zn (open-space breccia, sulfosalt-dominant to high temperature Zn-Pb-Ag+/-Cu+/-Au+/- Mo CRD-skarn, a magmatic-hydrothermal system directly related to the emplacement of quartz monzonite and associated intrusions. This deposit type comprises many economically important deposits located throughout the Cordillera of North and South America and are attractive exploration targets. Northeast Cordero mineralization is characterized by extensive Zn-Cu calc-silicate skarn forming annular metamorphic aureoles around exposed and buried quartz monzonite intrusions as well as Pb-Zn +/- Ag mineralization along fluid escape structures (e.g., Cordero and associated faults). In contrast, southwest Cordero is characterized by massive

sulphide Pb-Zn (Ag-Cu-Au) replacements (mantos) forming parallel to favorable stratigraphy at rhyodacite sill contacts and sulphides in crosscutting veinlet/vein breccia/stockwork networks at high angles to sill contacts.

Deposit Types

Recent results from deep drilling at La Ceniza and various studies completed in 2023, including Spot SEM, petrography, fluorescence, and results from ^{40}Ar-^{39}Ar age dates associated with silver-base metal mineralization across the deposit have shed further light on the Cordero deposit type. The Cordero CRD-skarn magmatic-hydrothermal system is directly related to the emplacement of intrusions like other nearby and globally distributed CRD deposits. Carbonate Replacement Deposits (e.g., CRDs) span a vertically extensive continuum from higher temperature CRD-skarn as in southern Arizona at Bisbee, in northern Chihuahua at Bismarck as well as in central to south Chihuahua at Santa Eulalia and Naica. Massive sulphide is dominant at some deposits without a known magmatic association, as at Cinco de Mayo, Chihuahua (Beinlich, 2019). Regional variations in metal assemblage, tectonic environment, and relations to intrusions have been studied, showing a common genetic theme (Titley, 1993; Megaw, 1996).

Regionally, these deposits form at temperatures > 250 degrees Celsius from saline brines in replacements of platform limestones and dolomites. In Mexico, CRD deposits are typically located along the west side of the Chihuahua Trough littered with known and inferred Eocene-age magnetic intrusions emplaced at varied paleodepths. Typically, CRD deposits are clustered in a continental crust setting (Titley, 1993) and have concordant and discordant deposit geometries with the variable presence of calc-silicate skarn.

Mineralization at the Cordero Project is polymetallic (Pb, Zn, Ag, Au, Cu) and occurs in a large CRD +/- skarn. The oldest mineralization at Cordero is replacement calc-silicate skarn with Zn-Cu and lesser Pb-Ag, considered spatially and genetically related to vertically extensive Eocene-age quartz monzonite intrusion(s) at Sanson recently dated at ~ 38Ma (U-Pb zircons at 38.02 +/- 0.53 Ma), an age close to the molybdenite mineralization that crosscuts it at ~ 38Ma (La Ceniza Re-Os on molybdenite at 38.50 +/- 0.16 Ma). Alteration envelopes composed of adularia, sanidine, K-feldspar, white micas to high-grade silver-rich mineralization at Pozo de Plata and elsewhere within the current resource pit places the alteration associated with high grade silver-base metal mineralization at ~36 to 38 Ma (adularia $^{40}Ar/^{39}Ar$ isochron age of 37.56 ± 0.04 Ma (2σ, MSWD = 1.44) from Pozo de Plata and alkali feldspar, sanidine, white micas returned age dates ~36 to 38 Ma. These results suggests that mineralization taken from widely spaced locations within the current resource pit are temporally and likely genetically related.

The Cordero deposit massive sulfides formed at contacts of reactive wall rock with rhyodacite laccolith/sill complex that transition to veinlet/disseminate within these high-level intrusions. Alteration associated with mineralization is typically phyllic (+/- adularia) in faults/fractures discordant (crosscutting stratigraphy) as well as concordant (parallel to stratigraphy) in bedding parallel faults, some along fold axes. Replacement style Zn-Cu mineralization in calc-silicate skarn is dominant at the northeast end of the current resource pit with cross-cutting Zn-Pb and quartz Mo+/- Cu veinlet mineralization.

Exploration

The deposit type CRD-skarn are challenging exploration targets for many reasons. They have structural, stratigraphic, magmatic, and geochemical controls that can vary at different locations within the current resource pit and along the vast 10-km long Cordero magmatic-hydrothermal belt. This includes the fact that approximately 85% of the Cordero project is covered with recent alluvium, colluvium, and volcanic capping deposits that potentially masks mineralization of interest. A variety of geophysical tools have been utilized to aid in identifying areas of interest at Cordero including the following:

- Induced polarization (IP) surveys assist in defining high pyrite contents (5% to 20%) in areas of high fluid flow, where chargeability highs (high conductive minerals like pyrite) and resistivity highs are coincident with intrusive igneous complexes (high resistive minerals).

- Radiometric surveys assist where potassium (%K), thorium (%Th), and uranium (%U) provide a guide to radioactive minerals often associated with unique igneous rocks and hydrothermal alteration in areas of high fluid flow; potassium feldspar (e.g., orthoclase, sanidine). Potassium-bearing adularia-sericite (white mica) and buddingtonite also aid as a guide to erosion levels where adularia occurs at lower temperature and shallower depths of emplacement (e.g., Pozo de Plata) and orthoclase/sanidine might occur at higher temperature and deeper depths of emplacement (e.g., La Ceniza).
- Magnetic surveys assist where magnetic highs might represent buried magma chambers, or magnetic pyrrhotite and/or magnetite mineralization inskarn-replacement mineralization.
- Electromagnetic (EM) surveys assist where conductivity (high or low) is measured, and hydrothermal alteration creates an EM response; alteration along structures and key fault intersections are often highlighted with EM surveys.
- In addition, structurally controlled deposits are best defined by remote sensing tools including structural interpretations from satellite-based ASTER imagery to define the following:
- major regional long-range west-northwest structures intersected by northeast-trending structures that parallel major terrane boundaries.
- structural/alteration targets at structural intersections.
- magmatic-hydrothermal trends including domal and circular features.
- Geological and geochemical mapping and sampling programs defined the following:
- high copper (Cu), high zinc (Zn) +/- high lead (Pb) and/or high (Mo) values suggesting proximity to an intrusion-related hydrothermal systems.
- high silver values (Ag), high gold values (Au), high lead (Pb) , and zinc (Zn) values in vein-, stockwork-, breccia-, fault-, and shear-related precious metal and base metal mineralization.
- alteration zonation from lower temperature mineralization towards high temperature alteration and mineralization includes from adularia-white mica to sanidine-white micas.
- vein-gangue and vein-sulphide definition.

Drilling

Extensive drilling has been completed on the Cordero property totaling 354,424.59 meters in 928 drill holes (includes Discovery's Silver's mine infrastructure holes). These drilling campaigns took place over several years by Levon from 2009 to 2014 and in 2017, and core drilling continued between 2019 to 2023 by Discovery Silver. The most recent exploration core hole drilled on the project was C23-767 ending in September 2023.

Table **0-1** summarizes the year, number, total meters and intent of the drilling completed by Discovery Silver from 2019 through 2023.

Table 0-1: Summary of Drilling by Discovery Silver to December 2023

Company	Year	Drill Holes	Meters	Notes
Discovery Silver	2019	17	5,905	Resource area core holes
Discovery Silver	2020	99	39,484	Resource area core holes
Discovery Silver	2021	178	85,347	Resource area core holes
Discovery Silver	2021	2	808	Geotech oriented core (pit-wall stability piezometer holes)
Discovery Silver	2022	149	59,621	Resource core holes and exploration core holes

Company	Year	Drill Holes	Meters	Notes
Discovery Silver	2022	17	1,919	Geotechnical oriented core (pit-wall stability)
Discovery Silver	2022	89	4,546	Oxide resource definition in core holes
Discovery Silver	2022	6	2,190	Reverse circulation (hydrology holes)
Discovery Silver	2023	32	13,655	Resource area and exploration holes
Discovery Silver	2023	3	1,395	Geotechnical oriented core (pit-wall stability)
Discovery Silver	2023	1	401	Large diameter water hole
Discovery Silver	2023	12	5,265	Reverse circulation (hydrology holes)
Discovery Silver	2023	20	986	Mine Infrastructure holes (TSF embankment)
Discovery Silver	2023	11	285	Mine infrastructure holes (geotech holes around plant site)
Totals	**-**	**636**	**221,807**	**Exploration and engineering holes**

Notes: **1.** Includes holes drilled on other exploration targets outside of the 2023 resource pit. **2.** Drill holes counted in the year in which they were completed. **3.** Reverse-circulation holes were drilled for engineering and environmental purposes. **4.** Some numbers may not sum exactly due to rounding.

Additional drilling by Discovery Silver has allowed updated interpretation of deposit type we well as of the structural, stratigraphic, magmatic, and geochemical controls, and definition of dominant fluid flow corridors of high-grade mineralization. These controls and domains have been used to more accurately update the estimate of resources. The average estimated recovery factor for holes drilled by Discovery Silver is approximately 98%. The QP is unaware of any recovery or sampling factors that could materially impact the accuracy and reliability of the assay results. The current mineral resource estimate is based on a drill dataset consisting of 310,861 m of drilling (793 drill holes); of which 188,672 m of drilling (526 drill holes) was completed by Discovery.

Sample Preparation, Analyses and Security

The reliability of the resource and reserve estimates rests on the sample preparation, analysis, security, and QA/QC procedures of two companies: Levon Resources Ltd. from 2007 through 2017, and Discovery Silver Corp. from 2019 to the present. At this Feasibility Study stage, the majority (62%) of the samples used for resource estimation are from holes drilled since 2019 by Discovery Silver.

Both Levon and Discovery Silver used similar sample preparation procedures, sawing their HQ core in half, sending one half to the lab, and retaining the other half for future studies. The labs that received samples from the Cordero Project have all been accredited by the Standards Council of Canada and certified to the ISO/IEC 17025 standard which require laboratories to have internal quality assurance and quality control (QA/QC) programs to monitor the reliability of the analytical information they provide to clients.

Sample preparation at the lab consisted of the conventional steps for precious and base metals projects: crushing to 2 mm, followed by pulverizing to either 105 microns (Levon) or 75 microns (Discovery Silver).

The analyses of gold grades were done by fire assay with an atomic absorption finish, using a sub-sample of the homogenized pulp material, either 30 grams (Levon) or 50 grams (Discovery Silver). The analyses of silver, lead and zinc were done by ICP on a 0.5-gram sample digested by aqua regia (Levon) or on a 0.25-gram sample digested by a four-acid procedure (Discovery Silver).

In general, the procedures chosen by Discovery Silver are an improvement over those used by Levon: finer pulverization, larger sub-sample for gold analyses, four-acid digestion instead of two-acid. But the QA/QC programs of each company showed that both the Levon and Discovery Silver analyses were acceptable for mineral resource estimation. The vast majority of checks of certified reference material were with the prescribed tolerances; the very few CRM assays that were beyond the acceptable tolerances were due to sample numbering mix-ups. The QA/QC analyses of blank material confirmed that there was no detectable cross-contamination between samples. The blank material used by Levon had low but detectable concentrations of zinc; Discovery Silver changed to a different blank material that was properly barren for all four revenue-producing metals. Checks of duplicate assays showed high correlations and no systematic inter-lab bias.

Discovery Silver did dry bulk density measurements for several thousands of samples. Most of these were done at site by the project's geologists; some were done by an independent, commercial lab. The sample preparation for these included drying of 10-15 cm segments of quarter-core, followed by weighing of the dried sample. The sample was then weighed again when immersed in liquid so that the dry bulk density could be calculated by Archimedes' Principle. These density measurements included QA/QC samples and were compared to grains density measurements which are known to be slightly higher than bulk density measurements. Of the many thousands of dry bulk density measurements, approximately 5,800 were retained for interpolating density directly into the block model.

Sample security arrangements were similar for both companies. The samples are bagged and zip-tied with a security seal and held at the geology logging area at the project site until they are picked up by the commercial lab. Travel to the site from public roads can only be done through a padlocked gate that the Discovery Silver controls.

Data Verification

From 2007 to 2017, the Levon database was maintained as a Microsoft Access database that was checked by Independent Mining Consultants, Inc. (IMC) when they exported drill hole and assay information from Access into their own database management software. IMC reported to Levon any problems, including mismatches between the digital database and assay certificates.

When Discovery Silver acquired the project, they verified the entire Levon data base when they imported it into their GeoInfo Tools database management system. A comprehensive check of digital data against original assay certificates was done at this time.

The QP for Data Verification has analyzed the results of independent verification samples collected from the project site in 2021; these results, done on quarter-core from intervals chosen by the QP and analyzed at a lab chosen by the QP, are consistent with the results in the digital data base. The QP also checked assay certificates against the digital data base for approximately 40% of the Discovery Silver drill holes in the Measured and Indicated regions of the block model. This check confirmed that all the instances where the data base assay values did not exactly match the original assay certificate were due either to the original assay having been above the upper limit for the analytical method or to Discovery Silver's requests for reanalysis due to QA/QC failures. In both cases, the digital data base contains an assay value found on a different assay certificate done at a later time.

Mineral Processing and Metallurgical Testwork

Extensive metallurgical testwork has been undertaken on the Cordero project by Discovery Silver, and previously by Levon Resources dating back to 2011.

QEMSCAN analysis of multiple composites and geometallurgical samples confirmed the predominant sulphide mineral contained across the volcanic, sedimentary, and breccia samples was pyrite. Sphalerite and galena were present in the volcanic, sedimentary, and breccia samples to a lesser extent. The oxide composites did not contain significant amounts of sulphide minerals.

The gangue mineralogy was dominated by quartz, plagioclase, K feldspar, Si/Al clays, and calcite. The sedimentary samples contained the largest concentration of calcite, while the oxide samples contained the least calcite. The oxide samples contained the most amount of Si/Al clays compared to the other lithologies.

At a primary grind size of 80% passing 200 µm averaged across the 30 variability composites, the galena averaged approximately 65% liberation, and the sphalerite averaged approximately 78% liberation. Where unliberated, the galena and sphalerite were in binary association with pyrite or ternary association with non-sulphide gangue.

The various phases of testwork have culminated in the selection of a robust, differential lead-zinc flotation flowsheet after relatively coarse (80% passing or k_{80}=200 µm) primary grind. This flowsheet has been proven to be effective across upwards of 90 variability, master and blended (oxide and sulphide) composites with average locked cycle test performance from all phases of testwork returning the following average metallurgy from metallurgical testing results:

- Lead/silver concentrate grading 52% Pb and 3,026 g/t Ag at lead and silver recoveries of 86% and 76% respectively.
- Zinc concentrate grading 52% Zn and 274 g/t Ag at zinc and silver recoveries of 85% and 9% respectively.
- Global silver recovery (to lead and zinc concentrates) of 85%.

Due to the relatively coarse primary grind and moderate concentrate regrinds, the final tails generated via the flotation circuit dewater readily. The majority of the final tails products from locked cycle testing have been shown to be non-acid generating, with a relatively minor amount of samples being classified as potentially acid generating.

The lead and zinc concentrate dewatering testwork conducted during the FS indicated that lead concentrates can be filtered to about 11% w/w moisture and zinc concentrates can be filtered to about 7-9% w/w moisture. For the lead concentrate, this is higher than what was achieved in the PFS (at about 8% w/w moisture) and this is attributed to a combination of slightly finer regrind k_{80} resulting from the optimized flowsheet and the inclusion of oxide material in the composite used to generate the final concentrates. This is currently under further investigation and transport moisture limits and flow moisture point (TML/FMP) testwork is required to determine whether this represents a potential risk to the project.

Concentrate quality scans were conducted on locked cycle test products. The main deleterious elements were:

- Mercury (Hg) content of the lead and zinc concentrates averaged 13 g/t and 13 g/t respectively.
- Organic carbon content of all concentrates were below 2.6% C_{ORG}.
- Arsenic (As) content of the lead and zinc concentrates averaged 0.31% and 0.23% respectively.
- Cadmium (Cd) content of the lead and zinc concentrates averaged 505 g/t and 4,950 g/t respectively.
- Chlorine (Cl) content was consistently low (0.01% Cl) and often below detection limit.

Comminution testwork conducted on variability samples and composite blends indicate that Cordero ore is hard to very hard, with an average Bond Ball Work Index of approximately 18 kWh/t and an average SMC ore competency (Axb) value of 58.

Heap leaching of the oxide zone was considered for additional silver recovery, but column leach and bottle roll testwork was suspended in 2022 in favour of blending the oxide material in with the sulphides at low blend ratios, via the flotation circuit.

Testwork has shown that the oxides can be blended with the sulphide ore and processed via the flotation circuit at blend proportions up to 20%. Reductions in metal recoveries and concentrates were observed, especially when the oxide proportions exceeded 10% but these reductions are commensurate to the proportion of oxide material. The recommended oxide blend is up to 15%.

Robust metallurgical projection models have been derived for the sulphides from locked cycle and batch cleaner variability testwork and are appropriate for this level of study. Using the latest mine plan head grades, the LOM metallurgical projections are as follows:

Silver/lead concentrates grading 47% Pb, 4.4% Zn and 2,904 g/t Ag at lead and silver recoveries of 84% and 73% respectively.

Zinc concentrates grading 49% Zn and 251 g/t Ag at zinc and silver recoveries of 84% and 10% respectively.

Global silver recovery to combined concentrate of 84%.

Mineral Resource Estimate

The geological modeling, geostatistics, and grade estimations were performed using Leapfrog Geo® and Leapfrog EDGE® software, version 2022.1.1. The current Mineral Resource Estimate (MRE) is based on a drill hole data base that contains information on 310,861 m of drilling from 793 drill holes; this includes 34,957 m in 103 drill holes completed since the Preliminary Feasibility Study. The Feasibility Study MRE considers geological and structural domains, which are determined based on lithological and structural controls.

Ordinary kriging (OK) was used as the interpolation method to estimate average grades of silver, gold, lead, and zinc for resource model blocks in each domain. The analysis of spatial continuity was done using pairwise relative experimental variograms which were used to create the variogram models used by ordinary kriging. Validation of the OK block model included: i) comparison with an inverse-distance model; ii) visual checks of consistency with drill hole data and geological logging; iii) swath plots; iv) geostatistical checks of the block model's grade tonnage curves calculated for each classification region versus the volume-variance adjusted global grade-tonnage curve calculated from drill hole assays; and, v) checks of original assays versus block estimates in those blocks penetrated by drill holes.

The classification of the MRE into Measured, Indicated and Inferred regions was developed by evaluating block-by-block metrics that assess the proximity of nearby data; these block-by-block metrics were spatially smoothed to ensure that the classification was consistent over practically mineable regions. Additionally, an optimized pit shell was used to further constrain the reported Mineral Resource. This step was taken to ensure that the resource meets the reporting code requirement of having "reasonable prospects for eventual economic extraction".

The Mineral Resource has been divided into sulphide and oxide zones. The reporting cutoff for each zone is based on a net-smelter-return (NSR) that has been determined by considering various technical and economic factors, such as metallurgical recoveries and payabilities, then deducting treatment costs and refining charges from the net revenue generated from the sale of metals. The NSR reporting cutoff is the same for both oxide and sulphide zones, but the technical and economic parameters of the silver-equivalent calculation are different for each zone.

Mineral Resources do not have demonstrated technical and economic viability. In this report, Mineral Resources are reported inclusive of Mineral Reserves.

The Cordero Project’s total Mineral Resources, which are presented in

Table 0-2 below, include both sulfide resources at depth and oxide resources near the ground surface. The sulfide resources generally have lower recoveries, which affects the calculation of NSR in each zone. The sulfide and oxide resources are shown separately in the following sections, along with the technical and economic parameters used in each zone.

Table 0-2: Total Mineral Resources for the Cordero Project, with an Effective Date of August 31, 2023, above an NSR Cut-off of $7.25/t and within a Reporting Pit Shell

Class	Tonnage Mt	Grade					Contained Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq g/t	Ag Moz	Au Koz	Pb Mlb	Zn Mlb	AgEq Moz
Measured	353	24	0.07	0.33	0.60	56	274	812	2,561	4,644	643
Indicated	366	19	0.04	0.28	0.55	48	218	490	2,252	4,456	559
M&I	719	21	0.06	0.30	0.57	52	492	1,303	4,813	9,099	1,203
Inferred	148	14	0.02	0.18	0.35	33	65	121	606	1,140	154

Notes: **1.** The parameters used to calculate AgEq in the sulphide and oxide zones are shown in the footnotes of the following tables. **2.** The tabulated grades and metal contents are in situ estimates, and do not include factors such as external dilution, mining losses and process recovery losses. As such, these are mineral resources, not mineral reserves, and do not have demonstrated economic and technical viability. **3.** The QP is not aware of any factors or issues that

materially affect the development of the reported Mineral Resource other than normal risks faced by mining projects in Mexico in terms of metallurgical, title, legal, environmental, permitting, taxation, socio-economic, and political factors. **4.** The tabulated numbers have been rounded to reflect the level of precision appropriate for the estimates and may appear not to sum correctly due to rounding. **5.** Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Sulphide Mineral Resource

Sulphide mineralization is defined as the mineralization located below a well-defined oxide boundary that extends to depths of up to 100 meters below the surface. To report sulphide resources, an NSR cut-off of $7.25 per tonne has been applied. This cut-off value was determined based on estimating the costs associated with processing and general administrative expenses (G&A) for the standard flotation processing method applied to this material.

Table 0-3: Sulphide Mineral Resources for the Cordero Project, with an Effective Date of August 31, 2023, above an NSR Cut-off of $7.25/t and Within a Reporting Pit Shell

Class	Tonnage Mt	Grade					Contained Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq g/t	Ag Moz	Au Koz	Pb Mlb	Zn Mlb	AgEq Moz
Measured	324	24	0.07	0.34	0.63	57	247	745	2,413	4,473	598
Indicated	329	18	0.04	0.28	0.58	48	190	416	2,045	4,215	506
Measured + Indicated	**653**	**21**	**0.06**	**0.31**	**0.60**	**53**	**437**	**1,161**	**4,458**	**8,687**	**1,104**
Inferred	116	12	0.02	0.16	0.35	30	45	86	418	906	111

Notes: **1.** AgEq for sulphide mineral resources is calculated as Ag + (Au x 15.52) + (Pb x 32.15) + (Zn x 34.68); these factors are based on commodity prices of Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb and assumed recoveries of Ag – 87%, Au – 18%, Pb – 89% and Zn – 88%. **2.** The tabulated grades and metal contents are in situ estimates, and do not include factors such as external dilution, mining losses and process recovery losses. As such, these are mineral resources, not mineral reserves, and do not have demonstrated economic and technical viability. **3.** The QP is not aware of any factors or issues that materially affect the development of the reported Mineral Resource other than normal risks faced by mining projects in Mexico in terms of metallurgical, title, legal, environmental, permitting, taxation, socio-economic, and political factors. **4.** The tabulated numbers have been rounded to reflect the level of precision appropriate for the estimates and may appear not to sum correctly due to rounding. **5.** Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Oxide Mineral Resource

Oxide mineralization is situated above the oxide boundary, characterized by weathered material that exhibits distinct alteration mineralization. The depth of the oxide zone varies within the deposit, ranging from approximately 20 meters in the Pozo de Plata area to depths of up to 100 meters in specific areas within the South Corridor and the far northeast of the deposit. For the reporting of oxide mineralization, a net-smelter-return (NSR) reporting cut-off of $7.25 per tonne has been used. This cut-off value is determined based on the estimated costs associated with processing and G&A for blending oxide material into the standard flotation process.

Table 0-4: Oxide Mineral Resources for the Cordero Project, with an Effective Date of August 31, 2023, above an NSR Cut-off of $7.25/t and Within a Reporting Pit Shell

Class	Tonnage Mt	Grade					Contained Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq g/t	Ag Moz	Au Koz	Pb Mlb	Zn Mlb	AgEq Moz
Measured	29	29	0.07	0.23	0.27	49	27	67	148	171	45
Indicated	37	24	0.06	0.25	0.29	44	28	74	207	241	53
Measured + Indicated	**66**	**26**	**0.07**	**0.24**	**0.28**	**46**	**55**	**142**	**355**	**412**	**99**
Inferred	32	19	0.03	0.26	0.33	42	20	35	188	234	43

Notes: **1.** AgEq for sulphide mineral resources is calculated as Ag + (Au x 22.88) + (Pb x 19.71) + (Zn x 49.39); 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 – 59%, Au – 18%, Pb – 37% and Zn – 85%. **2.** The tabulated grades and metal contents are in situ estimates, and do not include factors such as external dilution, mining losses and process recovery losses. As such, these are mineral resources, not mineral reserves, and do not have demonstrated economic and technical viability. **3.** The QP is not aware of any factors or issues that materially affect the development of the reported Mineral Resource other than normal risks faced by mining projects in Mexico in terms of metallurgical, title, legal, environmental, permitting, taxation, socio-economic, and political factors. **4.** The tabulated numbers have been rounded to reflect the level of precision appropriate for the estimates and may appear not to sum correctly due to rounding. **5.** Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Reserve Estimate

The mineral reserves for the Cordero project are based on the conversion of the Measured and Indicated mineral resources in the study mine plan within the ultimate open pit limits. The level of information from drill holes and degree of certainty on assumptions used in the mine plan estimates provides reasonable support to classify Measured mineral resources as Proven reserves. Indicated mineral resources are converted directly to Probable reserves. Inferred mineral resources were treated as waste. The estimates assume conventional open pit mining and equipment.

Mineral reserves estimates are based on metal prices of $20/oz silver, $0.95/lb lead, $1.20/lb zinc, and $1600/oz gold. The reserves total is approximately 327 Mt of ore containing 0.72% Zn, 0. 41% Pb, 28.7 g/t Ag, and 0.08 g/t Au. Mineral Reserves for the Cordero project are shown in metric units in Table 0-5. This estimate has an effective date of February 16, 2024.

Table 0-5: Proven and Probable Mineral Reserve

Reserve Class	Process Feed (Mt)	Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (Moz)	Pb (Blb)	Zn (Blb)
Proven	223	30.0	0.089	0.42	0.73	214	0.64	2.04	3.57
Probable	104	25.9	0.060	0.40	0.70	87	0.20	0.91	1.62
Proven & Probable	327	28.7	0.080	0.41	0.72	302	0.84	2.96	5.18

Note: This mineral reserve estimate has an effective date of February 16, 2024, and is based on the mineral resource estimate dated August 31, 2023. The Mineral Reserve estimate was completed under the supervision of Willie Hamilton, P.Eng. of AGP Mining Consultants Inc., who is a Qualified Person as defined under NI 43-101. Mineral Reserves are stated within the final pit designs based on a $20.00/oz silver price, $1,600/oz gold price, $0.95/lb lead price and $1.20/lb zinc price. An NSR cut-off of $10/t was used to define oxide and sulphide reserves. The life-of-mine mine operating cost averaged $2.35/t mined, while preliminary processing costs and G&A/closure costs were $7.28/t ore and $0.85/t ore

processed respectively. Oxide and sulphide materials were incorporated in the mine schedule; however, oxide material was restricted to a maximum of 15% of the total mill feed to improve the likelihood of saleable concentrates. For mine scheduling, metal recoveries were fixed for oxides and variable according to head grades for sulphides as follows: **1.** Oxide recoveries to zinc concentrates were 85%, 9% and 8% for zinc, silver, and gold respectively. **2.** Oxide recoveries to lead concentrates were 37%, 50% and 10% for lead, silver, and gold respectively. **3.** Sulphide recoveries to zinc concentrate (for sulphide mill feed at the life-of-mine average grade) is approximately 95%, 14.3%, and 9.5% for zinc, silver, and gold, respectively. **4.** Sulphide recoveries to lead concentrate (for sulphide mill feed at the life-of-mine average grade) is approximately 87.5%, 73.9%, and 12.6% for lead, silver, and gold respectively.
The QP has not identified any known metallurgical, title, legal, title, taxation, socio-economic, marketing, political, environmental, or other risks that would materially affect the potential development of the mineral reserves. Permitting risk would typically be considered low as this project would increase employment in this mining friendly region, however, this risk will need to be monitored as the current government has made proposals to prohibit open pit mining.

Mining Methods

Overview

The Cordero project will use open pit mining methods with truck and shovel equipment that has been proven in similar operations. The major production unit operations will include drilling, blasting, loading, hauling, and dumping. These activities are planned to be completed with an owner/operator fleet. There is currently no plan to extend the mine operation using underground mining methods.

Mining will occur on 10-meter lifts with safety benches every 20 meters using the provided (by WSP) geotechnical parameters by sector for maximum slope angles. Haul roads are designed at 37 m wide to accommodate 190-220 tonne class haul trucks. The mine fleet will be diesel powered.

The mine plan is based on proven and probable mineral reserves only. The mill facility will produce both zinc and lead concentrates with contained payables for silver, gold, lead and zinc. The plant will primarily process sulphide minerals, but the processing of high-grade oxides is included up to a maximum of 15% of the feed.

Dilution was applied on a block-by-block basis taking into consideration the diluted material grade. This resulted in an increase in mill feed tonnage by 2.4%, and a 2.8% lower silver grade than the in-situ feed summary.

Mining activity commences in advance of the sulphide process plant achieving commercial production and includes the placement of material into stockpiles. The mine schedule plans to deliver 327 Mt of mill feed grading 28.7 g/t Ag, 0.08 g/t Au, 0.72% Zn and 0.41% Pb over a mine life of 17 years. Processed rock is comprised of 307 Mt of sulphide material and 20 Mt of oxide material. Oxides were included in the mill feed when they could displace lower value sulphides up to a maximum of 15% of the mill feed on a period basis. Of the life-of-mine mill feed ore tonnes, 5.1% were high-grade oxides and 19 Mt of oxide material remained in stockpiles at the end of processing due to the 15% blending limit. Waste tonnage totalling 696 Mt will be delivered to either the tailings storage facility located east of the pit or the rock storage facilities adjacent to the pit. The overall strip ratio is 2.2:1 delivered.

Mine operating costs have been estimated from first principles using quotations from local mine equipment vendors plus local supply consumables.

Pit Dewatering

The available information indicates that the pit intersects groundwater in mine Year 2, and the inflow rates increase progressively as the pit deepens year by year. The potential pit inflow rate into the proposed pit shell through the mine life was estimated using the analytical Jacob-Copper solution.

Using the estimated base case pit inflow rates, a pit dewatering strategy was developed to meet the pit dewatering requirements. The pit dewatering strategy consists of vertical wells along the pit perimeter and in-pit wells (targeting permeable hydrogeologic units and features), in addition to the supplemental measures (including precipitation runoff collection sump, and sub-horizontal drains) when necessary.

Recovery Methods

The process plant design incorporates a staged expansion approach that allows throughput to be increased, variable feed grades to be accommodated, and capital to be deployed efficiently over the life of mine. The selected flowsheet includes a single stage crushing circuit (i.e. gyratory crusher) with crushed product reporting to the crushed ore stockpile. Ore will be reclaimed to the grinding circuit, which consists of a SAG mill and a ball mill operating in closed circuit with a cyclone cluster.

Cyclone overflow will report to a carbon pre-flotation circuit before feeding a two-stage rougher flotation circuit. Lead and silver minerals will report to the concentrate of the first stage, while zinc minerals report to the concentrate of the second stage via the tailings of the first stage. Lead-silver and zinc rougher concentrates will report to dedicated regrind circuits for further size reduction. The reground materials will then be treated in dedicated cleaner flotation circuits to produce final lead-silver and zinc concentrates of requisite quality.

The concentrates will report to dedicated dewatering circuits that include high-rate thickeners and vertical plate-and-frame filter presses. For the lead-silver concentrate, the dewatering circuit also includes a dryer to deal with potential concentrate moisture issues when processing oxide blends. The resulting filter cakes and dried concentrates will be handled by front-end loader(s) for stockpiling and loadout activities. Tailings from the process will be thickened in a high-rate thickener and pumped overland to the tailings management facility.

The staged expansion of the process plant over the mine life as designed is presented below:

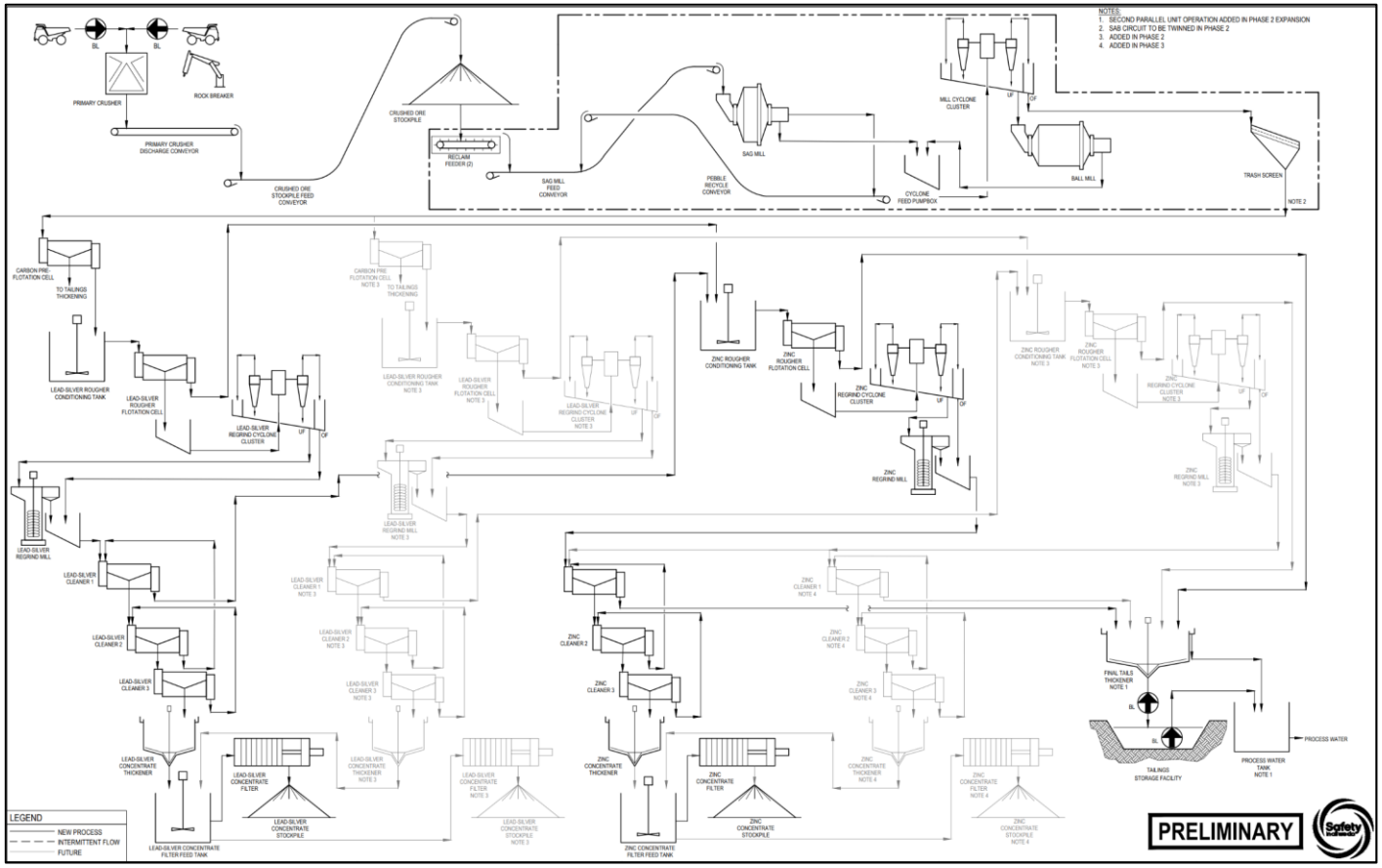
- Phase 1 (Year 1 to 3) – The process plant will be operated at an average nominal throughput of 25.5 kt/d, and is designed to account for variable ore hardness.
- Phase 2 (Year 4 to 6) – The plant will be expanded to process material at an average nominal throughput of 51.0 kt/d, and is designed to account for variable ore hardness.
- Phase 3 (Year 7+) – The zinc cleaning and concentrate dewatering circuits will be expanded to process higher zinc grades in the feed material at the average nominal throughput of 51.0 kt/d.

A summary of the design process operating availabilities are as follows:

- primary crushing availability of 75%
- grinding and flotation availability of 91.3%
- concentrate filtration availability of 82.2%

The process flowsheet is depicted in Figure 0-2, with Phase 1 equipment shown in black, and Phases 2 and 3 equipment shown in greyscale or indicated by comments.

Figure 0-2: Process Flowsheet



Source: Ausenco, 2023.

Project Infrastructure

Infrastructure to support the Cordero project will consist of site civil work, site facilities/buildings, on-site roads, a water management system, and site electrical power. Site facilities will include both mine facilities and process facilities, as follows:

- mine administration offices, truckshop, explosives storage, fuel storage and distribution, ore stockpiles, waste stockpiles, and truck wash
- process facilities including the process plant, crushing facilities, process plant workshop, assay laboratory, freshwater infrastructure, and tailings pipelines
- tailings storage facility (TSF)
- general facilities include a gatehouse, administration building, communications, switchyard, and weigh scale
- catchments, ponds, and other site water management infrastructure.

An overall site layout is provided in Figure 0-3.

The site can be accessed by a series of unpaved roads from federal Highway 24, approximately 1.3 km to the west-southwest. The existing access road will be upgraded including widening, installation of culverts as well as grading of corners to ensure suitability for daily operational traffic.

The roads within the process plant area will be generally 6 m wide, integrated with process plant pad earthworks, and designed with adequate drainage. The roads will allow access between the administration building, warehouses, mill building, crushing buildings, stockpile, mining truck shop, and the top of the mill feed stockpile.

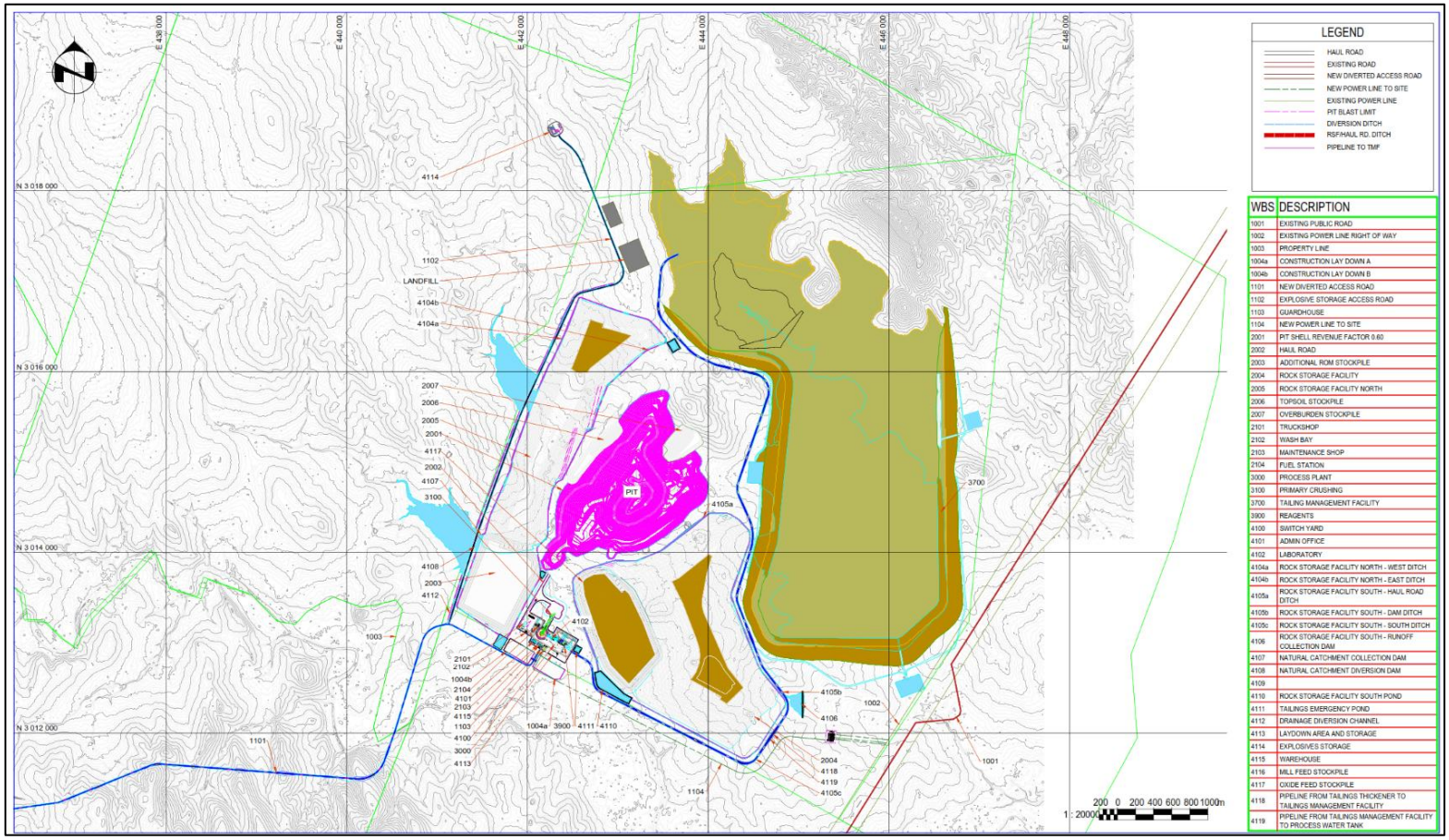
The typical method of clearing, topsoil removal, and excavation will be employed, incorporating drains, safety bunds and backfilling with granular material and aggregates for road structure. The entrance to the process and mine site will be via the gatehouse on the mine access road. Additionally, an existing secondary unpaved public road that follows the existing power transmission corridor crossing the southeast corner of the claim block can be used as an alternative access/exit road.

Material from the pit will be diverted to four main destinations depending on the grade and material type. The barren stripping material will be sent to either the waste rock storage facilities or the TSF dam for construction, while the mineralized oxides and sulphides will be sent to either the mill or two separate main stockpiles areas, primarily for low-grade sulphides and oxides. Each stockpile will have a capacity of approximately 42 Mt. All mill feed is currently envisioned to be hauled from the pit rim by 190-tonne trucks.

Waste rock storage facilities are planned for waste material from the open pit. Two locations were selected for waste rock storage: one south of the ultimate pit limits (WRF01) and one on the northwest side of the pit (WRF02). In general, design considerations assumed an overall reclaimed slope of 18 degrees and a swell density of 2.0 t/m3. Total waste rock capacity is approximately 530 Mt.

The mining infrastructure includes haul roads from the pit to the different areas on site, explosive facility, truckshop and truck washbay, mine warehouse, office, and workshop.

Figure 0-3: Overall Site Layout



Source: Ausenco, 2023.

The plant site consists of the necessary infrastructure to support the processing operations. All infrastructure buildings and structures will be built and constructed to all applicable codes and regulations. Due to the warm weather conditions, no closed buildings will be required to cover the process plant. The project site will include administration building, plant maintenance shop and warehouse, and other buildings.

A major power transmission corridor crosses the southeast corner of the claim block approximately 1.5 km from the proposed pit. The existing transmission lines in this corridor do not have sufficient capacity to supply the planned operation according to Comisión Federal de Electricidad (CFE), the national power authority. However, additional lines can be built from the Camargo II substation near Santa Rosalia de Camargo, approximately 75 km to the northeast, utilizing the same corridor.

CFE provided a study regarding the construction of a new 230 kV power transmission line to the Cordero mine site. The proposal included 75 km of new towers and a conductor, as well as a new 230 kV feeder at the Camargo II substation. Since then, an updated power impact assessment and installation reports have been received from CENACE (the national power authority since 2015), and the findings have been incorporated into the FS study.

The outdoor substation is phased into two stages based on power demand. In Phase 1, two 40/53.3 MVA, 230 kV/ 13.8 kV oil-filled power transformers will be installed, each capable of supplying the plant's maximum demand of 46 MW. The transformers will be connected to a 13.8 kV switchgear with a normally open bus tie. When one transformer is out of service, the power system configuration will allow the other to support the total process load, thus enhancing system reliability.

The plant will be expanded in Phase 2 with the installation of two 37.5/50 MVA transformers and another 13.8 kV switchgear in a similar arrangement to supply the additional loads totalling a maximum demand of 87 MW. The substation will also include four banks of power factor correction equipment, each rated at 4 MVAR.

The project lies within the Valle de Zaragoza aquifer, as designated by the National Water Commission (CONAGUA). This aquifer system is in an unrestricted zone and not subject to a ban on groundwater extraction. The mine site is located approximately 2 km north of the Arroyo San Juan, an intermittent stream flowing through alluvial materials, which will be the potential source of water.

Waste disposal for the Cordero project includes waste rock storage facilities (WRF) and the TSF. The TSF (by WSP) is designed to handle the average throughput of 25.5 kt/d in Years 1 through 4 before throughput expansion for Phase 2 at an average of 51.0 kt/d for the balance of mine operations. The TSF was sized to store approximately 367 Mt of tailings along with the inflow design flood (IDF) and additional freeboard. The selected TSF location is southeast of the open pit in an area of gently rolling hills at natural elevations between 1,500 and 1,600 meters above sea level (masl). The TSF site is underlain by thin to sparse alluvium and residual soils over a bedrock foundation of Cretaceous Mezcalera Formation marine limestone. Water from the TSF is reclaimed and used in the process plant.

The excavation quantities for diversion ditches, diversion channels, collection ditches and ponds, and the site-wide water balance model is further discussed in Section 18.9.2 of this report.

Hydrogeological investigations have identified two wellfields, to the southwest and to the north of the open pit. Hydraulic testing conducted during borehole drilling suggests the wellfields have a combined potential to provide nearly 1,000,000 m^3/a of groundwater.

Market Studies and Contracts

Discovery Silver retained an external consultant for a review of the treatment costs (TC), refining costs (RC) and transport costs and metal payables (including penalty scales). The market terms for this study are based on the terms proposed by the Exen Consulting Services as well as recently published terms from other similar studies. There are no existing refining agreements, smelting, transportation, handling or sales contract in place for the project. Likewise there are no contract commitments to execute the project – these commitments will be made post receipt of permits and finalization of project financing by the company.

The metal payables as stated in Table 0-6 are used in this study. A summary of the treatment and refining costs is shown in Table 0-7. All amounts are in US dollars.

The estimated transportation costs (trucking, port handling and ocean freight) are $176/wmt for Pb-Ag concentrate and $135/wmt for Zn concentrate. Transportation costs assume trucking of the concentrate via bulk trucks or containers to the international port at Guaymas, Sonora, or Manzanillo, Colima, and then shipping via ocean freight to international destinations such as Korea, Japan, China, and Europe. However, there may be opportunities to sell a significant portion of the produced concentrate to domestic smelters.

Table 0-6: Metal Payables

Metal	Unit	Zn Concentrate	Pb Concentrate
Zinc	%	85	-
less Deductible	units	8.0	-
Lead	%	-	95
less Deductible	units	-	3.0
Silver	%	70	95
less Deductible	g/dmt	93.3	50.0
Gold	%	70	95
less Deductible	g/dmt	1.0	1.0

Table 0-7: Summary of Treatment Charges and Refining Costs

Metal	Concentrate Grade	Treatment Charges ($/wmt)	Refining Charges ($/payable lb or oz)	Concentrate Loading Port		Ocean Shipment Mode	
				Zn Concentrate	Pb Concentrate	Zn Concentrate	Pb Concentrate
Zinc	51%	$200.00	$0.00	Guaymas	-	Bulk	-
Lead	52%	$120.00	$0.00	-	Manzanillo	-	Container/Bulk
Silver	-	-	$1.00	-	-	-	-
Gold	-	-	$10.00	-	-	-	-

The metal prices presented in Table 0-7 were used for financial modelling for this technical report.

Environmental, Permitting and Social Considerations

On May 8, 2023, several amendments to laws concerning the mining industry, commonly referred to in the media as the "Structural Reform of the Mining Industry" (the "Mining Reform"), were published in the Official Federal Gazette. The Mining Reform imposes tighter regulations on the mining industry through amendments to the Mining Law (Ley Minera), the National Water Law (Ley de Aguas Nacionales), the General Law for Ecological Balance and Environmental Protection (Ley General de Equilibrio Ecológico y Protección al Ambiente) ("LGEEPA"), and the General Law for the Prevention and Integral Management of Waste (Ley General para la Prevención y Gestión Integral de los Residuos) ("LGPGIR").

Amendments include the program for the restoration, closure, and post-closure of mines. The amendment creates the program for the restoration, closure, and post-closure of mines. This program is to be submitted to the Ministry of the Environment and Natural Resources (Secretaría de Medio Ambiembte y Recursos Naturales), with the purpose of establishing a program to remove deposits from areas subject to mining concessions that affect or may affect the ecosystem or that may contribute to environmental contamination.

The amendment prohibits the granting of authorizations for mining activities in certain areas, including protected natural areas. The amendment for Mining and metallurgical wastes responsibilities establishes that mining and metallurgical wastes are the permanent responsibility of the holder of the mining concession. The amendment also sets forth restrictions for the location of deposits or final disposal sites.

In addition, the amendments create a social impact assessment process to be executed once a favorable ruling is obtained after the bidding process. They also create a process requiring prior, free, and informed consultation with indigenous and Afro-Mexican people and communities to be carried out by the Ministry of Economy, with the cost to be covered by the winner of the bid.

Other key developments introduced by the Mining Reform include revised and expanded indigenous and public consultation rules and processes. Additional economic and administrative obligations to concession holders. Among others, concession holders are required to pay at least five percent of net profits to adjacent / affected indigenous communities. Water for human and domestic use is now expressly considered a priority. Accordingly, even if a water concession has been granted for mining activities, the volume of water subject to the concession may be reduced (and / or the concession canceled) in order to guarantee access to water for human / domestic use in case the government so determines. Further, water and mining concession holders are required to "recycle" at least 60 percent of the water used under the concession.

Until all amendments will be approved by The Federal Executive, the environmental considerations identified for the Cordero project to fulfill actual requirements are summarized below:

Groundwater quantity and quality may be impacted by the Cordero project. Fecal coliforms, total coliforms, turbidity, arsenic and iron presently exceed the maximum permissible limits of the Mexican regulatory guidelines in groundwater. Herbicides and pesticides, total trihalomethanes and BTEX present in low concentrations. The groundwater includes bicarbonated-calcium and bicarbonated-sodium-calcium types (IDEAS, 2022a).

One critical zone related to noise pollution was found in the project site corresponding to an area close to a motogenerator.

Eighteen species of mammals, forty-five species of birds, and eight species of reptiles were identified in the Cordero biodiversity monitoring study area. In total seventy-one species of vertebrates belonging to thirty-nine families. One species is included in Category A-endangered, and two species are category Pr-threatened of the NOM-059-SEMARNAT-2010. Five species are classified as APII (may become in extinction) of the CITES. A rescue and monitoring plan should be prepared by Cordero to conserve and recover endangered and threatened species.

A total of 115 species of vascular plants have been reported for the Cordero project area. One of the species identified is included in Category A-endangered of the NOM-059-SEMARNAT-2010. Thirty species are identified as APII- may become in extinction of the CITES, and twenty-seven identified in the Red List of threatened Species as Least Concern. A rescue and monitoring plan should be prepared by Cordero to conserve and recover endangered and threatened species and a biodiversity management plan to demonstrate that no impact on nature will take place in views of the new amendment for “Protected Natural Areas” to conserve biodiversity.

A Gap Analysis against Equator Principles and IFC Performance Standards was prepared by ERM in January 2023. The intention was to give a reasonable expectation of development of the resource.

Closure and Reclamation Considerations

The new provisions, modifications, and additions, as outlined in the Decree include to prepare and provide to the competent authorities a restoration, closure, and post-closure programs for mines and, a mine closure program and insurance policy, letter of credit, deposit with the Treasury of the Federation (Tesorería de la Federación), or trust, to guarantee to the population living in the areas where mining activities are performed that the necessary resources will be available to cover the possible damages caused by such activities.

A formal Closure and Reclamation Plan has been prepared for the Cordero project by Ausenco (Waste Rock, Pit and Landfill) and WSP (TSF) as it was required by the Mexican Regulatory Agency SEMARNAT to be added to the EIA for its approval. Both Closure Plans were being finalized at the time of the preparation of this report and therefore not included.

Permitting Considerations

Three permits have been obtained: NOM 120 SEMARNAT 2020, Company Registration in Social Security (IMSS) and Community Protection. Registration of Hazardous Waste Management has been presented

and Waste Management Plans (Hazardous and Mining) are in process. The EIA has been submitted by CIMA Consultores to the authorities for its approval.

Social Considerations

The area of socioeconomic influence (where workforce would be sourced) of the project is 95% concentrated in the municipality of Hidalgo del Parral, the rest is in the municipality of Valle de Zaragoza. The exploration and access activities for the Cordero project are in the municipality of Hidalgo del Parral, which would be the main source of demand for employment.

Clinics and hospitals are in Hidalgo de Parral, but it is necessary to be employed by a company or the government to access official medical care. Due to the nature of employment activities in the area of influence, more than half of the inhabitants do not have access to official healthcare. Cordero project will not only provide employment, but access to health services as well.

More than 80% of inhabitants own a house; the rest live in rental accommodations or in a house owned by relatives.

More than 51% of the population do not have access to clean drinking water; there is not enough infrastructure to provide this utility. Street lighting and drainage services are also inadequate in the area.

Capital and Operating Costs

Capital Cost Estimate

The capital cost estimate was developed in Q3 2023 US dollars based on budgetary quotations for equipment and construction contracts, as well as Ausenco's in-house database of projects and studies including experience from similar operations.

The estimate includes mining, processing, onsite infrastructure, tailings and waste rock facilities, offsite infrastructure, project indirect costs, project delivery, owners' costs, and contingency.

The following parameters and qualifications were considered:

No allowance has been made for exchange rate fluctuations.

There is no escalation added to the estimate.

A growth allowance was included.

Data for the estimates have been obtained from numerous sources, including:

mine schedules;

FS-level engineering design by Ausenco, AGP, WSP and Cenace;

Scoping level estimate for the Parrel Water Treatment Plant by M3;

topographical information obtained from the site survey;

geotechnical investigations;

budgetary equipment quotes from suppliers based in the Mexico and North America;

budgetary unit costs from several local contractors for civil, concrete, steel, electrical, piping, and mechanical works; and

data from similar recently completed studies and projects.

Major cost categories (permanent equipment, material purchase, installation, subcontracts, indirect costs, and Owner's costs) were identified and analysed. A contingency was applied in the cost estimate and was based on ranging the accuracy of the data by discipline and WBS level 3 and applying a probabilistic method (Monte Carlo Simulation). An overall contingency amount was derived in this fashion.

The capital cost summary is presented in Table 0-8. The total initial capital cost (Phase 1) for the Cordero project is $606 million; the Phase 2 (Year 4) expansion capital cost is $292 million; the Phase 3 (Year 7) expansion capital cost is $17 million; and LOM sustaining costs are $463 million inclusive of closure costs (net value $75 million).

Table 0-8: Summary of Capital Costs by WBS

WBS Description	WBS	Initial Capital Cost ($M)	Expansion Capital Cost ($M)		Sustaining Capital Cost ($M)	Total Cost ($M)
		Phase 1	Phase 2 Y4	Phase 3 Y7	LOM	
Mining	1000	117	2	0.0	110	229
On-Site Infrastructure	2000	44	14	-	-	58
Crushing	3000	28	2	0.0	-	30
Process Plant	4000	183	136	10	-	329
Tailings Facility	5000	28	60	-	221	310
Off-Site Infrastructure	6000	57	-	-	16	73
Total Directs		**457**	**213**	**11**	**347**	**1,028**
Project Indirects	7000	73	40	4	11	128
Owner's Costs	8000	11	4	-	-	14
Contingency	9000	65	35	2	31	133
Closure Costs		-	-	-	75	75
Total Indirects		**149**	**79**	**6**	**116**	**350**
Project Total		**606**	**292**	**17**	**463**	**1,377**

Note: Values may not sum due to rounding. Expansion capital has been split in this FS. Sum of values align with those presented in the press release dated 20th February 2024.

Operating Cost Estimate

The operating cost estimate was developed in Q4 2023 dollars based on budgetary quotes for equipment and consumable rates, a unit rate for power and a survey of local labour salaries provided by Discovery silver, and Ausenco's in-house database of projects and studies from similar projects.

The average yearly operating cost for the project varies as the project considers a variable annual mining rate and undergoes multiple phases with different nominal production rates and mineralized material types.

In this technical report, the plant design and cost estimates have been considered in three phases as per the description provided in Section 17. However, operating costs may at times be grouped in two phases, where Phase 1 considers Years 1-4 and Phase 2 considers Year 5+ to account for the ramp-up period of the process plant during the expansion from an average nominal throughout of 25.5 kt/d to 51.0 kt/d. The values presented in Table 0-10 using the three-phase approach are presented again in Table 0-9 for the two-phase approach.

Table 0-9: Operating Cost Summary – Two Phase Approach

Parameter	Units	Cost
Operating Costs	**$M**	**$M/a**
Mining	$/t mined	2.35
Mining	$/t milled	7.35
Processing – Milling (Phase 1)	$/t milled	6.56
Processing – Milling (Phase 2)	$/t milled	6.24
Site G&A (Phase 1)	$/t milled	0.97
Site G&A (Phase 2)	$/t milled	0.54

Table 0-10 provides a summary of the operating costs for three phases, expressed in both $M/a and $/t milled.

Table 0-10: Operating Cost Summary – Three Phase Approach

Year	LOM	1-3	4-6	7+	LOM	1-3	4-6	7+
Operating Costs	**$M**	**$M/a**	**$M/a**	**$M/a**	**$/t**	**$/t**	**$/t**	**$/t**
Mining	2,406	148	150	115	7.35	16.09	8.26	6.16
Processing	2,055	63	113	115	6.28	6.83	6.20	6.24
Site G&A	192	10	10	10	0.59	1.11	0.55	0.54
Total	**4,654**	**222**	**274**	**240**	**14.23**	**24.03**	**15.01**	**12.94**

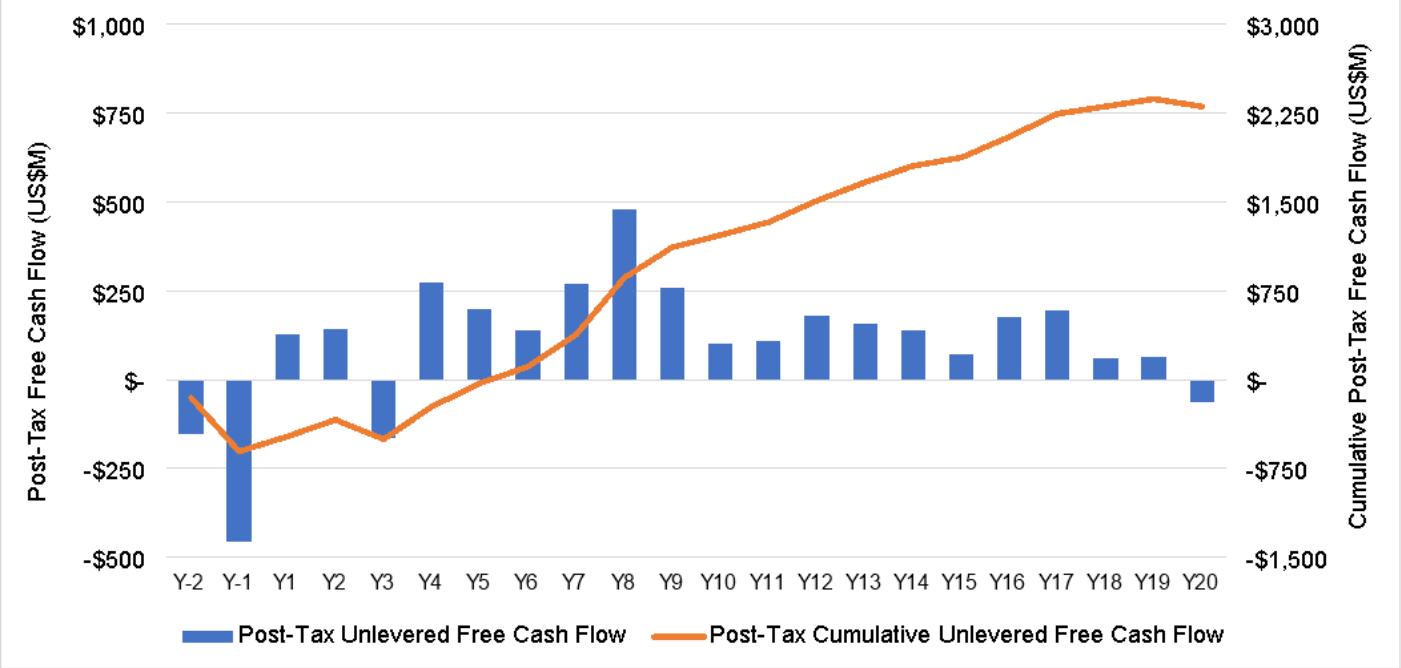
Economic Analysis

The economic analysis was performed assuming a 5% discount rate. Cash flows have been discounted to the start of construction, assuming that the project execution decision will be taken, and major project financing will be carried out at this time.

The pre-tax NPV discounted at 5% is $1,980 million; the IRR is 29.4%, and payback period is 4.1 years. On a post-tax basis, the NPV discounted at 5% is $1,177 million; the IRR is 22.0%; and the payback period is 5.2 years.

A summary of the post-tax project cash flow is shown graphically in Figure 0-4 and listed in Table 0-11.

Figure 0-4: Life of Mine Post-Tax-Free Cash Flow



Source: Ausenco, 2024.

Table 0-11: Economic Analysis Summary

Description	Unit	Life-of-Mine Total / Average
General Assumptions		
Silver Price	$/oz	$22.00
Gold Price	$/oz	1,600
Lead Price	$/lb	1.00
Zinc Price	$/lb	1.20
Discount Rate	%	5.0
Production		
Total Payable Silver	koz	230,229
Total Payable Gold	koz	86
Total Payable Lead	Mlb	2,427
Total Payable Zinc	Mlb	3,733
Total Payable Silver Equivalent	koz	550,390
Operating Costs		
Mining Cost	$/t mined	2.35
Mining Cost	$/t milled	7.35
Processing Cost	$/t milled	6.28
Site G&A Costs	$/t milled	0.59
Cash Costs and All-in Sustaining Costs (Co-Product Basis)		
Operating Cash Cost[1]	$/oz AgEq	8.46
Total Cash Cost[2]	$/oz AgEq	12.83
All-in Sustaining Cost[3]	$/oz AgEq	13.47
Capital Expenditures		
Initial Capital	$M	606
Expansion Capital	$M	309
Sustaining Capital	$M	388
Closure Costs	$M	137
Salvage Value	$M	(62)
Economics		
Pre-tax NPV @ 5%	$M	1,980
Pre-tax IRR	%	29.4
Pre-tax Payback	years	4.1
Post-tax NPV @ 5%	$M	1,177
Post-tax IRR	%	22.0
Post-tax Payback	years	5.2

Notes: **1**. Operating cash costs consist of mining costs, processing costs, site-level G&A. **2.** Total cash costs consist of operating cash costs plus transportation cost, royalties, treatment, and refining charges. **3.** AISC is calculated as: [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (excluding $37M of capex for the initial purchase of mining fleet in Year 1)] / Payable AgEq ounces. Source: Ausenco, 2024.

A sensitivity analysis was conducted on the base case post-tax NPV and IRR of the project using the following variables: discount rate, head grade, total operating cost, total capital cost, silver, gold, zinc, and lead prices, which were encompassed in a single variable, metal prices.

Table **0-12** summarizes the post-tax sensitivity analysis results.

Table 0-12: Post-Tax Sensitivity Summary

Metal Prices	Post-Tax NPV (5%) ($M)	Total Capital Cost		Total Operating Cost		Head Grade	
	Base Case	(-10%)	(+10%)	(-10%)	(+10%)	(-10%)	(+10%)
-20%	230	338	122	415	41	(107)	564
-10%	707	814	599	888	524	328	1,087
--	1,177	1,285	1,069	1,358	996	751	1,609
10%	1,647	1,755	1,539	1,828	1,466	1,170	2,130
20%	2,117	2,224	2,009	2,297	1,936	1,589	2,652
Metal Prices	**Post-Tax IRR (%)**	**Total Capital Cost**		**Total Operating Cost**		**Head Grade**	
	Base Case	**(-10%)**	**(+10%)**	**(-10%)**	**(+10%)**	**(-10%)**	**(+10%)**
-20%	9.2	11.5	7.1	12.1	5.8	2.8	14.2
-10%	16.1	18.8	13.9	18.5	13.6	10.7	20.9
--	22.0	24.9	19.4	24.1	19.8	16.7	26.8
10%	27.2	30.5	24.4	29.2	25.2	21.8	32.3
20%	32.1	35.7	29.0	34.0	30.1	26.5	37.4

Source: Ausenco, 2024.

Adjacent Properties

The QP, has reviewed the claim status on adjacent properties and can find no active mining claims adjacent to the Cordero property. As noted in Section 6, a review of adjacent mining claims conducted by Levon in 2009 led to reclaiming mineral concessions that had been dropped earlier by Valley High Ventures Ltd. In 2013, Levon acquired the last remaining inlying mineral concession.

The Cordero project lies in a region that has been a major producer of silver for centuries and continues to host several producing mines.

Interpretation and Conclusions

Information from legal experts and Discovery Silver's in-house experts support that the tenure held is valid and sufficient to support a declaration of Mineral Resources and Reserves.

The exploration programs completed to date are appropriate for the style of the deposits in the Cordero Project area.

Sampling methods are acceptable for Mineral Resource and Mineral Reserve estimation. The Mineral Reserve and Mineral Resource estimations for the Cordero Project both conform to industry-accepted practices.

Mining activity commences in advance of the sulphide process plant achieving commercial production and includes the placement of material into stockpiles. The mine schedule plans to deliver 327 Mt of mill feed grading 28.7 g/t Ag, 0.08 g/t Au, 0.72% Zn and 0.41% Pb over a mine life of 17 years. Waste tonnage

totalling 696 Mt will be delivered to either the tailings storage facility located east of the pit or the rock storage facilities adjacent to the pit.

The process plant flowsheet designs were based on testwork results and industry-standard practices. The flowsheet was developed for optimum recovery while minimizing capital expenditure and life of mine operating costs. The process methods are conventional to the industry. The comminution and recovery processes are widely used with no significant elements of technological innovation.

Based on the assumptions and parameters presented in this report, the Cordero Feasibility Study shows positive economics (i.e., $1,177 million post-tax NPV (5%) and 22.0% post-tax IRR). The feasibility study supports a decision to carry out additional detailed studies.

Discovery Silver's mineral exploration activities are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local and indigenous people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a material adverse impact on the operations and financial position of Discovery Silver. In addition, as governments continue to struggle with deficits and concerns over the effects of depressed economies, the mining and metals sector has been targeted to raise revenue. Governments are continually assessing the fiscal terms of the economic rent for a mining company to exploit resources in their countries. The occurrence of election cycles and subsequent changeover of governments and personnel and mining regime changes adds uncertainties that cannot be accurately predicted and any future adverse changes in government policies or legislation in the jurisdictions in which Discovery Silver operates that affect foreign ownership, mineral exploration, development or mining activities, may affect the Discovery Silver's viability and profitability.

Recommendations

Discovery Silver are awaiting a permitting decision (EIA) from Semarnat. The following recommendations are suggested to further derisk the project by progressing key areas such as exploration, mining, hydrogeology, infrastructure and environmental and permitting considerations. Discovery Silver intend to make a decision on FEED design after completion of the feasibility study in line with permitting timeline, which will further define the project and confirm costing and will be the starting point of the EPCM. EPCM will commence when the company will make a construction decision, which will follow receipt of permitting and finalization of financing process. Table below summarizes recommended work after Feasibility Study and before a construction decision is made.

Table 0-13: Phase 1 Recommended Work Program

Program Component	Estimated Total Cost ($M)
Exploration	*0.8*
Metallurgical Testwork	*0.1*
Mine Engineering	*0.3*
Mine Plan	*0.1*
Hydrogeology	*0.2*
Groundwater Development Work Plan	*3.3*
Tailings Storage Facility	*1.6*
Site Wide Water Balance	*0.5*
Environmental Studies, Permitting and Social Considerations	*0.5*
Total	***7.4***

DIVIDENDS AND DISTRIBUTIONS

There are no restrictions that prevent the Corporation from paying dividends or distributions. However, the Corporation has not paid any dividends or distributions on its Common Shares since incorporation and there are no plans to pay dividends at this time. At present, all available funds are invested to finance the growth of the Corporation and the exploration and development of its mineral properties. Any decision to pay dividends on its Common Shares in the future will be made by the Board from time to time, in its discretion, on the basis of many factors, including Discovery's earnings, operating results, financial condition, and anticipated cash needs and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. There are 810,344,608 Common Shares issued and outstanding as of the date of this AIF. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on such Common Shares, if any, as and when declared by the Board at its discretion from funds legally available therefor, and, upon the liquidation, dissolution, or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, surrender, or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

The Corporation has also granted stock options ("**Options**"), restricted share units ("**RSUs**"), performance-based share units **("PSUs")** and deferred share units ("**DSUs**") under its current and former compensation plans, which, upon vesting, may be exercisable or redeemable, as applicable, for Common Shares.

A description of the Corporation's current LTI Plan (as defined herein), DSU Plan (as defined herein) and Option Plan is set out in the Corporation's management information circular dated May 6, 2025 (the "**2025 Information Circular**") filed under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

Issued and Outstanding Securities

The following represents the Corporation's capital structure as of the dates indicated:

Designation of Security	Number of Shares Authorized	Outstanding on December 31, 2025	Outstanding on February 18, 2026
Common Shares	Unlimited	807,758,947	810,344,608
Options	Subject to 10% Maximum	8,235,000	5,610,440
Warrants[(1)]	N/A	3,900,000	3,900,000
RSUs and PSUs	Subject to 10% Maximum	9,117,826	7,986,222
DSUs	Subject to 10% Maximum	3,253,281	3,253,281

Note:

(1) Includes the Franco Warrants issued to Franco-Nevada in connection with the Franco Financing Package. See *"General Development of the Business – Three Year History - 2025"*.

Principal Shareholders

As at the date of this AIF, no person or company beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Shares.

MARKET FOR SECURITIES

Trading Activity and Volume

The Corporation's Common Shares currently trade on the TSX under the symbol "DSV".

The following table sets forth the monthly high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX during the year ended December 31, 2025.

	Monthly High (C$)	Monthly Low (C$)	Volume
January	1.62	0.71	36,511,400
February	1.70	1.39	24,887,600
March	2.18	1.46	32,380,000
April	2.93	1.60	59,539,700
May	3.38	2.36	87,325,300
June	3.79	2.84	98,688,100
July	3.63	2.71	49,921,000
August	4.40	3.17	55,314,100
September	5.59	4.26	107,952,300
October	6.13	4.58	98,106,300
November	7.91	5.00	86,234,900
December	9.54	7.56	106,420,000

Prior Sales

Warrants

During the year ended December 31, 2025, the Corporation issued 3,900,000 Franco Warrants, all of which remains outstanding as of the date of this AIF.

Options

During the year ended December 31, 2025, the Corporation did not issue any Options.

Restricted Share Units, Performance Share Units and Deferred Share Units

During the year ended December 31, 2025, the Corporation granted an aggregate of 4,131,939 RSUs, 2,812,018 PSUs and a total of 887,284 DSUs, in accordance with the table set out below.

Date of Issue/Grant	Type of Security	Number of Securities	Price Per Security
February 24, 2025	Restricted Share Units	562,558	$2.525
March 1, 2025	Restricted Share Units	13,886	$2.525
March 31, 2025	Deferred Share Units	877,284	$2.05
March 31, 2025	Restricted Share Units	1,804,596	$2.05
March 31, 2025	Performance Share Units	1,624,093	$2.05
April 1, 2025	Restricted Share Units	12,319	$2.525
April 25, 2025	Restricted Share Units	652,373	$2.676
April 25, 2025	Performance Share Units	580,624	$2.676
May 20, 2025	Restricted Share Units	184,182	$2.516
May 20, 2025	Performance Share Units	153,021	$2.516
June 2, 2025	Restricted Share Units	215,251	$3.252
June 2, 2025	Performance Share Units	123,001	$3.252
June 16, 2025	Restricted Share Units	54,995	$3.273
July 2, 2025	Restricted Share Units	171,475	$3.015
July 2, 2025	Performance Share Units	49,751	$3.015
July 16, 2025	Restricted Share Units	120,785	$3.084
July 21, 2025	Restricted Share Units	52,182	$3.162
July 29, 2025	Restricted Share Units	140,652	$3.466
July 29, 2025	Performance Share Units	140,652	$3.466
August 19, 2025	Restricted Share Units	11,391	$3.951
October 1, 2025	Restricted Share Units	103,249	$5.085
October 1, 2025	Performance Share Units	103,249	$5.085
October 20, 2025	Restricted Share Units	5,809	$5.603
October 27, 2025	Restricted Share Units	37,627	$4.983
October 27, 2025	Performance Share Units	37,627	$4.983

DIRECTORS AND OFFICERS

As of the date of this AIF, the name, province or state and country of residence, position or office held with the Corporation, and principal occupation for the immediately preceding five years of each of the directors and executive officers of the Corporation are as follows, with all companies listed still carrying on business as of the date hereof unless otherwise noted.[1][2]

Name, Position, Residence	Principal Occupation for Five Preceding Years	Director Since
TONY MAKUCH[3][4][5] Ontario, Canada President, Chief Executive Officer and Director	Current President and CEO and prior Interim CEO of the Corporation since June 2022. Previously, President and CEO of Kirkland Lake Gold Ltd. ("**Kirkland Lake**") prior to its merger with Agnico Eagle Mines Limited ("**Agnico**"), from 2016 to 2022.	April 11, 2022
ALISON WHITE Denver, Colorado Chief Financial Officer	CFO of the Corporation since July 2025. Previously, CFO and Executive Vice President of SSR Mining Inc. from March 2021 to March 2024; various executive roles at Newmont Corporation from July 2016 to February 2021.	N/A
PIERRE ROCQUE Ontario, Canada Chief Operating Officer	COO of the Corporation since April 2025. Previously, Director of Rocque Engineering Inc. since 2019.	N/A
RAYMOND YIP Ontario, Canada Chief Information Officer	CIO since October 1, 2025. Previously, Vice President, Digital Transformation of Agnico from February 2022 to September 2025; Vice President, Business Intelligence of Kirkland Lake from September 2016 to February 2022, when Kirkland Lake merged with Agnico.	N/A
JENNIFER WAGNER Ontario, Canada Executive Vice President, Corporate Affairs and Sustainability[6][7]	Executive Vice President, Corporate Affairs and Sustainability of the Corporation since April 2025. Board member of the Corporation from 2021 to June 2025. Previously, the Executive Vice President, Corporate Affairs, Legal Counsel and Corporate Secretary of Kirkland Lake from 2016 to 2022.	Ceased being a director as of June 26, 2025.
FORBES GEMMELL Ontario, Canada Executive Vice President, Business Development and Growth	EVP, Business Development and Growth since June 2025. Previously, VP of Corporate Development of the Corporation since January 2020.	N/A
MARK UTTING Ontario, Canada Senior Vice President, Investor Relations	Senior Vice President, Investor Relations since June 2025. Previously, VP of Investor Relations of the Corporation since February 2024; Senior Vice President, Finance for Karora Resources from January 2023 to September 2023.	N/A
AMY HU Ontario, Canada Senior Vice President, Legal and Sustainability	Senior Vice President, Legal and Sustainability of the Corporation since June 2025. Previously, Deputy General Counsel, Operations Legal Support at Newmont from 2019 to March 2025.	N/A

Name, Position, Residence	Principal Occupation for Five Preceding Years	Director Since
ERIC KALLIO Ontario, Canada Senior Vice President, Exploration & Growth	Senior Vice President, Exploration & Growth of the Corporation since April 2025. Previously, Senior Vice President, Exploration at Kirkland Lake from 2018 to 2022.	N/A
DARRIN SMITH Ontario, Canada Senior Vice President, Corporate Development	Senior Vice President, Corporate Development of the Corporation since April 2025. Previously, Senior Vice President, Corporate Development at Liberty Gold from 2022 to 2025 and the Senior Vice President of Corporate Development at Kirkland Lake from 2017 until 2022.	N/A
ROMAN SOLIS Sonora, Mexico Senior Vice President, Mexico	Vice President Mexico of the Corporation since January 2023. Previously, Country Manager of the Corporation since January 2018.	N/A
GORDON LEAVOY Ontario, Canada Senior Vice President, Mineral Processing	Senior Vice President, Mineral Processing at the Corporation since June 2025. Previously, VP, Mineral Processing of the Corporation since June 2023; Vice President Mineral Processing and Accountable Executive Officer for tailings at Kirkland Lake from 2017 to 2022.	N/A
DUNCAN KING Ontario, Canada Vice President, Canadian Operations	Vice President, Canadian Operations of the Corporation since April 2025. Previously, Vice President, Canadian Mining Operations of Kirkland Lake from 2016 to 2022. From 2023 to 2025, Mr. King was a consultant to the Corporation.	N/A
JOSÉ JABALERA Chihuahua, Mexico Vice President, Corporate Affairs and Sustainability, Mexico	Vice President, Corporate Affairs and Sustainability, Mexico since August 2023. Previously, General Director of Mining Development in the Federal Ministry of Economy (Mexico) from 2019 to 2022.	N/A
MURRAY JOHN[(6)(8)(9)] British Columbia, Canada Director and Chairman	Retired mining engineer, investment fund manager and mining industry executive. Formerly, the Chairman of Prime Mining Corp., Lead Director of O3 Mining Inc., and a Director of Osisko Gold Royalties Ltd.	June 27, 2017
JEFF PARR[(8)(9)] Ontario, Canada Director	Vice Chair of the Board of Agnico. Previously, Chair of the Board of Kirkland Lake from May 2019 until its merger with Agnico in 2022.	August 20, 2017
MOIRA SMITH[(3)(4)] Nevada, USA Director	Director of Galiano Gold Corp. since June 2024. Corporate Technical Advisor for Liberty Gold Corp. since January 2023. Previously, Vice President, Exploration and Geoscience of Liberty Gold Corp. and President of Pilot Gold USA Inc. from June 2015 to January 2023.	June 26, 2019

Name, Position, Residence	Principal Occupation for Five Preceding Years	Director Since
DANIEL VICKERMAN(6)(8) Andorra Director	Senior Vice President, Corporate Development of Blackrock Silver Corp. and Director of Blackrock Silver Corp. since August 2020 and Director of Yukon Metals Corp. since June 2024.	August 2, 2019
BARRY OLSON (3)(4)(8)(9) Idaho, USA Director	Advisory Committee member for Agnico. Previously, a director of Kirkland Lake from October 2014 to February 2021 prior to its merger with Agnico in 2022. Special Advisor to US Goldmining since September 2025.	August 21, 2023

Notes:

(1) This information, not being within the knowledge of the Corporation, has been furnished by the respective nominees. Information provided as at the date of this AIF.

(2) The Corporation does not set expiry dates for the terms of office of directors. The term of office of each of the Corporation's directors expires at the Corporation's next annual general meeting of shareholders at which directors are elected for the upcoming year or when his successor is duly elected, or earlier in accordance with the articles of the Corporation.

(3) Member of the Sustainability Committee.

(4) Member of the technical committee of the Board (the "**Technical Committee**").

(5) Tony Makuch was appointed Interim CEO on June 3, 2022, and appointed President and CEO on January 23, 2023.

(6) Member of the nominating and governance committee of the Board (the "**Nominating and Governance Committee**").

(7) Jennifer Wagner was a member of the Board of Directors until the Corporation's Annual General and Special Meeting of Shareholders on June 25, 2025.

(8) Member of the audit committee of the Board (the "**Audit Committee**").

(9) Member of the compensation committee of the Board (the "**Compensation Committee**").

At the date of this AIF, the current directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over, a total of 14,993,081 Common Shares, representing approximately 2% of the issued and outstanding Common Shares as at February 19, 2026.

The principal occupations, businesses or employments of each of the Corporation's directors and the senior executive officers within the past five years are disclosed in the brief biographies set out below.

Tony Makuch – President Chief Executive Officer and Director. Mr. Makuch has over 35 years of mining industry experience and was most recently President, CEO and director of Kirkland Lake from 2016 to 2022, leading the transformation of the company with a share price increasing over 530% during his tenure. Prior to joining Kirkland Lake, Mr. Makuch was the CEO and President of Lake Shore Gold Corp. ("**Lake Shore Gold**"), which was acquired by Tahoe Resources Inc. ("**Tahoe**") in 2016. Mr. Makuch is a Professional Engineer (P.Eng) and holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo (Ontario), and both a Master of Science Degree in Engineering and a Master of Business Administration from Queen´s University (Ontario) and has obtained the Institute of Corporate Directors ICD.D designation from the University of Toronto Rotman School of Business.

Alison White – Chief Financial Officer. Ms. White is a highly experienced finance professional who, over her 20-plus year career, has established a solid track record of success serving in numerous financial and operational roles. Most recently, Alison served as CFO & Executive Vice President at SSR Mining Inc. ("**SSR**"), where she played a key role in designing and advancing SSR's value creation strategy and led the transformation of several key functions, including Finance, IT, Treasury, Cyber Security, Enterprise Risk Management and Business Excellence. Prior to joining SSR, Alison worked in various corporate and regional roles at Newmont, including serving as the Regional CFO for North America. Earlier in her career,

she gained leadership and financial experience through senior positions across a variety of industries. Alison has a Master's and B.S. in finance and accounting from the University of Colorado, Boulder, and is a licensed Certified Public Accountant.

Pierre Rocque – Chief Operating Officer. Mr. Rocque is a mining engineer, PEO, with over 35 years of industry experience. Most recently, he was Director of Rocque Engineering Inc. since 2019, serving a broad range of clients, including working with the Corporation as it evaluated the Porcupine Complex acquisition. Prior to 2019, Mr. Rocque worked as Vice President of Canadian Operations and Technical Services at Kirkland Lake from 2016 to 2019 and at St. Andrews Goldfields Ltd. from 2010 to 2014. Mr. Rocque's extensive experience in Timmins includes serving as Director, Technical Services at Lake Shore Gold from 2008 to 2010, acting as Qualified Person for the 2006 NI 43-101 Technical Report for the Porcupine Joint Venture and serving as a Project Engineer at Hoyle Pond from 1998 to 1999.

Raymond Yip – Chief Information Officer. Mr. Yip brings over 20 years of international experience across the Information Technology ("**IT**") field, leading IT infrastructure, network and communications, cybersecurity, data and enterprise applications. Most recently, Mr. Yip served as Vice President, Digital Transformation for Agnico, where he was responsible for operational technology, and led initiatives for artificial intelligence and data insights towards operational excellence. Prior to joining Agnico, Mr. Yip was Vice President, Business Intelligence for Kirkland Lake, overseeing the company's IT function.

Jennifer Wagner – Executive Vice President, Corporate Affairs and Sustainability. Ms. Wagner is a mining executive and corporate securities lawyer with approximately 20 years of industry experience. She previously served on the Board from 2021 to 2025. From 2015 to 2022, Ms. Wagner worked in progressively senior roles at Kirkland Lake, ultimately serving as Executive Vice President, Corporate Affairs and Sustainability, which also included heading Kirkland Lake's legal affairs function. Prior to 2015, she acted as legal counsel and corporate secretary to various TSX and TSXV-listed mining companies. Ms. Wagner has extensive experience advising companies on a variety of corporate commercial transactions, governance, and compliance matters and holds her ICD.D designation from the University of Toronto Rotman School of Business.

Forbes Gemmell – Executive Vice President, Business Development & Growth. Mr. Gemmell has more than 15 years' experience in the mining industry across capital markets, exploration, project development and operations, including senior and executive management roles for Guyana Goldfields Inc. and Lago Dourado Minerals Ltd., companies with operations in Latin America.

Mark Utting – Senior Vice President, Investor Relations. Mr Utting has over 35 years of experience in investor relations, finance and corporate communications, mainly in the mining and financial services sectors. Previously, he served as the Corporation's Vice President, Investor Relations since June 2024, and was a consultant to the Corporation prior to that date. Before joining the Corporation, key roles in the mining sector included serving as Senior Vice President, Investor Relations at Kirkland Lake from 2017 to 2022, where he was responsible for all aspects of investor relations and corporate communications, including serving as one of two primary spokespersons, and also serving as Chair of the company's Disclosure Committee. Prior to that, he served as Vice President, Investor Relations for Tahoe from April 2016 to June 2017 and performed the same role for Lake Shore Gold from 2008 to 2016.

Amy Hu – Senior Vice President, Legal and Sustainability. Ms. Hu is a lawyer with more than 15 years of international experience across North and South America, Africa, and Australia, having played a pivotal role in guiding public companies through major M&As, crisis response, ESG and governance advice. Prior to joining the Discovery team, Amy served as Deputy General Counsel, Operations Legal Support at Newmont, where she led a 70+ person legal team across nine countries. A recognized expert in corporate law, ESG, and stakeholder engagement, Amy has negotiated long-term agreements with many Indigenous communities and contributed to sustainable strategies for mining companies. She is a Certified Corporate Governance Professional, licensed in both Canada and the U.S., and holds a J.D. from the University of Toronto.

Eric Kallio – Senior Vice President, Exploration & Growth. Mr. Kallio is a professional geologist, PGEO Ontario, with over 40 years of experience, largely in the Abitibi Greenstone Belt of Northern Ontario. He

was raised in Timmins and previously worked at the Porcupine Complex, including serving as Chief Geologist at Dome Mine for 10 years, from 1987 to 1997, and working at Hoyle Pond while in the role of senior exploration manager for Kinross Gold Corporation from 1997 to 2001. Most recently, Mr. Kallio worked in various roles at Agnico, including serving as Executive Vice President, Exploration Strategy and Growth from 2022 to 2023. From 2018 to 2022, Mr. Kallio served as Senior Vice President, Exploration at Kirkland Lake and, prior to that worked as Senior Vice President, Exploration for Lake Shore Gold in Timmins from 2008 to 2016, and for Tahoe from 2016 to 2018 following its acquisition of Lake Shore Gold.

Darin Smith – Senior Vice President, Corporate Development. Mr. Smith is a mining finance professional with more than two decades of experience driving strategic growth and transaction execution in the mining sector. He previously served as Senior Vice President of Corporate Development at Kirkland Lake, where he led the review and execution of external growth initiatives culminating in the company's successful merger with Agnico. Earlier in his career, Mr. Smith spent ten years as an investment banker in BMO Capital Markets' Global Metals & Mining Group in the firm's Toronto and London offices, where he advised multinational clients on M&A transactions and capital raises across diverse commodities. He most recently held the role of Senior Vice President, Corporate Development at Liberty Gold. Mr. Smith holds a Bachelor of Applied Science in Mining Engineering and a Master of Management Analytics from Queen's University.

Roman Solis – Senior Vice President, Mexico. Mr. Solic, Eng. (Geoscience), is an exploration geologist with 20 years' experience in exploration and mining in Mexico. He is responsible for the strategy, planning and execution of the Corporation's activities in Mexico. He has designed and managed multiple early and advanced stage exploration programs over a wide variety of deposit types and has significant experience with carbonate-hosted deposits. From 2014 to 2017, Mr. Solis was Chief Geologist for Alio Gold Inc., where he was in charge of the design, planning and execution of all of Alio's exploration, geological and resource evaluation / delineation work at its properties in Mexico. He was also in charge of block model reconciliation and grade control drilling programs at Alio's San Francisco Mine. Mr. Solis has a Bachelors of Geoscience Engineering from the University of Sonora State, and is a member of the Association of Mining Engineers, Metallurgists and Geologists of Mexico.

Gord Leavoy – Senior Vice President, Mineral Processing. Mr. Leavoy has over 40 years' experience in mineral processing including processing plant operations, plant maintenance, plant design and construction and mine tailings dam construction and operation. His experience spans base metals and gold across North America and Australia. In addition, he has extensive experience in processing plant operations, plant maintenance, plant design and construction and mine tailings dam construction and operation. Prior to joining the Corporation, Mr. Leavoy was Vice President, Mineral Processing and Accountable Executive Officer for tailings at Kirkland Lake. Prior to this, he held a variety of roles with companies such as Falconbridge Ltd., Kinross Gold Corp., Placer Dome Inc., Goldcorp Inc., Lake Shore Gold, Kirkland Lake and Agnico.

Duncan King – Vice President, Canadian Operations. Mr. King is from Timmins and has over 40 years of mining experience, primarily in Northern Ontario. Mr. King worked in Timmins at Lake Shore Gold from 2008 to 2016, first serving as General Superintendent at the Timmins West Mine from 2008 to 2013 and then Mine Manager at the Bell Creek Mine from 2013 to 2016. During the 1990s, Mr. King worked at the Hoyle Pond Mine, where he oversaw the successful completion of the original shaft sinking project and the subsequent connection of underground operations to the Hoyle Pond ramp. During his career, Mr. King has gained extensive knowledge of mine development, production and leadership, with a strong track record of operational efficiency, productivity and safety.

José Jabalera – Vice President, Corporate Affairs and Sustainability, Mexico. Mr. Jabalera is a Mexican national and has worked collaboratively with mining companies and different government agencies in areas such as community consultation, community agreements and in developing guidelines for responsible mining in Mexico. Prior to joining the Corporation, he was the General Director of Mining Development in the Federal Ministry of Economy (Mexico) from 2019 to 2022 and served as Director of Mining for the State Government of Chihuahua and Industrial Promoter from 2010 to 2019.

Murray John – Chairman and Director. Prior to his retirement in December 2014, he was the President and CEO of Dundee Resources Limited and Managing Director and a Portfolio Manager with Goodman & Company, Investment Counsel Inc., where he was responsible for managing private equity resource and precious metals focused mutual funds and flow-through limited partnerships. He is also a former director of several other public companies including Breakwater Resources Ltd., Dundee Precious Metals Inc., Osisko Mining Inc, O3 Mining Inc., Osisko Gold Royalties, and Prime Mining Corp., prior to its acquisition by Torex Gold on October 22, 2025. Mr. John is a mining engineer and has been involved with the resource investment industry since 1992 working as an investment banker, buy-side mining analyst, sell-side mining analyst, and portfolio manager.

Jeff Parr – Director. Mr. Parr serves as Vice Chair of the Board of Agnico. Prior to the merger of Kirkland Lake and Agnico, Mr. Parr served as the Chairman of the Board for Kirkland Lake (2019 to 2022) and preceding that, Independent Director from 2014 to 2019. He has over 30 years of executive leadership experience in mining and related industries. Mr. Parr joined Centerra Gold Inc. in 2006 as VP Finance and was appointed Chief Financial Officer in 2008 where he served until his retirement in 2016. Mr. Parr was also the Chief Financial Officer for Acres International for nine years. From 1988 to 1997 he held progressively senior financial positions at WMC International (a subsidiary of Western Mining Corporation) with responsibility for operations and exploration in the Americas. He ultimately served as the company's Executive Vice President. Mr. Parr is a Chartered Professional Accountant (CPA, CA 1984) and obtained the ICD.D designation from the Institute of Corporate Directors (2018). He holds a Master of Business Administration (McMaster University) and a Bachelor of Arts in Economics (University of Western Ontario).

Moira Smith – Director. Dr. Smith is a Director of Galiano Gold Corp, Corporate Technical Advisor to Liberty Gold Corp, former Vice-President Exploration and Geoscience with Liberty Gold., former President of Pilot Gold USA Inc. and former Chief Geologist, Nevada, for Fronteer Gold. Dr. Smith has been overseeing the exploration program at Black Pine in Idaho and was instrumental in the successful advancement of Long Canyon, Fronteer Gold's flagship project. She developed an understanding of the geology and controls on mineralization at Long Canyon and built the geological model for ongoing exploration and resource growth. Prior to Fronteer Gold, she served as U.S. Exploration Manager, Senior Geologist and Project Manager for Teck Resources Ltd., where she managed exploration programs for several high-profile, advancedstage projects throughout the Americas, including the 5.5 million ounce Pogo gold deposit, now in production; the 1.5 billion tonne Petaquilla Cu-MoAu porphyry deposit in Panama; and the 3.5 million ounce El Limon gold deposit in Mexico. Dr. Smith has a Ph.D. in geology from the University of Arizona and is a P.Geo. (British Columbia). She has held board or executive positions with numerous industry associations and is a Fellow and recent President of the Society of Economic Geologists.

Daniel Vickerman – Director. Mr. Vickerman joined the Board through Discovery's 2019 merger with Levon Resources Ltd. where he was Board Chairman. Mr. Vickerman is a seasoned institutional sales and corporate finance professional with 25 years of experience in the financial industry. Mr. Vickerman is currently a Director of Yukon Metals Corp. and Senior Vice President of Corporate Development and Director of Blackrock Silver Corp. and formerly, Managing Director, Head of UK of Beacon Securities UK from 2016 to 2019, and former Managing Director, Head of UK for Edgecrest Capital. Prior to joining Edgecrest Capital, Mr. Vickerman was Managing Director, Co-Head of Canadian Equity Sales UK at Canaccord Genuity. Mr. Vickerman also formerly worked at Thomas Weisel Partners where he served as Senior Vice President. Mr. Vickerman has extensive experience working with mineral exploration and development companies, raising over $1 billion for private and listed companies. He holds a Bachelor of Arts, Economics from the University of Western Ontario.

Barry Olson – Director. Mr. Olson has over 30 years experience in strategic management and leadership in engineering, construction, start-up and operations of large-scale mining projects. Since September 2025, Mr. Olson has been a Special Advisor to U.S. GoldMining Inc. Prior to his retirement in 2013, Mr. Olson was Senior Vice President of Project Development with Goldcorp Inc. During his time with Goldcorp (2006 – 2013) he was responsible for the successful development of Peñasquito, the largest open pit mine in Mexico, on schedule and on budget, as well as other major development projects in Chile, Argentina and Canada. Prior to Goldcorp, Mr. Olson held general manager roles with Coeur Mining Inc. (2001 – 2006) and Amax Gold Inc. (1988 – 1998). Mr. Olson is currently on the Advisory Committee for Agnico Eagle Mines Ltd. and is also a former Director of Kirkland Lake (2014 – 2021).

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES, OR SANCTIONS

Except as disclosed below no director or executive officer of Discovery is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, CFO, or CEO of any company (including the Corporation) that:

(a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (any such order, an "**Order**") that was issued while that person was acting in that capacity; or

(b) was subject to an Order that was issued after that person ceased to act in such capacity and which Order resulted from an event that occurred while that person was acting in that capacity.

No director or executive officer of the Corporation, or shareholder holding a sufficient number of Common Shares to affect, materially, the control of the Corporation:

(a) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect, materially, the control of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The information contained in this AIF as to ownership of securities of the Corporation, corporate cease trade orders, bankruptcies, penalties, or sanctions, and existing or potential conflicts of interest, not being within the knowledge of the Corporation, has been provided by each director and executive officer of the Corporation individually.

Murray John was a director of African Minerals Limited, a company that went through an insolvency process appointed Deloitte LLP as its administrator on March 26, 2015.

CONFLICTS OF INTEREST

Except as disclosed herein, to the knowledge of management of the Corporation, there are no existing or potential material conflicts of interest between the Corporation and any of its subsidiaries and any director or officer of the Corporation. Directors and officers of the Corporation may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation or any of its subsidiaries may participate, the directors of the Corporation may have a conflict of interest in negotiating and conducting terms in respect of such participation. If such conflict of interest arises at a meeting of the Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such participation or such terms.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, no director, executive officer, or shareholder beneficially owning or exercising control or direction over, directly or indirectly, more than 10% of the Common Shares, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction during the current fiscal year or within the three most recently completed financial years or in any proposed transaction which, in either such case, has materially affected or is reasonably expected to materially affect the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not currently and, other than as disclosed herein, has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. The Corporation is not aware of any such proceedings or actions threatened or known to be contemplated.

TRANSFER AGENT AND REGISTRAR

As of the date of this AIF, the registrar and transfer agent for the Corporation's Common Shares is TSX Trust Company, located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

No material contracts entered into by the Corporation during the financial year ended December 31, 2025, and from January 1, 2026, until the date of this AIF, or before the financial year ended December 31, 2025, and which are still in effect, other than the following:

- the Porcupine Acquisition Agreement; and
- the Revolving Credit Facility Agreement.

A copy of each of the aforementioned agreements is available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

The Corporation relies on experts to audit its annual consolidated financial statements, and to prepare Technical Information, including technical reports, on certain of the Corporation's mineral properties.

Qualified Persons

The following are the Qualified Persons involved in preparing the Technical Reports or who certified a statement, report or valuation from which certain scientific and technical information relating to the Corporation's material mineral projects contained in this AIF has been derived, and in some instances extracted from.

Technical Report	Qualified Person
Porcupine Technical Report	Eric Kallio, P. Geo. Pierre Rocque, P. Eng. Dr. Ryan Barnett, P. Geo., Resource Modeling Solutions Ltd.

Technical Report	Qualified Person
Cordero Technical Report	Tommaso Roberto Raponi, P. Eng., Ausenco Engineering Canada ULC Jonathan Cooper, P. Eng., Ausenco Engineering Canada ULC Scott Weston, P. Geo., Ausenco Sustainability ULC John McCartney, C. Geol., Ausenco Chile Limitada Willie Hamilton, P. Eng., AGP Mining Consultants Inc. Rae Mohan Srivastava, P. Geo., Red Dot 3D Inc. Nadia Caira, P. Geo., World Metals Inc. Humberto Preciado, PE, WSP USA Environment & Infrastructure Inc. Blake Easby, PE, WSP USA Environment & Infrastructure Inc.

Unless otherwise stated, Eric Kallio, P. Geo., the Corporation's Senior Vice President, Exploration and Pierre Rocque, P.Eng., the Corporation's COO, each a Qualified Person, have prepared and approved the scientific and Technical Information in this AIF.

Based on information provided by the experts as at the date of this AIF, to the knowledge of the Corporation, the aforementioned firms or persons held either less than 1% or no securities of the Corporation or of any associate or affiliate of the Corporation, when they prepared their respective reports or rendered services referred to, as applicable, or following the preparation of such reports or rendering of services, as applicable, and either did not receive any or received less than 1% direct or indirect interest in any securities of the Corporation or of any associate or affiliate of the Corporation in connection with the preparation of such reports or rendering of such services.

Auditors

The Corporation's Independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**") who have prepared an independent auditor's report dated February 18, 2026, in respect of the Corporation's consolidated financial statements as at December 31, 2025 and 2024 and for the years then ended. PwC has advised that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by Chartered Professional Accountants of Ontario CPA Code of Professional Conduct and any applicable legislations and regulations.

BOARD COMMITTEES

The Board has five standing committees: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Nominating and Corporate governance committee; (iv) the Technical Committee; and (v) the Sustainability Committee. Details as to the composition and mandate of the Audit Committee are described in this AIF under the heading "*Information Concerning the Audit Committee and External Auditor*"; details related to the mandates and composition of the various committees and the mandate of the Board are described in the 2025 Information Circular filed under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.

INFORMATION CONCERNING THE AUDIT COMMITTEE AND EXTERNAL AUDITOR

Audit Committee Charter

The Audit Committee has a written charter to follow in carrying out its audit and financial review functions (the "**Audit Committee Charter**"), a copy of which is attached as Schedule A to this AIF. The Audit Committee reviews all financial statements of the Corporation prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them, and reviews fees for audit services. The Audit Committee meets separately (without management present) with the Corporation's auditors to discuss the various aspects of the Corporation's financial statements and the independent audit.

The Corporation has also adopted a code of business conduct and ethics (the "**Code of Ethics**") that applies to all personnel of the Corporation. A copy of the Code of Ethics is attached as Schedule B to this

AIF. Employees of the Corporation are encouraged to report suspected violations of the Code of Ethics to the 'Complaints Officer'. The Complaints Officer is the Chair of the Audit Committee. Suspected violations are also reported to the CEO and CFO. In addition, the Corporation has established a 24/7, 365 day a year confidential whistleblower hotline operated by an external service provider.

Composition of the Audit Committee

As of the date of this AIF, the members of the Audit Committee are Jeffrey Parr, Murray John, Barry Olson and Daniel Vickerman, each of whom is "independent" and "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees*.

Relevant Education and Experience

See "*Directors and Officers*" above for a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member.

Auditors

PwC has been the Corporation's external auditor since September 13, 2017. The auditors conduct the annual audit of Discovery's consolidated financial statements and, on occasion, provide audit-related, tax and other services. The auditors report to the Audit Committee.

Audit Committee Oversight

At no time during the fiscal year ended December 31, 2025, or the fiscal year ended December 31, 2024, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

As of the date of this AIF, the Audit Committee has not adopted specific policies or procedures for the engagement of non-audit services however as a best practice, any non-audit service provided to the date of this AIF has had formal approval by the Audit Committee.

External Auditor Service Fees

The following table shows the fees paid, net of 7% administrative surcharge, by the Corporation to the Auditors for services in the years ended December 31, 2025, and December 31, 2024:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Audit Fees[(1)]	$785,882.13	$242,540
Audit-Related Fees[(2)]	$53,703.25	$nil
Tax Fees[(3)]	$71,518.26	$19,260
All Other Fees[(4)]	$--	$nil
Total	**$911,103.64**	**$261,800**

Notes:

(1) "Audit Fees" refer to the aggregate fees billed by the Corporation's external auditor for audit services**[, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits]**.

(2) "Audit-Related Fees" refer to the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not reported under Audit Fees.

(3) "Tax Fees" refer to the aggregate fees billed for the professional services rendered by the Corporation's external auditor for tax compliance.

(4) "All Other Fees" refer to the aggregate fees billed for products and services provided by the Corporation's external auditor, other than the services reported under (1), (2) and (3) above.

ADDITIONAL INFORMATION

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the 2025 Information Circular. Additional financial information is also provided in Audited Financial Statements, and the related MD&A.

A copy of such documents, and of this AIF, as well as additional information relating to the Corporation, is available under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca. Copies may also be obtained upon request from the Corporate Secretary of the Corporation. The Corporation may require payment of a reasonable charge if the request is made by a person who is not a holder of securities of the Corporation. Information on the Corporation's website is not part of this AIF or incorporated by reference.

SCHEDULE A – AUDIT COMMITTEE CHARTER

This Charter governs the operations of the Audit Committee (the "**Committee**") of Discovery Silver Corp. ("**Discovery Silver**" or the "**Corporation**").

PURPOSE

The purpose of the Committee shall be to provide assistance to the Board of Directors (the "Board") in fulfilling its oversight responsibility to the shareholders of the Corporation, potential shareholders, the investment community and others, relating to: (i) the integrity of the Corporation's financial statements; (ii) the Corporation's compliance with legal and regulatory requirements relating to disclosure of financial information and any other matters as may be required; and (iii) the independent auditors' qualifications and independence.

The Committee shall retain and compensate such outside legal, accounting or other advisors as it considers necessary in discharging its role. In fulfilling its purpose, the Committee shall maintain free and open communication between the Committee, the independent auditors and management of the Corporation, and determine that all parties are aware of their responsibilities.

COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- Sufficient members of the Committee shall be "independent" and "financially literate" (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes) so as to comply with applicable securities laws and stock exchange rules.
- Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.
- At least one member of the Committee shall have sufficient experience to be considered a Financial Expert, where such determined by having been a chief financial officer, chartered or certified public accountant, certified management accountant, or partner of an accounting firm.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board, or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above); the position of Chair of the Committee shall not be filled by the current Chair of the Board.
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.
- No Committee member shall simultaneously serve on the audit committee of more than two other public companies with active business operations or significant assets.

MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the external auditors (the "**Independent Auditors**") or any member of the Committee.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The CEO and CFO are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditors, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

DUTIES AND RESPONSIBILITIES

The Committee has the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Corporation and for implementing and maintaining internal control over financial reporting. The Independent Auditors are responsible for auditing the Corporation's financial statements and, if requested by the Committee, for reviewing the Corporation's unaudited interim financial statements.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Corporation believes that, in carrying out the Committee's responsibilities, its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to set the overall corporate "tone" for quality financial reporting and ethical behaviour.

The following shall be the principal duties and responsibilities of the Committee and the Chair of the Committee (the "**Chair**"). These are set forth as a guide with the understanding that the Committee may supplement them as it considers appropriate.

Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and report to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensure that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establish a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensure that Committee materials are available to any director on request;
- act as liaison and maintain communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes, at least annually and at such other times and in such manner as the Committee considers advisable, reporting to the full Board on:
- all proceedings and deliberations of the Committee;
- the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole; and
- principal operating and business risks identified by management and how each are either mitigated or managed.
- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;

- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditors;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

Committee

- The Committee shall be responsible for advising the Board, for the Board's recommendation to shareholders, in respect of the appointment, compensation and retention of the Independent Auditors.
- The Committee shall be directly responsible for the oversight of the work of the Independent Auditors (including resolution of any disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, and the Independent Auditors must report directly to the Committee.
- At least annually, the Committee shall obtain and review a report by the Independent Auditors describing: (i) the firm's internal quality control processes; (ii) any sanctions made by any government or professional authorities respecting independent audits carried out by the firm and any steps taken to deal with any such issues; and (iii) all relationships between the Independent Auditors and the Corporation.
- After reviewing the foregoing report and the Independent Auditors' work throughout the year, and after receiving written confirmation from the auditors declaring their independence, the Committee shall evaluate the auditors' qualifications, performance and independence. Such evaluation shall include the review and evaluation of the lead partner of the Independent Auditors and take into account the opinions of management and any other Corporation personnel involved in the preparation of the Corporation's financial statements.
- The Committee shall determine that the Independent Auditors have a process in place to address the rotation of the lead audit partner and other audit partners servicing the Corporation's account as required under Canadian independence standards.
- The Committee shall pre-approve all audit and non-audit services provided by the Independent Auditors and shall only engage the Independent Auditors to perform non-audit services permitted by law or regulation. The Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- The Committee shall discuss with the Independent Auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation, as well as any procedures relating to attestation on the Corporation's Extractive Sector Transparency Measures Act ("ESTMA") reporting.
- The Committee shall regularly review with the Independent Auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the Independent Auditors' activities or access to requested information, and management's response. The Committee shall also review with the auditors: any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm's national office relating to problems or difficulties encountered with respect to

significant auditing or accounting issues; and any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the Corporation.

- The Committee shall review and recommend approval of the quarterly financial statements for submission to the Board, as well as the related management's discussion and analysis of financial condition and results of operations ("**MD&A**"), prior to the release and filing thereof. The Committee shall also discuss with the independent auditors the results of the auditors' quarterly review or other involvement in the preparation of the quarterly statements, as well as any other matters required to be communicated to the Committee by the independent auditors under applicable professional guidelines. The Committee shall discuss and review with management the quarterly certification with respect to financial matters mandated by applicable securities laws.
- The Committee shall review and recommend approval of the annual audited financial statements for submission to the Board, as well as the related MD&A, prior to the release and filing thereof. The Committee's review of the financial statements shall include: (i) consideration of any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any specific remedial actions adopted in light of material control deficiencies; (ii) discussions with management and the Independent Auditors regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments; (iii) consideration of the effect of regulatory accounting initiatives, as well as off-balance sheet structures on the financial statements; (iv) consideration of the judgment of both management and the Independent Auditors about the quality of accounting principles; and (v) consideration of the clarity of the disclosure in the financial statements. The Committee shall also discuss with the Independent Auditors the results of the annual audit and any other matters required to be communicated to the Committee by the Independent Auditors under applicable professional guidelines. The Committee shall discuss and review with management the annual certification with respect to financial matters mandated by applicable securities laws.
- The Committee shall also receive and review a report from the Independent Auditors, prior to the release and filing of the Corporation's annual audited financial statements, on all critical accounting policies and practices of the Corporation, any potential alternative treatment of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatment for the disclosure in the financial statements and the treatment preferred by the Independent Auditors, and all other material written communications between the Independent Auditors and management.
- The Committee shall review and approve all related party transactions not in the ordinary course of business in the absence of a special committee of the Board of Directors designated for such function.
- The Committee shall review all earnings press releases before they are issued and shall ensure that adequate procedures are in place for the review of any other public disclosure of financial information extracted or derived from the Corporation's financial statements.
- The Committee shall discuss with management and the Independent Auditors the adequacy and effectiveness of internal control over financial reporting, including any significant deficiencies or material weaknesses identified by management or the auditors in light of applicable securities laws requirements.
- The Committee shall review the results of procedures undertaken by the Independent Auditors relating to ESTMA reporting, and receive and review the auditor's reporting theron.
- The Committee shall review with management the Corporation's compliance systems in light of applicable legal and regulatory requirements.
- The Committee shall review periodically with management the risk of the Corporation being subject to fraud and the controls in place to manage such risk.
- The Committee shall review financial summaries and disclosures made in accordance with the ESTMA, including but not limited to attestation reports made by a director or officer of the Corporation that the

information in the report is true, accurate and complete in all material respects and that reasonable diligence has been exercised.

- The Committee shall ensure that the Corporation establish appropriate policies and procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- The Committee shall ensure that the Corporation has in effect clear hiring policies for partners, employees and former partners and employees of the Corporation's present and former Independent Auditors that meet applicable legal and regulatory requirements.
- The Committee shall, with the assistance of management, determine the appropriate funding needed by the Committee for payment of: (i) compensation to the independent audit firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- To the extent the Corporation maintains an internal audit function, the Committee shall meet periodically with the internal auditors to discuss the overall scope and plans for the internal audit function, including approval of its mandate, and the adequacy and effectiveness of the Corporation's internal controls.
- The Committee shall ensure that the policies established pursuant to the Charter are communicated to the Board, the Corporation's management and employees and other parties as may be appropriate and to the best of its ability shall ensure that such policies are implemented by the audit committees of subsidiary companies where appropriate. The Committee shall also ensure that the necessary follow-up is undertaken with such other audit committees.
- The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.
- The Committee shall review and reassess the Charter at least annually.

ADOPTION

This Charter was adopted by the Board on December 12, 2017, and most recently reviewed and approved in November 12, 2024.

SCHEDULE B – CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics (the "**Code**") has been adopted by the board of directors (the "**Board**") of Discovery (the "**Company**", which for the purposes of this Code, shall include all subsidiaries of the Company). This Code embodies the commitment of the Company and any subsidiaries - whether wholly or partially owned - to conduct its business in accordance with all applicable laws, rules and regulations and high ethical standards. The actions of all the members of the Board (the "**Directors**"), the Chief Executive Officer or President, as the case may be ("**CEO**"), the Chief Financial Officer ("**CFO**"), the Chief Operating Officer ("**COO**" and collectively with the CEO and CFO, the "**Officers**"), the Executive Vice Presidents (the "**Executive VPs**"), the Senior Vice Presidents (the "**Senior VPs**"), and all other Vice Presidents (the "**VPs**" and collectively with the Executive VPs and Senior VPs, "**Senior Management**" and collectively with the Officers, "**Management**") and employees of the Company shall reflect honesty, integrity and impartiality that is beyond doubt and that all business should be done in a manner that:

(a) complies with applicable laws, rules and regulations;
(b) avoids conflicts of interest;
(c) protects confidential information, in accordance with the Company's confidentiality policy; and
(d) adheres to good disclosure practices, in accordance with applicable legal and regulatory requirements.

To demonstrate our determination and commitment, the Company asks each Director, Officer, member of Senior Management and employee to review the Code periodically. Take the opportunity to discuss with Management any circumstances that may have arisen that could be an actual or potential violation of these ethical standards of conduct.

The Company encourages all Directors, Officers, member of Senior Management and employees to submit good faith complaints or concerns regarding Ethical Concerns as defined in the Company's Whistle Blower Policy without fear of reprisal.

The Company has a 24/7, 365 day a year confidential whistleblower hotline operated by an external service provider. You can report any violations of the Code through IntegrityCounts. This service is:

- Anonymous
- Easy to Use
- Immediate
- Bilingual Services (English and Spanish)
- Phone and web-based (email or website reporting)

WITHIN CANADA AND THE US DIAL 1-866-921-6714, 24 hours a day, 365 days a year.
WITHIN MEXICO DIAL 800-099-0642, 24 hours a day, 365 days a year.

EMAIL: DiscoverySilverCorp@integritycounts.ca
WEB: https://app.integritycounts.ca/org/DiscoverySilverCorp

If reporting via phone, you will be connected to the first available Call Assistant. You may give your name, or choose to remain anonymous. You will be given a personal Caller Identification Number (CIN), the only identification you will require when making subsequent calls to IntegrityCounts.

IntegrityCounts is an interactive service that puts you in touch with independent, trained professional assistants when you need help with sensitive information or issues relating to your place of employment. This includes issues such as:

- Fraud/Theft
- Discrimination
- Ethics Violations
- Substance Abuse
- Workplace Violence
- Harassment
- Conflicts of Interest
- Violations of Regulations
- Safety/Security Violations
- Malicious Property Damage
- Falsification of Company Records
- Release of Proprietary Information

What Happens After You Make the Call?

The Call Assistant will create a report with all pertinent information about the call and forward it to the appropriate authority. Reports received by IntegrityCounts will be sent to the Chair of the Audit Committee, the Chair of the Nominating and Corporate Governance Committee, or the Chair of the Board of the Company should the first two be implicated in the report. the Company takes these reports very seriously and will take the appropriate action to address the situation.

Reference should be made to the Company's *Whistleblower Policy.*

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination. If a situation exists or arises where an employee, Officer, or member of Senior Management is in doubt, the Officers, Senior Management, or employee should seek the advice from a Director.

1. Compliance with Laws, Rules and Regulations

The Company is committed to compliance with all applicable laws, rules, and regulations in each jurisdiction in which it does business. All Directors, Officers, Senior Management and employees must respect and obey the laws, rules and regulations of the cities, states and countries in which we operate. Employees, Officers, Senior Management and Directors should educate themselves on the laws, rules and regulations that govern their work, and seek advice from supervisors, managers or other appropriate individuals at the Company.

Employees, Officers, Senior Management and Directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company (or about any other company) should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others, including family members, who might make an investment decision on the basis of this information, is not only unethical but also illegal. The Company has adopted Confidentiality and Securities Trading Policy in order to prevent improper trading of securities of the Company and the improper communication of undisclosed material information. All Directors, Officers, Senior Management and employees are expected to thoroughly understand and comply with such policy.

2. Responsibility for the Code

The Executive Vice President, Corporate Affairs & Sustainability maintains the Code and, with Management, is responsible for putting it into practice throughout the Company and monitoring its effectiveness. The Board must approve any changes to the Code before they can be made and put into practice.

3. Filing of Government Reports

Any reports or information provided by the Company, or on the Company's behalf, to federal, provincial, territorial, state, local or foreign governments must be true and accurate. All Directors, officers, management and employees are required to assist the Company in providing true and accurate reports and information. Any omission, misstatement or lack of attention to detail could result in a violation of the reporting laws, rules and regulations.

4. Bribes & Kickbacks

Bribes and kickbacks are common examples of unethical business practices. It is unethical to offer money or any type of reward to a government official, outside contractor, supplier or anyone else, directly or indirectly, in order to obtain or retain an improper advantage. If anyone takes part in these kinds of practices or any other unethical business practices, they not only violate this Code, but they also damage the Company's reputation and put themselves, the Company and its Directors and Officers at risk of fines, charges and possibly incarceration. The Company does not contribute to political parties or organizations, or to any individual who holds or is candidate for public office, except when permitted by applicable law. Without prior authorization, Directors, Officers, Senior Management, and employees must never endorse or appear to endorse political parties or organizations, or individuals who hold or are candidates for public office, engage in lobbying activities, or make political contributions on the Company's behalf. However, the Company encourages personnel to participate in the political process as an individual, in accordance with their own political views and the laws and regulations governing such activity.

When dealing with government representatives or officials and private parties, no improper payments will be tolerated. If anyone becomes aware of or receives any solicitation for, or offer of, money or a gift, that is intended to influence an official decision or business decision inside or outside the Company, it should be reported immediately to the CEO and the Chair of the Audit Committee.

The Company will ensure that any lobbying undertaken by the Company is carried out with honesty and integrity and in compliance with all applicable legal requirements in each jurisdiction in which the lobbying occurs. Any lobbying carried out by/or on behalf of the Company will be conducted only by an approved lobbyist, unless specifically authorized by the CEO.

5. Corruption of Foreign Public Officials Act

The *Corruption of Foreign Public Officials Act* (Canada), the *Criminal Code* (Canada), the *General Law of Administrative Responsibilities* (Mexico), the *Code of Ethics for Public Servants of the Federal Government (*Mexico), the *Mexican Federal Criminal Code* and the various Criminal Codes of Mexico's states contain certain prohibitions with respect to giving anything of value, directly or indirectly, to foreign government officials or certain other individuals in order to obtain, retain or direct business for or to any person. Accordingly, corporate funds, property or anything of value may not be, directly or indirectly, offered or given by a Director, Officer, Senior Management or employee or an agent acting on the Company's behalf to a government official or employee, employee or agent of a state-owned or controlled enterprise, employee or agent of a public international organization, political party or official or any candidate for political office, including any family member or household member of any of the above, for the purpose of influencing any act or decision of such party of person or inducing such party or person to use his or her influence or to otherwise secure any improper advantage, in order to assist in obtaining or retaining business for, or directing business to, any person.

6. Conflicts of Interest

All Directors, Officers, Senior Management and employees have an obligation to act in the best interests of the Company. Conflicts of interest can occur when a Director, Officer, Member of Senior

Management or employee has a private interest in the outcome of a decision or takes actions that make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Director, Officer, Member of Senior Management or employee (or immediate family member), receives improper personal benefits as a result of the position of such Director, Officer, member of Senior Management or employee with the Company. Loans to, or guarantees of obligations of, Directors, Officers, Senior Management or employees and their family members may create conflicts of interest. All employees shall not engage in any outside work or business undertaking that interferes with the performance of their duties as employees of the Company and are not allowed to work for a competitor or potential competitor as an employee, consultant or member of a board directors unless specifically authorized by the Chair of the Board for Senior Management, Officer or Board member conflicts and by the CEO, or other Management, for all lower-level conflicts.

The Company respects the right of Officers and Directors to take part in financial, business or other activities outside of their position with the Company; however, they must not serve as Officers or Directors, or work as employees or consultants for, a direct competitor or an actual or potential business partner of the Company without prior approval of the Chair of the Board.

The Directors, Officers, Senior Management or employees may not invest in or trade in shares of a direct competitor or an actual or potential business partner of the Company where such investment or trading may appear or tend to influence business decisions or compromise independent judgment. This prohibition does not apply to shares of a publicly traded company where such investment or trading relates to less than five percent of its issued shares. However, investing or trading in the Company's competitors or business partners remains subject to applicable laws and regulations regarding insider trading, including prohibitions against trading in possession of material non-public information regarding such companies, whether such information is gained in the course of employment with the Company or otherwise. The Directors, Officers, Senior Management or employees must abide by the Company's Confidentiality and Insider Trading Policy.

Conducting Company business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role is a subset of conflicts of interest. However, such transactions may still be in the best interest of the Company and therefore permissible, provided that the decision process is fair and transparent, conflicts of interest are avoided, and pre-approval of the transaction is obtained from the CEO, or his/her delegate or in the situation where the CEO is associated with such transaction, the Chair of the Board. All requests for pre-approvals will be assessed on a case-by-case basis. Any transaction involving a Director, or an Officer of the Company will require pre-approval and disclosure of such transaction to the Chair of the Board, or the Chair of the Nominating and Corporate Governance Committee if the transaction involves the Chair of the Board. In addition, the Company is required to disclose related party transactions under applicable accounting rules and securities regulations.

When it comes to the employment of relatives or significant others, the Company discourages the employment of relatives and significant others in positions or assignments within the same department and prohibits the employment of such individuals in positions that have financial dependence or influence (i.e. auditing or control relationship, or a supervisor/subordinate relationship).

Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, step relationships and in-laws. Significant others include persons living in a spousal or familial fashion with an employee, consultant, Officer, member of Senior Management or Director.

If a conflict of interest exists, and there is no failure of good faith on the part of the Director, Officer, Senior Management or employee, the Company may allow a reasonable amount of time for the Director, Officer, Senior Management or employee to correct the situation in order to prevent undue hardship or loss. However, all decisions in this regard will be in the discretion of the Chair of the

Board for Officer, Senior Management or Director conflicts of interest and the CEO or other Management for lower-level conflicts of interest. The Chair of the Board, the CEO and Management's primary concern in exercising such discretion will be in the best interests of the Company.

If you are aware of a conflict or potential conflict of interest, as an employee you should bring the matter to the attention of a supervisor or manager. If you are aware of a conflict or potential conflict as a Director, Officer, Senior Management or employee, you should promptly bring the matter to the CEO, the Chair of the Audit Committee, the Chair of the Nominating and Corporate Governance Committee and/or the Chair of the Board.

7. Confidentiality

To avoid a breach of confidentiality, all Directors, Officers, Senior Management or employees should maintain all confidential information in strict confidence, except when disclosure is authorized by the Company or legally mandated. Confidential information includes, among other things, any non-public information concerning the Company, including its business, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. The obligation to keep information confidential also extends beyond employment or directorship with the Company.

You are prohibited from sharing confidential information about the Company with anyone outside the Company, verbally, in writing, including through personal social media platforms. You are also prohibited from making any statements to the media about the Company without the permission of executive management.

The Company has exclusive rights to all confidential and proprietary information regarding the Company. You are responsible for safeguarding Company information and complying with security controls and procedures. All documents, records, notebooks, notes, memorandums and similar repositories of information containing confidential information relating to the Company or our operations and activities, made or compiled by the Officers, Directors, Senior Management or employees of the Company, including yourself, belong to the Company and shall be held in trust by you solely for the benefit of the Company. Such material shall also be delivered to the Company by you on the termination of your association with the Company or at any other time the Company requests.

Reference should be made to the Company's *Disclosure Policy* and *Confidentiality and Insider Trading Policy*.

8. Fraud Prevention

Fraud happens when someone acts dishonestly to make money illegally or to get an unfair advantage. Examples include stealing, forgery, identity theft, misuse of assets, taking kickbacks and making false reports.

The Company does not tolerate fraud. You must report any suspected fraud to your manager. If this creates a conflict for you, contact the Corporate Secretary, or you can report your suspicion anonymously through IntegrityCounts. You will be protected from any form of punishment or retaliation when you honestly report suspected cases of fraud. Retaliation for reporting an offence may be illegal under applicable law and is prohibited under this Code.

9. Corporate Opportunities

Directors, Officers, Senior Management or employees are prohibited from taking for themselves, personally or for the benefit of others, opportunities that are discovered through the use of corporate property, information or position, except to the extent that a waiver has been granted under Section 21 of this Code. No Director, Officer, Senior management or employee may use corporate property, information, or position for improper personal gain or for the improper personal gain of others, and no Director, Officer, Senior Management or employee may compete with the Company directly or indirectly. Directors, Officers, Senior Management and employees owe a duty to the Company to advance the Company's interests when the opportunity to do so arises.

10. Protection and Proper Use of Company Assets

All Directors, Officers, Senior Management and employees should protect the Company's assets and ensure their efficient use. the Company's assets should be protected from loss, damage, theft, misuse, and waste. Company assets include your time at work and work product, as well as the Company's equipment and vehicles, computers and software, trading and bank accounts, Company information and the Company's reputation, trademarks and name. the Company's telephone, email, voicemail and other electronic systems are primarily for business purposes. Personal communications should be kept to a minimum. Unauthorized use or distribution of this information would violate this Code. It is also illegal and could result in civil or even criminal penalties.

11. Competition and Fair Dealing

Each Director, Officer, Senior Management and employee should endeavor to deal fairly with the Company's counterparties, suppliers, competitors and employees. the Company seeks to outperform its competition in a fair and honest manner. No Director, Officer, Senior Management or employee should take unfair advantage of anyone through unlawful manipulation or concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Each Director, Officer, Senior Management and employee is required to maintain impartial relationships with Company suppliers and customers. Any gifts provided to Company suppliers and customers must not be excessive in value, and must be approved in advance by the CEO or Chair of the Board.

12. Corporate Disclosure

The Company endeavors to ensure that at all times our public disclosure is timely, complete, accurate and balanced. Avoiding any misrepresentation of our operations or finances is critical to our relationship with our investors. Proper reporting of reliable, truthful and accurate information is a complex process involving the cooperation among many of us. We must all work together to ensure that reliable, truthful and accurate information is disclosed to the public. The Company must disclose to the applicable Canadian securities regulatory authorities' information that is required, and any additional information that may be necessary to ensure the required disclosures are not misleading or inaccurate. The Company requires you to participate in the disclosure process in accordance with the *Disclosure Policy* which is overseen by the Disclosure Committee appointed in accordance with such policy. Participation in the disclosure process is a requirement of a public company, and full cooperation with the members of the Disclosure Committee and other Officers, Senior Management and employees in the disclosure process is a requirement of this Code.

Information about our mineral reserves and resources, operating results, financial statements and corporate activities must be treated as confidential until the Company makes the determination to disclose it.

If you are involved in preparing information that is to be publicly disclosed on behalf of the Company, you must follow our disclosure and financial reporting controls and procedures, as well as securities laws and regulations.

No one is authorized to release any public disclosure documents on behalf of the Company until such disclosure has been reviewed and approved by the Company's Disclosure Committee in accordance with the Company's *Disclosure Policy* and *Confidentiality and Insider Trading Policy*.

Only authorized spokespersons have authority to speak publicly about the Company, our activities and our securities. Unless you are specifically authorized, do not create the impression that you are speaking for the Company. This includes social media channels such as Facebook, LinkedIn, Twitter and YouTube. Refer all enquiries from shareholders, analysts and the media to one of our authorized spokespersons.

Reference should be made to the Company's *Disclosure Policy* and *Confidentiality and Insider Trading Policy* for more information.

13. Financial Reporting and Administration

The Company strictly adheres to all applicable securities laws, regulations, accounting standards, accounting controls, audit practices and keeps proper records to meet our legal and financial obligations and to manage our business.

If you prepare a financial report for shareholders and the public, it must fairly present the information and follow international financial reporting standards as well as all applicable laws and regulations. If you have any responsibility for creating or keeping records, ensure they are accurate and complete, and that you follow the corporate procedures relevant to your job. Never falsely record information about Company assets or hide information about assets, liabilities, revenues or expenses. Inaccurate financial reports can bring stiff penalties and prosecutions under securities and criminal laws.

If you have any concerns about our accounting or auditing practices you should report them to your manager, or if this would create a conflict for you, to the Chair of the Audit Committee of the Company's Board directly. You can also report anonymously through IntegrityCounts, the Company's whistleblower hotline. The Audit Committee is responsible for ensuring that all such concerns are appropriately dealt with.

Anyone from outside the Company can also report a concern. If you receive a concern from someone outside the Company, report it promptly to the Chair of the Audit Committee of the Company's Board directly, or through the IntegrityCounts, our anonymous whistleblower hotline.

HOW TO REPORT A CONCERN ABOUT AN ACCOUNTING PRACTICE

Report your concern in confidence to the Chair of the Audit Committee by sending a sealed letter by mail (or other delivery) addressed to:

Discovery Silver Corp.
Suite 701 – 55 University Avenue
Toronto, Ontario
M5J2H7

PRIVATE AND STRICTLY CONFIDENTIAL
ATTENTION: CHAIR OF THE AUDIT COMMITTEE

OR

Report your concern anonymously by phone, email or web through IntegrityCounts.

14. Workplace Violence Prevention

The Company prohibits all acts of physical, verbal or written aggression or violence. This applies whether the aggression is committed by one employee against another, or against anyone else an employee comes in contact with when carrying out his or her responsibilities.

You must report any act, or threatened act, of violence to a manager or to the Company's security personnel. In situations of imminent danger, call the police or local emergency services and then security personnel. If the danger seems less imminent, take note of the facts and then report the incident to the Company's security personnel:

Who was involved?
Where and when did the incident take place?
Were there any witnesses?

Violence of any kind is not tolerated and will result in disciplinary measures up to and including termination.

15. Respectful Workplace

You have the right to work in a place that encourages equal opportunity and prohibits discrimination. The Company does not allow any sort of harassment at the Company. Harassment is a comment or conduct that is known (or should be known) to be unwelcome or offensive to a reasonable person. There shall be no discrimination against any employee, consultant, officer, director or applicant because of race, ancestry, place of origin, political belief, religion, marital status, family status, financial status, physical or mental disability, sex, sexual orientation or age.

Reference should be made to the *Human Rights, Diversity, and Inclusion Policy*.

16. Alcohol, Drugs and Other Substances

You are required to be fit at all times to perform all of your assigned duties.

The use, sale, unlawful possession, manufacture or distribution of alcohol and illicit or recreational drugs or non-prescribed medications for which a prescription is legally required, whether on Company work premises or other work locations, is strictly prohibited and will result in disciplinary measures up to and including termination.

Reference should be made to the Company's *Fitness for Duty Policy.*

17. Employee Harassment and Discrimination

The Company is committed to fair employment practices in which all individuals are treated with dignity and respect. The Company will not tolerate any type of illegal discrimination or harassment. The Company expects that all relationships among persons in the workplace will be professional and free of bias and harassment.

18. Use Of Computer Systems, Email, Internet and Social Media

Our computer systems, email and internet are for business use. The information you view and share – whether for business or personal use – must be appropriate, respectful and in accordance with our policies. Except for limited personal use of the Company's telephones, tablets, mobile devices and computers, such equipment may only be used for business purposes. officers and employees should not expect a right to privacy of their email, Internet or network use. All communications, e-

mails or Internet use on Company equipment or networks may be subject to monitoring by the Company for legitimate business purposes.

You shall not participate in, host or link to chat rooms, blogs, social networking sites or bulletin boards in relation to Company corporate matters. Only Management is responsible for investor relations, or other authorized spokespersons from time to time authorized with the express written permission of those members of Management responsible for investor relations, may post on the Company's social media pages.

Reference should be made to the Company's *Disclosure Policy*.

19. Environmental, Safety, and Occupational Health Practices

The Company believes that sound environmental, safety and occupational health management practices are in the best interests of the Company, its employees, its shareholders and the communities in which it operates. The Company is committed to conducting its business in accordance with recognized industry standards and to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations. Achieving this goal is the responsibility of all Directors, Officers, Senior Management and employees

We are all accountable for safety. No job is so important that we cannot take the time to do it safely. Check the Company's safety, health and environmental policies and procedure documents for the principles we follow on workplace health and safety.

Report any actual or potential safety or health risks you discover at work to your manager or to executive management. If you are uncomfortable speaking to someone in the Company directly or if you wish to report your concerns anonymously, you can also report your concerns through IntegrityCounts.

20. Consequences for Violating the Code

You could be reprimanded, demoted, suspended or even dismissed if you do not follow this Code. Not following a policy document referred to in this Code will be treated as a violation of this Code.

Report any concerns regarding a violation or potential violation of this Code to your manager, to human resources, or to the Executive Vice President, Corporate Affairs & Sustainability. If you prefer, you can report your concern anonymously through IntegrityCounts, which is available 24/7 and is operated by an external service provider.

You are protected from any form of retaliation or punishment when you report a concern honestly and with the right intentions. Your manager and anyone else in the Company will face serious consequences if they try to punish you in any way for reporting a concern.

If you believe you are being punished in some way for reporting a concern, you should report this to your manager, human resources, the Corporate Secretary or through IntegrityCounts, whichever is most appropriate or comfortable for you.

Investigations

The Company will investigate behavior that may violate the law, the Code, or that may otherwise harm the Company's reputation. You are required to cooperate in the investigation. Interference with the investigation is prohibited and is a violation of the Code. You must not destroy records or information related to the investigation, lie or misrepresent facts, attempt to discover the identity of others cooperating in the investigation, disclose information to unauthorized individuals, or retaliate against anyone involved in the investigation.

The Company strives to maintain confidentiality to the greatest degree possible. Information provided or discovered in the course of an investigation will only be disclosed as necessary.

The Audit Committee will oversee the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and will annually review the systems in place for the confidential, anonymous submission by employees of concerns regarding such matters. If a violation concerns a member of the Audit Committee, the investigation will be conducted under the guidance of the Nominating and Governance Committee of the Board.

Discipline for Non-Compliance with this Code

Disciplinary actions for violations of this Code can include oral or written reprimands, suspension or termination of employment or a potential civil lawsuit against you. The violation of laws, rules or regulations, which can subject the Company to fines and other penalties, may result in your criminal prosecution.

21. Waivers of the Code

From time to time, the Company may waive certain provisions of this Code. Waivers generally may only be granted by the Chair of the Board. However, any waiver of the provisions of this Code for Officers and Directors, may be made only by the Board or one of its committees and will be disclosed to shareholders as required by applicable rules and regulations.

22. Code Review

The Nominating and Corporate Governance Committee will annually review and reassess the adequacy of this Code and submit any recommended changes to the Board for approval.

POLICIES REFERENCED IN THIS CODE

Confidentiality and Insider Trading Policy
Whistleblower Policy
Human Rights, Diversity and Inclusion Policy
Anti-Bribery and Anti-Corruption Policy
Disclosure Policy
Fitness for Duty Policy

ADOPTION

This Policy was adopted by the Board on December 12, 2017.
Amended and approved by the Board on November 25, 2020.
Amended and approved by the Board on November 23, 2022.
Amended and approved by the Board on December 20, 2023.
Reviewed and approved by the Board on May 13, 2025.