



UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

(expressed in thousands of United States dollars)

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

As at	Notes	March 31, 2026	December 31, 2025
ASSETS			
Current			
Cash and cash equivalents	7	\$ 384,935	\$ 410,667
Accounts receivable	8	38,342	54,178
Inventories	9	80,174	61,191
Other current assets		973	771
		504,424	526,807
Non-current			
Mining interests, plant and equipment	10	1,209,553	1,179,886
Inventories	9	23,210	29,976
Restricted cash	22	13,488	8,438
Reclamation financial assurance	22	42,135	42,851
Other non-current assets		6,969	7,893
TOTAL ASSETS		\$ 1,799,779	\$ 1,795,851
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	\$ 123,635	\$ 135,328
Current tax payable		12,854	85,088
Share-based compensation liabilities	13	13,026	—
Reclamation liabilities	14	38,282	35,702
Deferred revenue	15	26,226	25,348
Other current liabilities	12	2,215	3,165
		216,238	284,631
Non-current			
Deferred consideration		103,835	100,873
Reclamation liabilities	14	451,900	460,302
Deferred income tax liabilities		53,342	40,296
Share-based compensation liabilities	13	27,301	—
Deferred revenue	15	275,029	274,907
Other non-current liabilities	12	8,756	7,356
TOTAL LIABILITIES		\$ 1,136,401	\$ 1,168,365
SHAREHOLDERS' EQUITY			
Share capital	16	\$ 602,736	\$ 595,805
Contributed surplus		24,657	33,043
Warrants		18,985	18,985
Accumulated other comprehensive income (loss)		(2,226)	180
Accumulated earnings (deficit)		19,226	(20,527)
TOTAL EQUITY		\$ 663,378	\$ 627,486
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,799,779	\$ 1,795,851

Approved on Behalf of the Board on May 13, 2026:

"Jeff Parr"

Jeff Parr - Director

"Murray John"

Murray John - Director

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
AND TOTAL COMPREHENSIVE INCOME (LOSS)

(unaudited - expressed in thousands of United States dollars, except per share and share information)

	Notes	Three Months Ended	
		March 31, 2026	March 31, 2025 Retranslated – note 3
Revenue	18	\$ 285,035	\$ —
Production costs		76,184	—
Depreciation and amortization		31,576	—
Royalties		7,058	—
Earnings from mining operations		170,217	—
Expenses			
General and administration		11,475	5,474
Exploration		6,817	25
Share-based compensation	13,16	8,859	1,167
Other operating costs		101	—
Earnings (loss) from operations		\$ 142,965	\$ (6,666)
Other			
Other income (loss)		1,091	189
Finance items			
Finance income (expense), net	19	(12,685)	25
Income (loss) before taxes		131,371	(6,452)
Current income tax expense (recovery)		36,646	—
Deferred income tax expense (recovery)		13,046	—
Net income (loss)		\$ 81,679	\$ (6,452)
Items that may in the future be reclassified to profit or loss:			
Foreign currency translation differences		283	679
Items that will not be subsequently reclassified to profit or loss:			
Change in pension benefits, net of tax	12	(2,689)	—
Total comprehensive income (loss)		\$ 79,273	\$ (5,773)
Weighted average shares outstanding (000's)			
Basic		810,063	401,122
Diluted		818,106	401,122
Net earnings (loss) per share			
Basic	17	\$ 0.10	\$ (0.02)
Diluted	17	\$ 0.10	\$ (0.02)

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

	Notes	Three Months Ended	
		March 31, 2026	March 31, 2025
			Retranslated – note 3
Operating Activities			
Net Income (loss)		\$ 81,679	\$ (6,452)
Adjustments for:			
Depreciation and amortization		31,698	58
Accretion	19	7,642	14
Deferred income taxes		13,046	—
Share-based compensation	13,16	8,859	1,167
Settlement of share-based compensation	13	(16,543)	—
Interest expense on net smelter return	15	6,609	—
Deferred revenue on net smelter return	15	(5,609)	—
Other non-cash adjustments		1,035	191
Changes in non-cash operating working capital:			
Trade and other receivables	8	15,381	(255)
Inventories	9	(10,581)	—
Accounts payable and accrued liabilities	11	(18,014)	(797)
Income taxes		(72,234)	—
Net cash from/(used in) operating activities		\$ 42,968	\$ (6,074)
Investing Activities			
Additions of mining interests, plant and equipment	10	(67,057)	(3,767)
Increase in restricted cash	22	(5,191)	—
Net cash from/(used in) investing activities		\$ (72,248)	\$ (3,767)
Financing Activities			
Proceeds on exercise of options	16(b)	4,329	23
Principal payment on lease liability		(1,062)	(85)
Net cash from/(used in) financing activities		\$ 3,267	\$ (62)
Effect of exchange rates on cash and cash equivalents		281	47
Increase (decrease) in cash and cash equivalents		\$ (25,732)	\$ (9,856)
Cash and cash equivalents, beginning of period		410,667	20,370
Cash and cash equivalents, end of period		\$ 384,935	\$ 10,514
Supplemental Cash Flow Information:			
Income tax expense paid		(108,880)	—
Interest paid		(727)	—
Interest received		2,330	151

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

	Notes	Number of Common Shares (000's)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Total Equity
January 1, 2026		807,760	\$ 595,805	\$ 18,985	\$ 33,043	\$ 180	\$ (20,527)	\$ 627,486
Share-based compensation	16	—	—	—	10	—	—	10
Shares issued on exercise of options	16(b)	2,995	6,931	—	(2,602)	—	—	4,329
Change in classification of share-based compensation	13	—	—	—	(5,794)	—	(41,926)	(47,720)
Net income (loss) and total comprehensive income (loss) for the period		—	—	—	—	(2,406)	81,679	79,273
March 31, 2026		810,755	\$ 602,736	\$ 18,985	\$ 24,657	\$ (2,226)	\$ 19,226	\$ 663,378

Retranslated - note 3	Notes	Number of Common Shares (000's)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Total Equity
January 1, 2025		400,461	\$ 166,409	\$ 13,250	\$ 33,793	\$ (8,287)	\$ (127,337)	\$ 77,828
Share-based compensation	16	—	—	—	1,167	—	—	1,167
Shares issued on exercise of options	16(b)	50	40	—	(17)	—	—	23
Shares issued on exercise of RSU's	16(c)	1,837	1,499	—	(1,499)	—	—	—
Net income (loss) and total comprehensive income (loss) for the period		—	—	—	—	679	(6,452)	(5,773)
March 31, 2025		402,348	\$ 167,948	\$ 13,250	\$ 33,444	\$ (7,608)	\$ (133,789)	\$ 73,245

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Discovery Silver Corp. (“Discovery Silver” or the “Company”) is a Canadian-based precious metals company primarily engaged in mineral exploration, development, mining, and processing of gold in Canada, and is also advancing a large silver exploration project in Mexico. The Company is listed on the Toronto Stock Exchange (the “Exchange” or “TSX”) under the symbol “DSV”, and on the Frankfurt Stock Exchange under the symbol “1CU0”. The Company’s head office is located at Suite 2410 - 79 Wellington St W, Toronto, Ontario, M5K 1E7.

On April 15, 2025, the Company acquired Dome Mine Ltd. from Goldcorp Canada Ltd., a wholly owned subsidiary of Newmont Corporation (note 6(a)). Dome Mine Ltd. is the holder of mining assets in and around Timmins and Chapleau, Ontario, which consists of the Hoyle Pond, Pamour and Hollinger mine properties, the Dome Mine property and milling facility (collectively “Dome”), numerous near-mine and regional exploration targets in and around Timmins, and the Borden mine in Chapleau (collectively, the “Porcupine Complex”). In addition to the approximately 1,400 km² of land in and around Timmins, the Borden mining operation also includes a large land position. Hoyle Pond and Borden are both underground mining operations. Pamour and Hollinger are open-pit operations, with Hollinger returning to production and Pamour ramping up to meet the criteria to declare commercial production.

The Company’s Board of Directors authorized the issuance of these unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2026 and 2025 (the “condensed interim consolidated financial statements”) on May 13, 2026. Balances for March 31, 2025 were retranslated to apply the Company’s currency presentation change, as described in note 3.

2. BASIS OF PREPARATION

The condensed interim consolidated financial statements for the three months ended March 31, 2026 and 2025, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) applicable to the preparation of interim financial statements under International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). As such, certain disclosures required by IFRS have been condensed or omitted. These Interim Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes for the years ended December 31, 2025 and 2024. The Company’s interim results are not necessarily indicative of its results for a full year.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Company in the preparation of its condensed interim consolidated financial statements remain materially consistent with those disclosed in note 3 of the Company’s consolidated financial statements for the year ended December 31, 2025, except as noted below:

Functional Currency

During the period, the functional currency of Discovery Silver Corp. changed from the Canadian Dollar (“C\$”) to the United States Dollar (“US\$”) effective January 1, 2026, reflecting changes in the underlying transactions, events and conditions relevant to the entity. The change has been applied prospectively from the date of change in accordance with IAS 21. Cumulative translation differences previously recognized in other comprehensive income (loss) and accumulated in equity were not reclassified to profit or loss and continue to be presented as a separate component of equity.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
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Presentation Currency

The exchange rates used to reflect the change in presentation currency in the accompanying consolidated financial statements were as follows:

	March 31, 2025
Average rate (C\$/US\$)	1.3698
Closing exchange rate (C\$/US\$)	1.4389

4. ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

The new standards, or amendments to standards and interpretations adopted by the Company, effective January 1, 2026, are as follows:

Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)

In May 2024, IASB issued amendments clarifying that financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for a new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. The Company elected to apply the exception.

The adoption of this amendment did not have a material impact on the Company's consolidated financial statements.

New Accounting Standards Not Yet Adopted

Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, IASB issued IFRS 18 replacing IAS 1 – Presentation of Financial Statements, which sets out presentation and disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures ("MPMs") and eliminates classification options for interest and dividends in the statement of cash flows.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 and is to be applied retrospectively. The Company is currently assessing the impact of the standard on its consolidated financial statements.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
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5. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, contingent liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and applied prospectively. The significant judgments, estimates, and assumptions made by management are set out in the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024.

6. ACQUISITIONS AND BUSINESS COMBINATIONS

a) Porcupine Acquisition

On April 15, 2025, the Company and Goldcorp Canada Ltd., a wholly owned subsidiary of Newmont Corporation ("Newmont"), entered into a Share Purchase Agreement ("SPA"), under which, the Company acquired 100% share ownership interest in Dome Mine Ltd., which held all title and interests in the Porcupine Complex (the "Transaction").

As consideration for the Transaction, the Company paid Newmont \$200 million of cash and issued 119.7 million Discovery common shares, valued at \$232.7 million, resulting in Newmont owning an approximate 15% equity interest in the Company as at acquisition date. In addition, the Company will pay Newmont \$150 million in deferred cash consideration, payable in four annual payments of \$37.5 million commencing on December 31, 2027. The transaction has been accounted for as a business combination under IFRS 3 using the acquisition method, which requires all identifiable assets acquired and liabilities assumed to be recorded at their fair values as at the date of acquisition. The following table summarizes the fair value of the consideration paid and the final fair values of the identifiable assets acquired and liabilities assumed from Newmont. The Company has finalized the determination of the fair values of the assets acquired, liabilities assumed and deferred taxes related to the acquisition; accordingly, the values presented in these financial statements are final and unchanged from the amounts recognized in the annual financial statements for the year ended December 31, 2025.

Purchase Price	
Cash paid upon closing	\$ 200,000
Common shares issued	232,698
Deferred cash consideration ⁽¹⁾	92,927
Fair value of replacement restricted share units	457
Cash paid on land transfer taxes	631
Working capital adjustment	(2,925)
Total consideration	\$ 523,788

(1) An aggregate of \$150.0 million is payable in equal installments of \$37.5 million on each of December 31, 2028 through 2031, resulting in deferred cash consideration over the period specified in the share purchase agreement and has been discounted to present value as of acquisition date.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
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The fair value of the identifiable net assets acquired includes the following:

Assets acquired	
Accounts receivable	\$ 1,113
Inventories	74,194
Other current assets	1,719
Total current assets	\$ 77,026
Mining Interests	479,132
Plant and Equipment	430,997
Stockpile	49,930
Other non-current assets	4,233
Total assets	\$ 1,041,318
Liabilities assumed	
Accounts payable, accrued, and other liabilities	\$ 25,729
Employee-related benefits	7,753
Other current liabilities	20,641
Total current liabilities	\$ 54,123
Reclamation liabilities	373,641
Deferred income tax liability	86,207
Employee-related liabilities	3,559
Total liabilities	\$ 517,530
Net assets acquired	\$ 523,788

In connection with the Transaction, the Company:

- Granted to Franco-Nevada Corporation (“Franco”) a 4.25% net smelter royalty in exchange for cash consideration of \$300.0 million to be used for the Transaction and general working capital purposes (note 15).
- Completed a bought deal public offering of 275.0 million subscription receipts for gross proceeds of \$175.0 million (C\$247.5 million).
- Entered into a debt commitment letter to obtain financing through a non-revolving multiple-draw term loan facility for a maximum principal amount of \$100.0 million. The term loan facility was subsequently terminated during the year ended December 31, 2025 upon the Company entering into a revolving credit facility agreement.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

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b) Agreement to acquire Glencore Canada Corporation’s Kidd operations

On March 2, 2026, the Company entered into a definitive agreement (the “Agreement”) with Glencore Canada Corporation to acquire, through a wholly-owned subsidiary, Glencore’s 100% interest in the Kidd operations located in Timmins, Ontario (the “Kidd Operations”). The Kidd Operations include the Kidd Metallurgical Site, the Kidd tailings management area, the Kidd Creek copper, zinc and silver mine, and all associated property, claims and assets, as well as all of the issued and outstanding shares of Kidd Creek Timber Ltd.

Consideration to be paid upon closing includes: (i) \$10.0 million to be paid through the issuance of common shares of the Company; (ii) the assumption of all financial assurances and environmental and rehabilitation obligations associated with the Kidd Metallurgical Site and the Kidd Creek Mine, subject to the terms and conditions of the Agreement; (iii) offtake arrangements related to concentrates produced from the Kidd Creek Mine; and (iv) a 1.0% net smelter return royalty that would apply to any future mineral production from a large exploration land package held by Kidd Creek Timber Ltd., located outside of the existing Kidd Creek operations.

The Agreement also includes a deferred payment of up to \$75.0 million (the “Future Payment”), payable either in common shares of the Company or in cash at the sole discretion of the Company. The Future Payment is payable upon receipt of all material permits and regulatory approvals required to deposit gold tailings at the Kidd tailings management area and in accordance with the terms of the Agreement.

Closing of the transaction is subject to certain conditions, including the transfer of the Kidd Creek Mine, Kidd Metallurgical Site, Kidd tailings management area and all associated property, claims and assets, as well as all issued and outstanding shares of Kidd Creek Timber Ltd., and the receipt of required regulatory approvals, including approval of the Toronto Stock Exchange and approval, or expiry of the applicable waiting period, under the Competition Act (Canada), and consent of Ontario’s Ministry of Mines. The Company anticipates closing of the transaction during the first half of 2026.

As at March 31, 2026, the transaction has not closed and no amounts have been recognized in these condensed interim consolidated financial statements in respect of the Kidd Operations.

7. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025
Cash	\$ 380,793	\$ 406,525
Short-term deposits	4,142	4,142
Total cash and cash equivalents	\$ 384,935	\$ 410,667

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

8. ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025
Trade and other receivables	\$ 11,072	\$ 7,019
Sales and value-added tax receivables	18,038	36,948
Supplier advances and other prepaids	9,232	10,211
Total trade and other receivables	\$ 38,342	\$ 54,178

9. INVENTORIES

	March 31, 2026	December 31, 2025
Stockpiles	\$ 60,481	\$ 53,287
In-circuit inventory	10,361	7,617
Precious metals inventory	215	498
Materials and supplies	32,327	29,765
Total inventories	\$ 103,384	\$ 91,167
Less: current portion	80,174	61,191
Non-current portion	\$ 23,210	\$ 29,976

Included in production costs of \$76.2 million for the three months ended March 31, 2026, is (\$8.1) million related to changes in metal inventories (stockpiles, in-process, and precious metals). There were no write downs or reversals of write downs of inventory to net realizable value during the three months ended March 31, 2026 and 2025. Non-current inventory consists of stockpiles that are not expected to be processed within 12 months.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

10. MINING INTERESTS, PLANT AND EQUIPMENT

Three Months Ended March 31, 2026	Depletable Mining Interest	Non- depletable Mining Interest ⁽¹⁾	Plant and Equipment	Assets under Construction ⁽²⁾	Total
Cost					
At January 1, 2026	\$ 649,348	\$ 73,599	\$ 398,697	\$ 162,787	\$ 1,284,431
Additions	8,804	2,561	1,525	59,377	72,267
Transfers to Mining Interest and Plant and Equipment	575	—	22,584	(23,159)	—
Change in reclamation liability (note 14)	(6,264)	—	—	—	(6,264)
Currency translation adjustment	—	(614)	(306)	—	(920)
Cost at March 31, 2026	\$ 652,463	\$ 75,546	\$ 422,500	\$ 199,005	\$ 1,349,514
Accumulated Depreciation and Depletion					
At January 1, 2026	\$ 39,775	\$ —	\$ 64,770	\$ —	\$ 104,545
Depreciation	—	—	19,669	—	19,669
Depletion	15,981	—	—	—	15,981
Currency translation adjustment	—	—	(234)	—	(234)
Accumulated depreciation and depletion at March 31, 2026	\$ 55,756	\$ —	\$ 84,205	\$ —	\$ 139,961
Carrying value at March 31, 2026	\$ 596,707	\$ 75,546	\$ 338,295	\$ 199,005	\$ 1,209,553

Year Ended December 31, 2025	Depletable Mining Interest	Non- depletable Mining Interest ⁽¹⁾	Plant and Equipment	Assets under Construction ⁽²⁾	Total
Cost					
At January 1, 2025	\$ —	\$ 59,038	\$ 3,045	\$ —	\$ 62,083
Additions	52,997	6,788	12,046	150,749	222,580
Transfers to Mining Interest and Plant and Equipment	33,374	—	15,787	(49,161)	—
Change in reclamation liability (note 14)	83,845	—	—	—	83,845
Porcupine acquisition	479,132	—	369,798	61,199	910,129
Impairment	—	—	(2,140)	—	(2,140)
Currency translation adjustment	—	7,773	161	—	7,934
Cost at December 31, 2025	\$ 649,348	\$ 73,599	\$ 398,697	\$ 162,787	\$ 1,284,431
Accumulated Depreciation and Depletion					
At January 1, 2025	\$ —	\$ —	\$ 1,116	\$ —	\$ 1,116
Depreciation	—	—	63,659	—	63,659
Depletion	39,775	—	—	—	39,775
Currency translation adjustment	—	—	(5)	—	(5)
Accumulated depreciation and depletion at December 31, 2025	\$ 39,775	\$ —	\$ 64,770	\$ —	\$ 104,545
Carrying value at December 31, 2025	\$ 609,573	\$ 73,599	\$ 333,927	\$ 162,787	\$ 1,179,886

(1) Non-depletable mining interests include capitalized exploration and evaluation assets for mineral properties not yet available for use.

(2) Assets under construction represent assets that are not yet available for use. Once the related assets are available for their intended use, they are transferred to mining interests or plant and equipment, as applicable, and depreciation or depletion commences.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026	December 31, 2025
Trade and other payables	\$ 56,312	\$ 51,368
Employee-related payables	13,591	28,937
Accrued liabilities	53,732	55,023
Total accounts payable and accrued liabilities	\$ 123,635	\$ 135,328

12. OTHER LIABILITIES

	March 31, 2026	December 31, 2025
Lease liabilities	\$ 5,453	\$ 6,594
Employee pension benefits	4,933	3,362
Provision for future land payment obligation (note 22)	585	565
Total other liabilities	\$ 10,971	\$ 10,521
Less: current portion	2,215	3,165
Non-current portion	\$ 8,756	\$ 7,356

13. SHARE-BASED COMPENSATION LIABILITIES

Share-based compensation liabilities		
At January 1, 2026	\$	—
Modification of awards – change to cash-settled		47,720
Share-based compensation expense		9,801
Cash payments on awards redeemed		(16,543)
Foreign exchange		(651)
At March 31, 2026	\$	40,327
Less: current portion		13,026
Non-current portion	\$	27,301

Effective January 1, 2026, the Company elected under the current DSU Plan and LTI plan, that any future RSU, PSU and DSU awards redeemed will be settled in cash. As a result, previously equity-settled awards were reclassified to cash-settled awards on that date. Upon reclassification, the awards were remeasured at fair value, resulting in the initial recognition of share-based compensation liabilities of \$47.7 million. In connection with the reclassification, an amount of \$5.8 million previously recognized in contributed surplus was reclassified and \$41.9 million was recorded as an adjustment to accumulated earnings (deficit).

Subsequent to the initial recognition, any future changes in fair value of the share-based compensation liabilities are recognized as share-based compensation expense over the respective vesting periods. For the three months ended March 31, 2026, total share-based compensation expense on cash-settled awards was \$9.8 million, of which \$1.0 million was capitalized to non-depletable mining interests.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
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14. RECLAMATION LIABILITIES

Reclamation provision estimates are based on existing legislation and regulations, third-party cost estimates, and management's assumptions regarding the timing and scope of reclamation activities. Assumptions reflecting current economic conditions, including inflation and discount rates, are used in estimating the provision. Estimated cash flows are adjusted for inflation using the Consumer Price Index, and incorporate uncertainty inherent in the estimates. The discount rates used in measuring the provision range between 3.25% and 3.88% over the period from 2026 to 2074. The provision is sensitive to changes in key assumptions, and revisions to these assumptions may materially affect the recognized liability. Reclamation liabilities are reviewed periodically based upon facts and circumstances available at the time and changes in estimates are recognized prospectively in the period in which they arise.

The following are reconciliations of reclamation liabilities:

	March 31, 2026	December 31, 2025
Balance at beginning of year	\$ 496,004	\$ —
Porcupine acquisition (note 6(a))	—	373,641
Post acquisition change in estimate ⁽¹⁾	—	117,836
Additions, change in estimates and other ⁽²⁾	(6,162)	2,653
Reclamation expenditure	(4,340)	(14,585)
Accretion expense	4,680	16,459
Total reclamation liability	\$ 490,182	\$ 496,004
Less: current portion	38,282	35,702
Non-current portion	\$ 451,900	\$ 460,302

(1) During the year ended December 31, 2025, the Company recognized a post-acquisition change in estimate of \$117.8 million related to the Porcupine reclamation liability due a one-time accounting remeasurement as required by IFRS. There was no change in underlying estimated reclamation and closure costs.

(2) For the three months ended March 31, 2026, \$0.1 million was recognized as other operating costs relating to changes in estimates for non-operating mine sites. Changes in estimates for operating mine sites are recorded directly to the underlying mineral interest asset (note 10).

As at March 31, 2026, the estimated undiscounted future cost for reclamation liability before inflation was \$669.6 million.

15. FRANCO NEVADA AGREEMENT

Deferred Revenue

	March 31, 2026	December 31, 2025
Balance at beginning of year	\$ 300,255	\$ —
Additions	—	300,000
Initial repayments	—	(6,595)
Deferred revenue recognized	(5,609)	(12,149)
Interest expense	6,609	18,999
Total deferred revenue	\$ 301,255	\$ 300,255
Less: current portion	26,226	25,348
Non-current portion	\$ 275,029	\$ 274,907

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

During the year ended December 31, 2025, Discovery entered into an agreement with Franco as part of the Porcupine acquisition (note 6(a)), whereby the Company granted Franco a 4.25% two - tranche net smelter return royalty on all minerals produced from the Porcupine Complex (the “NSR”) for proceeds to the Company of \$300.0 million. The royalty is payable in in-kind metals produced or cash at the election of Franco.

The two-tranche royalty consists of:

- 2.25% NSR in perpetuity on all minerals produced from the Porcupine Complex;
- 2.00% NSR on all minerals produced until the earlier of i) royalty payments equivalent to 72,000 gold ounces (attributable solely to the 2.00% net smelter return royalty) or ii) a cash payment equal to a pre-tax annual internal rate of return of 12.00% in reference to a \$100.0 million attributable purchase price.

16. SHARE CAPITAL

a) Authorized

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

b) Stock Options

The Company has adopted a rolling stock option plan (the “Option Plan”) which provides that the Company’s Board of Directors and/or Compensation Committee (the “Board”) may grant options to purchase common shares of the Company to directors, officers, employees and service providers.

The maximum number of common shares that may be reserved for issuance upon the exercise of the options, together with the common shares which may be issuable under any other security-based compensation plan, is limited to 10% of the issued and outstanding common shares of the Company at the time of grant.

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

There were no options granted during the three months ended March 31, 2026 or 2025. Option transactions and the number of options outstanding are summarized as follows:

	Outstanding (000’s)		Weighted Average Exercise Price (C\$)
At January 1, 2025	15,852	\$	1.63
Options exercised	(7,617)		1.36
At December 31, 2025	8,235	\$	1.87
Options exercised	(2,995)		1.97
At March 31, 2026	5,240	\$	1.82

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

At March 31, 2026, the options outstanding and exercisable are as follows:

Exercise Price (C\$)	Options Outstanding				Options Exercisable			
	Number (000's)	Weighted average remaining life	Weighted average exercise price(C\$)	Number (000's)	Weighted average remaining life	Weighted average exercise price (C\$)	Number (000's)	Weighted average exercise price (C\$)
\$1.77	200	0.59	\$ 1.77	200	0.59	\$ 1.77	200	\$ 1.77
\$2.05	3,005	0.77	\$ 2.05	3,005	0.77	\$ 2.05	3,005	\$ 2.05
\$1.76	395	1.03	\$ 1.76	395	1.03	\$ 1.76	395	\$ 1.76
\$1.38	40	1.15	\$ 1.38	40	1.15	\$ 1.38	40	\$ 1.38
\$1.42	1,600	1.82	\$ 1.42	1,600	1.82	\$ 1.42	1,600	\$ 1.42
	5,240	1.11	\$ 1.82	5,240	1.11	\$ 1.82	5,240	\$ 1.82

c) Deferred Share Units, Restricted Share Units and Performance Share Units

The Company has adopted a Deferred Share Unit Plan (“DSU Plan”) that includes deferred share units (“DSUs”) and a Long-Term Incentive Plan (“LTI Plan”) that includes restricted share units (“RSUs”) and performance share units (“PSUs”). The maximum number of shares which may be reserved for issuance shall not exceed 10% of the issued and outstanding common shares of the Company when combined with all common shares issuable under the DSU Plan, the LTI Plan, the Option Plan and the Company’s former restricted share unit plan (the “Old RSU Plan”). Effective June 25, 2025, the LTI Plan replaced the Old RSU Plan and no further awards will be granted under the Old RSU Plan. All current outstanding awards granted under the Old RSU Plan will continue to vest in accordance with the terms of the original grant. Once all existing awards are either exercised or cancelled, the Old RSU Plan will be terminated.

The DSU Plan provides that the Board may grant DSUs to non-executive directors of the Company, to be settled in cash or common shares of the Company, at the discretion of the Board. The LTI Plan provides that the Board may grant RSUs and/or PSUs (collectively, the “Share Units”) to eligible employees, officers and eligible contractors, to be settled in cash or common shares of the Company, at the discretion of the Board. The Board in its sole discretion may determine any vesting provisions for DSUs, or Share Units.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

The following tables reflect the continuity of share units and DSUs granted and redeemed under the LTI Plan and the Old RSU Plan during the three months ended March 31, 2026 and year ended December 31, 2025.

	Number of Share Units (000's)
At January 1, 2025	5,601
RSUs granted	3,527
PSUs granted	2,812
Replacement RSUs granted ⁽¹⁾	1,072
RSUs redeemed	(2,202)
RSUs forfeited	(1,692)
At December 31, 2025	9,118
RSUs granted	1,286
PSUs granted	770
RSUs redeemed	(2,254)
RSUs forfeited	(15)
At March 31, 2026	8,905

(1) As part of the terms of the Porcupine acquisition, existing restricted share units ("Replacement RSU's") of Newmont were settled with equivalent RSU's of the Company (note 6(a)).

	Number of DSU's (000's)
At January 1, 2025	2,376
DSUs granted	877
At December 31, 2025	3,253
DSUs granted	114
At March 31, 2026	3,367

The DSUs vest on the first anniversary of each grant date but may only be redeemed on the termination date of a director, in accordance with the DSU Plan.

Share-based compensation expense for the three months ended March 31, 2026 and March 31, 2025 were \$8.9 million and \$1.2 million, respectively.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

17. EARNINGS PER SHARE

Earnings per share has been calculated using the weighted average number of common shares outstanding for the three months ended March 31, 2026 and 2025 as follows:

a) Basic earnings (loss) per share

		Three Months Ended March 31,	
		2026	2025
Net income (loss) for the period	\$	81,679	\$ (6,452)
Weighted average number of common shares (000's)		810,063	401,122
Basic earnings (loss) per share	\$	0.10	\$ (0.02)

b) Diluted earnings (loss) per share

		Three Months Ended March 31,	
		2026	2025
Net income (loss) for the period	\$	81,679	\$ (6,452)
Weighted average number of common shares (000's)		810,063	401,122
Dilutive potential ordinary shares (000's)			
<i>Warrants</i>		3,900	—
<i>Options</i>		4,143	—
Weighted average number of ordinary shares (000's)		818,106	401,122
Diluted earnings (loss) per share	\$	0.10	\$ (0.02)

18. REVENUE

		Three Months Ended March 31,	
		2026	2025
Sales Refined Gold	\$	279,426	\$ —
Deferred Revenue		5,609	—
Revenue	\$	285,035	\$ —

The Company sells refined gold to banks and market traders. During the three months ended March 31, 2026, two customers each contributed more than 10% to total revenues from mining operations, with a combined total of approximately 97%. However, the Company is not dependent on a limited number of customers for the sale of its products, as refined gold is a widely traded commodity that can be sold through numerous markets worldwide.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

19. FINANCE INCOME (EXPENSE), NET

		Three Months Ended March 31,	
		2026	2025
Finance income - interest income on bank deposits	\$	2,293	\$ 151
Finance expense			
Interest expense ⁽¹⁾		(7,336)	(126)
Accretion expense ⁽²⁾		(7,642)	—
Finance income (expense), net	\$	(12,685)	\$ 25

(1) Interest expense includes \$6.6 million relating to interest on Franco Nevada deferred revenue (note 15).

(2) Accretion expense includes \$4.7 million relating to reclamation liabilities (note 14) and \$3.0 million relating to the Newmont deferred consideration.

20. CAPITAL MANAGEMENT

The Company defines capital as its shareholder's equity comprised of issued share capital, contributed surplus and accumulated earnings (deficit). The Company manages its capital structure to maximize its financial flexibility to enable the Company to respond to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company's objectives when managing capital are to fund and support the Company's exploration, evaluation, development and operating activities, with the goal of creating shareholder value, as well ensuring that the Company will be able to meet its financial obligations as they become due.

There was no change to the Company's approach to capital management during the three months ended March 31, 2026.

As at March 31, 2026, Discovery was in compliance with all financial covenants and \$nil was drawn on the Company's revolving credit facility.

21. FINANCIAL INSTRUMENTS

a) Financial assets and liabilities measured at amortized cost

Cash and cash equivalents, trade receivables, other receivables and deposits are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, and lease liabilities are classified as other financial liabilities and are measured at amortized cost. These financial instruments approximate their fair value due to their short-term maturities and/or the market interest rate being charged thereon.

b) Financial assets and liabilities measured at fair value

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

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

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

Financial assets and liabilities measured at fair value include:

Financial assets	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Investment in marketable securities	\$ 422	\$ —	\$ 500	\$ 922

Financial assets	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Investment in marketable securities	\$ 273	\$ —	\$ 500	\$ 773

22. COMMITMENTS AND CONTINGENCIES

a) Commitments

As at March 31, 2026, the Company had future purchase commitments of \$131.3 million, of which \$67.9 million related to capital expenditures for the Company's ongoing operations.

The Company is required by various jurisdictional requirements to provide surety bonds and letters of credit as financial support for multiple purposes, including environmental reclamation, exploration permitting, and other general corporate purposes. At March 31, 2026, there were \$55.6 million of outstanding letters of credit and surety bonds associated with the closure plans for the Porcupine Complex assets. Included in this amount is restricted cash of \$13.5 million relating to letters of credit and \$42.1 million of cash collateral, in the custody of the underwriters, for government required financial assurances for the closure plans at the Porcupine Complex.

b) Provision for future land payment obligation

Included in other long-term liabilities in the consolidated statement of financial position is the provision for the minimum amount payable annually under the land acquisition agreement related to the Cordero project, signed in May 2023. This provision was calculated as the present value of the annual payments, using a discount rate of 8% over the 25 years of payments per the land acquisition agreement. Once commercial production is achieved, the annual payments under the agreement are \$0.6 million over 25 years.

c) Contingencies

The Company is from time to time party to legal proceedings in the ordinary course of its business. Management is not aware of any pending or threatened litigation that, if resolved against the Company, would have material adverse effect on the Company's financial condition or results of operations.

23. SEGMENTED INFORMATION

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

The Company has one reportable segment: Porcupine Complex (comprised of the operating mines and mill). This segment is organized predominantly by the products and services provided to customers and geography of the businesses.

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026 and 2025
(unaudited - expressed in thousands of United States dollars, except where otherwise noted)

The Corporate and Other segment (comprised of Mexico and the Corporate Office) includes corporate, exploration and evaluation and other income and expenses that do not pertain directly to a reportable segment.

a) Income (loss) for the period by segment

	Three Months Ended March 31, 2026				
	Porcupine Complex		Corporate and Other		Total
Revenue	\$	285,035	\$	—	\$ 285,035
Production costs		(76,184)		—	(76,184)
Depreciation and amortization		(31,576)		—	(31,576)
Royalties		(7,058)		—	(7,058)
Earnings from mining operations	\$	170,217	\$	—	\$ 170,217
General and administration ⁽¹⁾		—		(11,475)	(11,475)
Exploration		(6,817)		—	(6,817)
Share-based compensation		(1,349)		(7,510)	(8,859)
Other operating costs ⁽²⁾		(101)		—	(101)
Other income (loss) ⁽³⁾		8,202		(7,111)	1,091
Finance income (expense), net		(10,840)		(1,845)	(12,685)
Income (loss) before taxes	\$	159,312	\$	(27,941)	\$ 131,371

(1) General and administration costs include salaries and benefits, professional fees, listing and filing fees, travel, and other costs.

(2) Other operating costs include costs incurred for reclamation obligations related to non-operating mine sites. The asset component of the obligation arising from the subsequent remeasurement of the reclamation liability is recognized as reclamation expense immediately.

(3) Other income (loss) includes foreign exchange gain and loss and fair value remeasurement of investments.

	Three Months Ended March 31, 2025				
			Corporate and Other		Total
General and administration ⁽¹⁾			\$ (5,474)	\$	(5,474)
Exploration			(25)		(25)
Share-based compensation			(1,167)		(1,167)
Other income (loss) ⁽²⁾			189		189
Finance income (expense), net			25		25
Income (loss) before taxes			\$ (6,452)	\$	(6,452)

(1) General and administration costs include legal, consulting, advisory and other expenses primarily related to the evaluation and acquisition of the Porcupine Complex.

(2) Other income (loss) includes foreign exchange gain and loss and fair value remeasurement of investments.

b) Assets by segment

As at	March 31, 2026				
	Porcupine Complex		Corporate and Other		Total
Total Assets	\$	1,459,843	\$	339,936	\$ 1,799,779

As at	December 31, 2025				
	Porcupine Complex		Corporate and Other		Total
Total Assets	\$	1,429,349	\$	366,502	\$ 1,795,851