

DISCOVERY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2026 and 2025

May 13, 2026

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For the three months ended March 31, 2026, and 2025
(Expressed in United States dollars, except where otherwise noted)

MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim consolidated financial statements, and their related notes, of Discovery Silver Corp. (“Discovery Silver” or “the Company”), as at and for the three months ended March 31, 2026 and 2025 (the “Financial Statements”) which are 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”). Additional information relating to the Company, including the most recent Annual Information Form (“AIF”) for the year ended December 31, 2025 is available on SEDAR+ at www.sedarplus.ca.

All information contained in this MD&A is current and has been reviewed by management and approved by the Board of Directors (the “Board”) of the Company as of May 13, 2026, unless otherwise stated. All dollar (\$) amounts are expressed in United States dollars (“USD”), the Company’s reporting currency, except where otherwise noted. References to Canadian dollars are denoted as (“CAD”).

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements and should be read in conjunction with the risk factors described in the “Financial Risk Factors”, “Other Risks and Uncertainties” and “Forward Looking Statements” sections near the end of this MD&A and as described in the Company’s AIF for the year ended December 31, 2025. Additional information including this MD&A, Consolidated Financial Statements for the year ended December 31, 2025, the Company’s AIF and press releases have been filed electronically under the Discovery Silver Corp. profile at www.sedarplus.ca and are posted on the Company’s website at www.discoverysilver.com.

NON-GAAP MEASURES

Certain non-GAAP measures are included in this MD&A, among them: sustaining and growth capital expenditures, adjusted cash flow from operations, free cash flow, adjusted free cash flow, operating cash costs and operating cash costs per ounce sold, all-in sustaining costs (“AISC”) and AISC per ounce sold, average realized gold price per ounce sold, adjusted net earnings and adjusted net earnings per share, earnings before interest, taxes and depreciation and amortization (“EBITDA”) and working capital. In the mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that these measures, when considered in conjunction with information prepared in accordance with GAAP, provide investors with useful information to assist in their evaluation of the Company’s performance and ability to generate cash flow from its operations. Accordingly, these measures are 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 Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board. For further information, refer to the “Non-GAAP Measures” section of this MD&A.

The following additional abbreviations may be used throughout this MD&A: General and Administrative Expenses (“G&A”); Troy Ounces (“oz”); Grams per Tonne (“g/t”); Square Kilometre (“km²”); and Life of Mine (“LOM”). Throughout this MD&A the reporting periods for the three months ended March 31, 2026, and March 31, 2025, are abbreviated as Q1 2026 and Q1 2025, respectively. Additionally, the reporting period for the three months ended June 30, 2025, September 30, 2025 and December 31, 2025, are abbreviated as Q2 2025, Q3 2025, and Q4 2025, respectively.

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COMPARATIVE INFORMATION

Discovery completed the acquisition (the "Porcupine Acquisition") of the Porcupine Complex ("Porcupine" or the "Porcupine Operations") from Newmont Corporation ("Newmont") on April 15, 2025, which transformed the Company into a Canadian gold producer anchored in and near Timmins, Ontario, Canada. Prior to the Porcupine Acquisition, the focus of Discovery's business had primarily been exploration and development activities related to the wholly owned Cordero silver project in Mexico. The change to the Company's business portfolio has a meaningful impact on the comparability of results in Q1 2026 to reporting periods prior to the Porcupine Acquisition.

Q1 2026 HIGHLIGHTS

- **Definitive Agreement to Acquire Glencore's Kidd Operations** ("Kidd" or the "Kidd Operations"), announced on March 2, 2026, which on closing, provides the Company with opportunities to significantly increase processing and tailings capacity, adds valuable land and infrastructure capable of supporting the future expansion of Hoyle Pond and Pamour, delivers important cost synergies, provides exposure to critical minerals, and includes attractive exploration upside on a large and highly prospective land position. The acquisition is expected to close during the first half of 2026.
- **Continued exploration success**, including excellent results from resource conversion and expansion drilling at Hoyle Pond, Borden and Pamour, as well as from drilling to establish the potential of new targets at or near these operations, to advance near-term growth projects and to continue the evaluation of key regional exploration opportunities.
- **Increased revenue** totaling \$285.0 million versus \$274.2 million in Q4 2025, with the 4% increase resulting from a higher average realized gold price⁽¹⁾.
- **Higher EBITDA⁽¹⁾** of \$177.9 million versus a loss before interest, taxes and depreciation and amortization of \$6.3 million in Q1 2025 and EBITDA of \$126.0 million the previous quarter, which was reduced by a one-time \$45.0 million reclamation expense for non-operating sites.
- **Net earnings** of \$81.7 million, or \$0.10 per basic share, compared to net loss of \$6.5 million, or loss of \$0.02 per basic share, in Q1 2025 and net earnings of \$65.3 million, or \$0.08 per basic share, in Q4 2025.
- **Adjusted net earnings⁽¹⁾** totaling \$82.7 million or \$0.10 per basic share, versus adjusted net loss of \$3.0 million, or loss of \$0.01 per basic share, in Q1 2025 and adjusted net earnings of \$113.5 million or \$0.14 per basic share the previous quarter, which included a \$0.05 per share benefit in earnings from a deferred tax recovery related to revised reclamation cash flows.
- **Solid cash flow generation** in Q1 2026 with net cash flow from operating activities of \$43.0 million (\$129.8 million before the impact of a \$86.8 million cash income tax payment relating to the 2025 tax year); Adjusted free cash flow⁽¹⁾ of \$62.7 million compared to adjusted free cash outflow of \$9.8 million in Q1 2025 and adjusted free cash inflow of \$67.9 million in Q4 2025.
- **Strong total liquidity** of \$634.9 million at March 31, 2026, including \$384.9 million of cash and an undrawn \$250.0 million revolving credit facility ("RCF"), with an accordion feature for an additional \$100.0 million.

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• **Key operating results**

- o Gold production of 60,269 ounces compared to 66,718 ounces in Q4 2025, largely reflecting a planned reduction in tonnes processed, partially offset by a 15% improvement in average grade and higher average recoveries.
- o Gold sold⁽²⁾ of 56,927 ounces compared to 64,479 ounces sold the previous quarter.
- o Total production costs of \$76.2 million versus \$73.8 million in Q4 2025.
- o Operating cash costs⁽¹⁾ of \$1,417 per ounce sold compared to \$1,185 per ounce sold the previous quarter.
- o Site-level AISC⁽¹⁾⁽³⁾⁽⁴⁾ of \$1,875 per ounce sold compared to \$1,824 per ounce sold in Q4 2025.
- o AISC⁽¹⁾⁽⁴⁾ of \$2,041 per ounce sold versus AISC of \$2,034 per ounce sold the previous quarter.

- **On track to achieve 2026 production and unit cost guidance;** Company's business plan for 2026 includes quarterly production increasing and unit costs improving significantly in the second half of the year.

- **Advancement of Cordero,** including progressing work to update the February 2024 Feasibility Study capital and operating cost estimates to reflect the current pricing environment; work also advanced towards finalizing the development schedule and financing strategy for the project.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, NON-GAAP MEASURES, for more information.

(2) The difference between ounces produced and ounces sold largely reflects the delivery of in-kind ounces under the Franco-Nevada royalty arrangement.

(3) Site-level AISC includes corporate G&A allocation and excludes remaining corporate G&A, share-based compensation costs and corporate-level sustaining capital expenditures.

(4) AISC does not include share-based compensation costs.

2026 GUIDANCE

<i>(in \$ millions, unless otherwise stated)</i>	Total
Gold produced (koz)	260 — 300
Operating cash costs per ounce sold (\$/oz sold) ⁽¹⁾⁽²⁾	\$ 1,250 — 1,400
AISC per ounce sold (\$/oz sold) ⁽¹⁾⁽²⁾⁽⁴⁾	\$ 1,950 — 2,250
Royalties ⁽²⁾	\$ 25 — 35
Sustaining capital ⁽¹⁾⁽³⁾	\$ 120 — 165
Porcupine - Growth capital ⁽¹⁾⁽³⁾	\$ 195 — 235
Cordero - Fees and capital	\$ 90 — 100
Exploration (capital & expensed)	\$ 55 — 75
Corporate G&A ⁽⁴⁾	\$ 35 — 40

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

(2) Royalty expense is included in operating cash cost and AISC per ounce sold. Royalty expense does not include costs related to the Franco Nevada Royalties.

(3) Capitalized exploration is excluded from sustaining and growth capital expenditures and is provided in exploration guidance.

(4) Corporate G&A and AISC exclude share-based compensation.

(5) Based on, where applicable, a USD/CAD exchange rate of 1.36, a USD/MXN\$ exchange rate of 18.0.

Discovery's full-year guidance for 2026 was announced in a press release dated February 19, 2026. The guidance is based on a plan for increased production as compared to 2025, that is expected to be weighted towards the second half of the year. Average operating cash costs per ounce sold⁽¹⁾, and AISC⁽¹⁾ per ounce sold are projected to be highest in the first half of the year.

Targets for both sustaining⁽¹⁾ and growth⁽¹⁾ capital expenditures in 2026, reflect planned investment in support of the Company's goal of more than doubling gold production, to over half a million ounces per year, with a cost profile in the lower half of the global cost curve. The Company's guidance also includes a significant commitment to exploration given

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the substantial potential that exists to convert and expand mineral resources at existing operations and to identify new resources at the Porcupine Operations, near-term projects and regional targets.

Gold Production

Gold production in Q1 2026 totaled 60,269 ounces. Consistent with the Company's business plan for the year, quarterly production in 2026 is expected to increase during the second half of the year, largely reflecting an increase in tonnes processed as production from the Hollinger open pit ramps up, planned improvement in average grades at Borden and Pamour, and the anticipated benefits of capital investments to optimize operations at Hoyle Pond, Borden and Pamour. The Company remains on track to achieve the 2026 production guidance of 260,000 – 300,000 ounces.

Unit Costs

Operating cash costs per ounce sold and AISC per ounce sold averaged \$1,417 and \$2,041, respectively, in Q1 2026, compared to full-year guidance of \$1,250 – \$1,400 and \$1,950 - \$2,250, respectively. Unit costs are projected to be the highest in the first half of the year, and to improve during the second half of 2026 as production and sales volumes increase and benefits are realized from investments to optimize the Company's operations. The Company remains on track to achieve both operating cash costs per ounce sold and AISC per ounce sold guidance for 2026. AISC of \$2,041 excludes the \$156 per ounce impact of share-based compensation.

Royalties

Royalty expense in Q1 2026 totaled \$7.1 million compared to full-year 2026 guidance of \$25 – \$35 million. Royalty expense is highly dependent on the average realized gold price and will fluctuate based on the commodity cycle. Royalty expense primarily relates to agreements with First Nations groups and private interests at Borden and, to a lesser extent, at Hoyle Pond and Pamour. The Company continues to target royalty expense of \$25 - \$35 million for full-year 2026.

Sustaining Capital Expenditures

Sustaining capital expenditures for 2026 are projected to be \$120 – \$165 million, with \$20.7 million incurred in Q1 2026. Expenditures during the year are primarily focused on work to buttress the No. 6 tailings management area ("TMA6") at the Dome property, as well as ongoing investment in capital improvements at the Dome Mill and new mobile equipment and improved infrastructure at Hoyle Pond and Borden. The \$20.7 million of sustaining capital expenditures in Q1 2026 was lower than planned, mainly reflecting the timing for delivery of new mobile equipment and for construction work at the TMA6 project. Capital development expenditures at Hoyle Pond and Borden during Q1 2026 were in line with expectations. The Company continues to target full-year 2026 sustaining capital expenditures of \$120 - \$165 million.

Porcupine Growth Capital Expenditures

Growth capital expenditures at Porcupine, excluding capitalized exploration expenditures, are targeted at \$195 – \$235 million, with \$39.6 million incurred in Q1 2026. Two key projects contributing to planned growth capital in 2026 include increasing tailings capacity at TMA6 through additional raises and execution of a new deposition strategy, and continued pre-stripping at Pamour, as the mine ramps up towards commercial levels of operation. The new deposition strategy at TMA6 involves dividing the tailings facility into cells, which will support higher volumes and facilitate progressive rehabilitation, as completed cells can be rehabilitated prior to closure of the dam. Of the \$39.6 million of growth capital expenditures, over 80% related to the TMA6 project and pre-stripping at Pamour, with the remainder largely related to other infrastructure work and new mobile equipment.

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Cordero

Fees and growth capital related to Cordero are expected to total \$90 – \$100 million. A significant component of planned expenditures at Cordero relates to the anticipated payment of the change for the land use permit fee. This permit, and payment of the related fee, will follow the approval of the Environmental Impact Statement (“Manifiesto de Impacto Ambiental” or “MIA”) application by the Mexican Government’s Department of Natural Resources and Environment (“Secretaría de Medio Ambiente y Recursos Naturales” or “SEMARNAT”). Total expenditures in Q1 2026 were \$2.5 million, mainly related to salaries and benefits.

Exploration

Total exploration expenditures in 2026, including both capitalized and expensed expenditures, are targeted at \$55 – \$75 million, with \$13.9 million incurred in Q1 2026. The Company's exploration work program for the year involves an estimated 255,000 – 280,000 metres of drilling, as well as 1,200 – 1,400 metres of exploration development. During Q1 2026, a total of 63,778 metres were drilled and 111 metres of exploration development were completed. A significant portion of planned exploration development is scheduled for the second half of 2026. The Company continues to target full-year 2026 capitalized and expensed expenditures of \$55 – \$75 million.

Capital exploration expenditures in Q1 2026 totaled \$7.1 million and are targeted at \$25 – \$35 million for the full year. Capital drilling during the quarter mainly related to ongoing resource conversion and expansion drilling at Hoyle Pond, Borden and Pamour.

Key targets include the S Zone Deep and XMS Zone at Hoyle Pond, the further northeast extension of the Main Zone and infill of the Far West and East Lower Zones at Borden, and within and along strike of all three phases of the Pamour pit design. Capitalized exploration expenditures also include planned drilling at Dome designed to upgrade and add confidence to current inferred resources located on the edges and below the historic Dome pit. In addition, the Company is also targeting completion of 500 – 1,000 metres of underground exploration development at Hoyle Pond and Borden.

Expensed exploration expenditures in 2026 are targeted at \$30 – \$40 million, with total expenditures of \$6.8 million in Q1 2026. Drilling during the quarter focused on the mid-mine at Hoyle Pond, at the TVZ Zone adjacent to Hoyle Pond, and at Owl Creek, three kilometres west along the Hoyle Pond volcanic belt. Other key targets for expensed exploration for the quarter include the down plunge extension of the Main Zone at Borden, and several targets around Pamour, including the Pamour West area and the Keora Trend.

As at May 13, 2026, the Company had 21 exploration drill rigs operating. A breakout of drill-rig locations and related targets is provided below:

Hoyle Pond: Five underground drills – Two drills involved in resource conversion and extension drilling of the S Zone, two drills targeting the XMS Zone and one drill targeting the UM4 zone.

TVZ Zone: Three underground drills – Two drills on the 1210 level primarily focused on infilling and extending mineralization proximal to historic drilling, and one drill on the 1410 level testing the down plunge extension of mineralization.

Owl Creek: Two surface drills – Drilling focused on infill and extension of mineralization at both the Owl Creek and the 750 Zones.

Borden: Six drills (four underground and two surface) – Three drill rigs involved in infill and expansion drilling targeting the Main (Deep) Zone to the northeast and one involved in infill and extension of the East Lower Zone, with two surface drills exploring to the northeast of the mine.

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Pamour: Three surface drills – One drill focused on the Pamour open pit area, one drill at Pamour West and one drill at the North Contact Zone.

Dome: Two surface drills – One drill located in the southwest portion of the historic open pit and the other one the north side, with drilling continuing to evaluate additional drill targets to the north, south and west sides of the pit.

Corporate G&A

Corporate G&A in 2026 is estimated at \$35 – \$40 million, with \$11.5 million recorded in Q1 2026. Expenditure levels in 2026 reflect the full-year impact of the Company’s transformation into a growing Canadian gold producer, and the related strengthening of organizational capabilities across operations, exploration, and corporate functions, such as finance and information technology. The Company remains on track to be within the guidance range for full-year 2026.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, NON-GAAP MEASURES, for more information.

BUSINESS OVERVIEW

The Company was incorporated on October 10, 1986, under the laws of British Columbia as Ayubowan Capital Ltd. On June 13, 2017, the Company’s name was changed to Discovery Metals Corp. On April 14, 2021, the Company’s name was changed to Discovery Silver Corp. The Company’s Common Shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol “DSV”, on the OTCQX under the symbol “DSVSF”, and on the Frankfurt Stock Exchange under the symbol “1CU0”.

Discovery is a growing precious metals company with assets in Canada and Mexico. The Company currently produces gold from the Porcupine Operations in and near Timmins, Ontario, Canada. These operations were acquired from Newmont in April 2025. The Porcupine Operations include the Hoyle Pond and Borden underground mines, the Pamour open pit, which is currently ramping up to commercial levels of production, the Hollinger open pit, and the Dome Mill, a 12,000 tonne per day processing facility with potential for both optimization and expansion. In addition, the Company is currently evaluating opportunities to resume mining operations at the Dome Mine property, where approximately 17 million ounces of gold were produced from 1910 to 2017, and to develop and produce from the TVZ Zone, a large, mineralized zone adjacent to Hoyle Pond. Porcupine also includes extensive exploration upside at existing operations as well as at multiple locations within a 1,400 km² land position.

Prior to April 2025, Discovery was a single-asset company focused on advancing the 100%-owned Cordero silver development-stage project (“Cordero” or the “Cordero Project”) located on a prolific mining belt in Chihuahua State, Mexico. A feasibility study (“FS”) dated February 16, 2024, clearly demonstrated the potential for Cordero to be developed into one of the largest silver mines globally, with low unit costs and attractive economic returns. Since release of the FS, work at Cordero has focused on continuing to de-risk the project, and to advance the permitting process, with Cordero’s Environmental Impact Statement or MIA continuing to be reviewed by the SEMARNAT.

A key component of Discovery’s business is its commitment to achieving excellence in all aspects of responsible mining. Consistent with this commitment, the Company has been honoured with numerous awards in Mexico, including: receiving both the Socially Responsible Enterprise distinction from the Mexican Center for Philanthropy (“CEMEFI”) and the international Great Place to Work Certification for the fourth consecutive year in 2025; receiving CEMEFI’s Best Environmental Practices distinction for the first time in 2024 and Value Chain distinctive in 2025; and being awarded the two-year Quality Environmental Certification from Mexico’s Federal Attorney’s Office for Environmental Protection or “PROFEPA” in November 2023 and the Mining and Prosperity distinction of the Government of the State of Chihuahua in 2025. The Company also supports energy transition, with plans to increase the use of electric vehicles and other

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equipment at Porcupine, and the ongoing evaluation of using solar energy, battery electric, trolley assist and other alternative energy systems in the development and operation of Cordero.

KIDD ACQUISITION

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 include the Kidd Metallurgical Site, the Kidd tailings management area (the "Kidd TMA"), the Kidd Creek copper, zinc and silver mine (the "Kidd Creek 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, the Kidd TMA and all associated property, claims and assets, liabilities, 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 Energy and Mines. The Company anticipates closing of the transaction during the first half of 2026.

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OPERATING AND FINANCIAL PERFORMANCE SUMMARY

<i>(in \$ thousands except per share amounts)</i>	March 31, 2026	March 31, 2025	Three months ended December 31, 2025
Revenue	285,035	—	274,242
Production costs	76,184	—	73,814
Earnings (loss) before income taxes	131,371	(6,452)	60,349
Net earnings (loss)	81,679	(6,452)	65,289
Basic earnings (loss) per share	0.10	(0.02)	0.08
Diluted earnings (loss) per share	0.10	(0.02)	0.08
Cash flow from (used in) operating activities	42,968	(6,074)	163,231
Cash investment on mine development and PPE	(67,057)	(3,767)	(95,324)

	March 31, 2026	March 31, 2025	Three months ended December 31, 2025
Ore processed (t)	698,984	—	892,818
Average Grade (g/t Au)	2.96	—	2.58
Recovery (%)	90.6%	—	90.2%
Gold produced (oz)	60,269	—	66,718
Gold sold (oz) ⁽¹⁾	56,927	—	64,479
Average realized price (\$/oz sold) ⁽²⁾	\$ 4,908	\$ —	\$ 4,157
Operating cash costs per ounce sold (\$/oz sold) ⁽²⁾	\$ 1,417	\$ —	\$ 1,185
AISC per ounce sold (\$/oz sold) ⁽²⁾⁽³⁾	\$ 2,041	\$ —	\$ 2,034
Adjusted net earnings ⁽²⁾	\$ 82,722	\$ (3,046)	\$ 113,495
Adjusted net earnings per share ⁽²⁾	\$ 0.10	\$ (0.01)	\$ 0.14
Adjusted Free cash flow ⁽²⁾	\$ 62,734	\$ (9,842)	\$ 67,907

(1) The difference between ounces produced and ounces sold largely reflects the delivery of in-kind ounces under the Franco-Nevada royalty arrangement.

(2) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

(3) 2025 results exclude G&A expense, share-based compensation costs and sustaining capital expenditures and lease expense incurred prior to April 15, 2025, the completion date of the Porcupine Acquisition.

Q1 2026

Where applicable, the Company has included Q1 2025 comparatives, except for gold production, gold sales, revenue, production costs, capital expenditures⁽¹⁾, operating cash costs⁽¹⁾, and AISC⁽¹⁾, as Discovery did not produce gold, or generate revenue and earnings from mine operations in Q1 2025, prior to the completion of the Porcupine Acquisition on April 15, 2025.

Gold production totaled 60,269 ounces during the quarter, which resulted from processing 698,984 tonnes at an average grade of 2.96 g/t and average recoveries of 90.6%. The 60,269 ounces of production in Q1 2026 compared to 66,718 ounces produced in Q4 2025. The change in production in Q1 2026 reflected lower tonnes processed, the impact of which was partially offset by a 15% improvement in the average grade, reflecting a significantly higher grade at Hoyle Pond, and a higher average recovery rate. Total ore tonnes mined increased by 4% compared to Q4 2025, with there being close to 1.3 million tonnes of stockpiled material available for processing at March 31, 2026. Gold sales totaled 56,927 ounces versus 64,479 ounces the previous quarter as a result of lower ounces produced. The difference between

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ounces produced and ounces sold largely reflected the delivery of in-kind ounces under the Franco-Nevada royalty arrangement, which started in Q3 2025.

Production costs totaled \$76.2 million compared to \$73.8 million in Q4 2025. Production costs in Q1 2026 increased from the previous quarter due to higher mining costs and an increase in site administrative costs, partially offset by the impact of inventory changes, with higher levels of both stockpile and in-circuit inventories in the current quarter.

Operating cash costs⁽¹⁾ averaged \$1,417 per ounce sold, up from \$1,185 per ounce in Q4 2025, with the increase mainly reflecting the higher mining costs and lower sales volumes. AISC⁽¹⁾ per ounce sold averaged \$2,041 versus \$2,034 per ounce sold in Q4 2025, resulting from higher operating cash costs per ounce sold, partially offset by lower sustaining capital expenditures⁽¹⁾.

Revenue in Q1 2026 increased 4% to \$285.0 million, from \$274.2 million in Q4 2025, with the increase resulting from an 18% improvement in the average realized gold price⁽¹⁾, to \$4,908 per ounce in Q1 2026.

EBITDA⁽¹⁾⁽²⁾ in Q1 2026 totaled \$177.9 million compared to a loss before interest, taxes and depreciation and amortization of \$6.3 million in Q1 2025. The substantial improvement in EBITDA performance compared to Q1 2025 resulted from revenue and earnings generated from gold sales following completion of the Porcupine Acquisition on April 15, 2025. EBITDA increased 41% from \$126.0 million in the previous quarter, primarily reflecting a one-time \$45.0 million reclamation expense for non-operating mine sites in Q4 2025. Other factors contributing to the quarter-over-quarter increase were higher revenue in Q1 2026, as well as the impact of a \$10.9 million cost related to the Taykwa Tagamou Nation ("TTN") Resource Development Agreement recorded in Q4 2025.

Net earnings for Q1 2026 totaled \$81.7 million, or \$0.10 per basic share, which compared to a net loss of \$6.5 million, or \$0.02 per basic share, in Q1 2025 and net earnings of \$65.3 million, or \$0.08 per basic share, in Q4 2025. Net earnings increased compared to the previous quarter mainly due higher EBITDA, as well as lower depreciation and amortization costs in Q1 2026. Partially offsetting these factors were an income tax recovery of \$4.9 million in Q4 2025, which resulted from a \$40.9 million or \$0.05 per share deferred tax recovery related to revised reclamation cash flow projections, as well as higher share-based compensation costs in Q1 2026.

Average basic shares outstanding in Q1 2026 were 810.1 million shares versus 401.1 million shares in Q1 2025 and 806.0 million shares in Q4 2025, with the increase from Q1 2025 mainly resulting from the impact of issuing 401.8 million shares during Q2 2025 related to the Porcupine Acquisition.

Adjusted net earnings⁽¹⁾ in Q1 2026 totaled \$82.7 million, or \$0.10 per basic share, which compared to adjusted net loss of \$3.0 million, or \$0.01 per basic share, in Q1 2025 and adjusted net earnings of \$113.5 million, or \$0.14 per basic share, the previous quarter. Contributing to the \$0.14 per basic share of adjusted net earnings in Q4 2025 was the \$0.05 per share benefit from the deferred tax recovery related to revised reclamation cash flow projections.

Net cash generated from operating activities in Q1 2026 totaled \$43.0 million. During Q1 2026, the Company made a cash income tax payment relating to the 2025 tax year, which served to reduce net cash generated from operating activities for the quarter by \$86.8 million. The \$43.0 million of net cash generated from operating activities in Q1 2026 compared to net cash used in operating activities of \$6.1 million in Q1 2025 and net cash from operating activities of \$163.2 million in the previous quarter. In addition to the \$86.8 million cash income tax payment, the reduction compared to Q4 2025 also reflected 2026 cash tax installment payments of \$22.1 million and cash settlement for share based compensation of \$16.5 million, resulting from the change to cash-settled awards in Q1 2026. Adjusted free cash flow⁽¹⁾ in Q1 2026, which excludes the \$86.8 million cash income tax payment, totaled \$62.7 million, compared to adjusted free cash outflow of \$9.8 million in Q1 2025 and adjusted free cash inflow of \$67.9 million the previous quarter.

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Cash at March 31, 2026, totaled \$384.9 million compared to \$410.7 million at December 31, 2025, with the change in cash mainly resulting from the \$86.8 million cash income tax payments related to the 2025 tax year made during Q1 2026, which more than offset the benefit of net cash flows generated from operations during the quarter.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

(2) Refers to earnings before interest, taxes and depreciation and amortization costs.

PORCUPINE OPERATIONS REVIEW

Discovery's Porcupine Operations consist of the Hoyle Pond, Pamour and Hollinger mine properties, the Dome mine property and milling facility, and numerous near-mine and regional exploration targets. The Porcupine Operations also includes the Borden mine property and large land position near Chapleau, Ontario. Current operations include the Hoyle Pond and Borden underground mines, and Pamour and Hollinger open-pit mines. All mineralization is processed at Dome, including mineralization from Borden, which is trucked 190 km to the Dome Mill. The Dome Mill is a 12,000 tonne-per-day processing facility that in recent years has operated at rates well below optimal levels. Through investment programs launched following the closing of the Porcupine Acquisition in 2025, the Company is targeting a return to sustained nameplate capacity by 2027 or sooner.

Porcupine Complex	March 31, 2026	Three months ended December 31, 2025
Ore processed (t)	698,984	892,818
Average Grade (g/t Au)	2.96	2.58
Recovery (%)	90.6%	90.2%
Gold produced (oz) ⁽¹⁾	60,269	66,718
Gold poured (oz) ⁽¹⁾	59,258	67,010
Gold sold (oz) ⁽¹⁾⁽²⁾	56,927	64,479
Milling costs (in thousands)	\$ 17,434	\$ 19,354
Milling costs per tonne processed (\$/tonne)	\$ 24.9	\$ 21.7
Production costs	\$ 76,184	\$ 73,814
Operating cash costs per ounce sold ⁽³⁾⁽⁴⁾	\$ 1,417	\$ 1,185
Site-level AISC per ounce sold ⁽³⁾⁽⁴⁾	\$ 1,875	\$ 1,824
Total capital expenditures ⁽³⁾⁽⁴⁾ (in thousands)	\$ 65,684	\$ 96,581

(1) Includes gold production, poured and sold from Hoyle Pond, Borden, Pamour and Hollinger.

(2) The difference between ounces produced and ounces sold largely reflects the delivery of in-kind ounces under the Franco-Nevada royalty arrangement.

(3) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

(4) Operating cash costs per ounce sold, AISC per ounce sold and total capital expenditures are site level and exclude remaining corporate G&A, share-based compensation costs and corporate-level sustaining capital expenditures.

During Q1 2026, a total of 698,984 tonnes were processed at Porcupine Complex at an average grade of 2.96 g/t, with recovery rates averaging 90.6%, which compared to 892,818 tonnes at an average grade of 2.58 g/t and recovery rates averaging 90.2% in the previous quarter. A total of 60,269 ounces of gold were produced over this period, with total gold poured of 59,258 ounces, versus 66,718 ounces and 67,010 ounces produced and poured, respectively, in the previous quarter. The change in production in Q1 2026 reflected lower tonnes processed, the impact of which was partially offset by a 15% improvement in the average grade, reflecting a significantly higher grade at Hoyle Pond, and a higher average recovery rate. More than three quarters of the reduction in tonnes processed was planned and related to scheduled maintenance as well as the expected impact of severe winter conditions on the crushing circuit. The Company is currently advancing plans to replace the crushing circuit. Total ore tonnes mined increased by 4% compared to Q4 2025, with there being close to 1.3 million tonnes of stockpiled material available for processing as at March 31, 2026.

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Also contributing to the reduction in tonnes processed was unscheduled downtime largely due to reduced availability rates in the crushing circuit largely caused by damage to screens in the secondary and tertiary crushers. While the Company works towards replacing the crushing system, initiatives have been taken to increase availability rates, including adding critical spares at site, and ordering a newly designed screening system, which is scheduled for delivery at the end of the second quarter.

Based on full operating days, the Dome Mill's processing capabilities continued to achieve significant improvement with daily throughput exceeding 11,000 tonnes per day on 26 days in Q1 2026, including 10 days when the mill achieved the operating capacity of over 12,000 tonnes per day. Mill operating costs during Q1 2026 averaged \$24.94 per tonne processed compared to \$21.68 per tonne processed in the previous quarter, with the change largely reflecting reduced processing volumes.

Production costs, including mining and processing costs, in Q1 2026 totaled \$76.2 million versus \$73.8 million in the previous quarter. Operating cash costs⁽¹⁾ per ounce sold averaged \$1,417 compared to \$1,185 in the previous quarter, with the increase mainly reflecting the higher mining costs, given increased mining rates in Q1 2026, and the impact of lower gold sold. Site-level AISC⁽¹⁾⁽²⁾ averaged \$1,875 per ounce sold compared to \$1,824 in Q4 2025. The quarter-over-quarter increase in AISC reflected higher operating cash costs, partially offset by a reduction in sustaining capital expenditures⁽¹⁾ to \$19.0 million in Q1 2026 versus \$32.9 million the previous quarter. Sustaining capital expenditures in Q1 2026 mainly related to capital development at both Hoyle Pond and Borden and construction work to buttress the TMA6 at the Dome property.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

(2) Site-level AISC includes corporate G&A allocation and excludes remaining corporate G&A, share-based compensation costs and corporate-level sustaining capital expenditures.

CORDERO OVERVIEW

The Cordero Project was acquired by Discovery in 2019. Since that time, the Company has invested over \$100.0 million in Mexico, conducting significant exploration drilling and technical analysis, leading to the release of multiple studies, most recently the FS dated February 16, 2024, and filed on SEDAR+ (www.sedarplus.ca) on March 28, 2024. The results of the FS confirmed Cordero to be one of the world's largest undeveloped silver deposits, with the potential for large-scale production at low unit costs, and capable of generating substantial free cash flow and attractive economic returns.

Key highlights of the FS include:

- Average annual production of 37.0 million silver equivalent ounces⁽¹⁾ ("AgEq") over the first 12 years with a total project life of 19 years;
- AISC⁽²⁾ averaging below \$12.50 per AgEq ounce in Years 1 – 8;
- Base-case after-tax net present value ("NPV") of \$1.2 billion (Base-case metal prices: Silver – \$22.00 per ounce; Gold – \$1,600 per ounce; Zinc – \$1.20 per ounce; Lead – \$1.00 per ounce);
- Initial capital expenditures⁽²⁾ of \$606.0 million (resulting in a NPV to capital ratio of 2:1);
- Large-scale Mineral Reserves totaling 302 million ounces of silver, 840,000 ounces of gold, 5.2 billion pounds of zinc and 3.0 billion pounds of lead;
- Important socio-economic contribution to Mexico, including an initial investment of over \$600 million, the creation of 2,500 jobs during development, and over 1,000 jobs during operations, \$4.0 billion in total

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procurement, all to remain within Mexico, and, assuming a fixed \$35.00 per ounce silver price, total tax contributions within Mexico of \$2.4 billion over the project life; and,

- High levels of environmental responsibility and a commitment to contributing to the management of key social issues such as carbon reduction and water quality and availability.

First Quarter 2026 Highlights

During Q1 2026, Discovery continued work on key initiatives to further de-risk the project, including:

- Progressed work on updating the February 2024 Feasibility Study capital and operating cost estimates to reflect the current pricing environment;
- Engaged a third-party specialist power consultant and commenced work on the development schedule and capital cost update to establish natural gas power at site, in an effort to reach a decision point in 2026 on the selection of either natural gas power or grid power as the primary source of power for Cordero;
- Advanced discussions with water treatment plant operators on the planned upgrade and operation of the local water treatment plant; and,
- Advanced work on finalizing the development schedule and financing strategy for Cordero and participated in ongoing discussions with the various governmental bodies involved in issuing the permits for the project.

(1) AgEq Produced is metal recovered in concentrate. AgEq is calculated as $Ag + (Au \times 72.7) + (Pb \times 45.5) + (Zn \times 54.6)$; these factors are based on metal prices of Ag - \$22/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb.

(2) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

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REVIEW OF FINANCIAL PERFORMANCE

<i>(in thousands except per share amounts)</i>	March 31, 2026		March 31, 2025		Three months ended December 31, 2025
Revenue	\$	285,035	\$	—	\$ 274,242
Production costs		76,184		—	73,814
Depreciation and amortization		31,576		—	49,381
Royalties		7,058		—	7,859
Earnings from mining operations		170,217		—	143,188
Expenses					
General and administration		11,475		5,474	16,695
Exploration		6,817		25	340
Share-based compensation		8,859		1,167	461
Other operating costs		101		—	47,512
Earnings from operations		142,965		(6,666)	78,180
Other					
Other income (loss)		1,091		189	(3,623)
Finance Items					
Finance income (expense), net		(12,685)		25	(14,208)
Earnings before taxes		131,371		(6,452)	60,349
Current income tax expense (recovery)		36,646		—	26,255
Deferred income tax expense (recovery)		13,046		—	(31,195)
Net (loss) earnings	\$	81,679	\$	(6,452)	\$ 65,289
Basic earnings per share	\$	0.10	\$	(0.02)	\$ 0.08
Diluted earnings per share	\$	0.10	\$	(0.02)	\$ 0.08
Weighted average number of common shares outstanding (in 000's)					
Basic		810,063		401,122	805,988
Diluted		818,106		401,122	828,211

EARNINGS

Revenue

Revenue in Q1 2026 totaled \$285.0 million which compared to revenue of \$274.2 million the previous quarter. Revenue for the quarter resulted from 56,927 ounces of gold sold at an average realized gold price⁽¹⁾ of \$4,908 per ounce sold, as well as the recognition of deferred revenue related to the Franco-Nevada Royalty arrangement of \$5.6 million. By comparison, revenue in Q4 2025 resulted from gold sales of 64,479 ounces at an average realized gold price⁽¹⁾ of \$4,157 per ounce sold and the recognition of deferred revenue of \$6.2 million in Q4 2025. For more information on deferred revenue related to the Franco-Nevada Royalty arrangement, please refer to note 15 in the accompanying unaudited condensed interim consolidated financial statements.

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Earnings from Mining Operations

Earnings from mining operations in Q1 2026 totaled \$170.2 million, a 19% increase from Q4 2025, reflecting a 4% increase in revenue and lower depreciation and amortization expense, partially offset by higher production costs.

Earnings from Operations

Earnings from operations in Q1 2026 totaled \$143.0 million compared to a loss from operations of \$6.7 million in Q1 2025 and earnings from operations of \$78.2 million in Q4 2025. The 83% increase in earnings from operations compared to the previous quarter resulted from the 19% increase in earnings from mining operations, as well as the impact of the one-time \$45.0 million reclamation expense for non-operating mine sites in Q4 2025. Corporate G&A costs totaled \$11.5 million in Q1 2026, compared to \$16.7 million in Q4 2025, with the change attributable to the impact of a full-year adjustment for the annual short-term incentive plan recognized in Q4 2025. Expensed exploration costs totaled \$6.8 million, compared to \$0.3 million in the previous quarter.

Reclamation Expense - Non-Operating Mine Sites

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. Of the \$117.8 million subsequent remeasurement of reclamation and closure obligations, \$72.8 million related to operating mine sites and was recognized as an adjustment to mining interests. The remaining \$45.0 million related to non-operating mine sites was recognized as reclamation expense in Q4 2025.

Other

Net finance expense in Q1 2026 totaled \$12.7 million, which compared to net finance income of \$nil in Q1 2025 and net finance expense of \$14.2 million in Q4 2025. Net finance expense in Q1 2026 mainly resulted from accretion expense of \$7.6 million from reclamation liabilities and deferred consideration, as well as interest expense of \$7.3 million, primarily related to the Franco-Nevada Royalties, partially offset by the favourable impact of \$2.3 million of interest income earned in the quarter.

For Q1 2026, other income totaled \$1.1 million compared to other income of \$0.2 million in Q1 2025 and other loss of \$3.6 million in Q4 2025. Foreign exchange gain of \$1.7 million mainly accounted for the other income in Q1 2026.

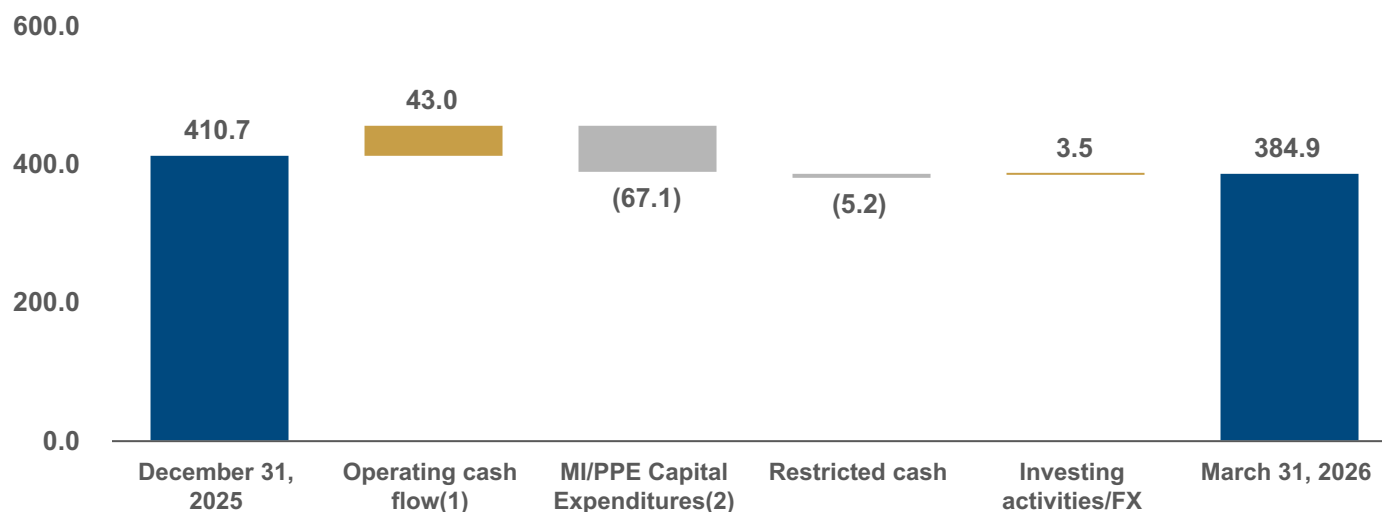
Net Earnings

Net earnings in Q1 2026 totaled \$81.7 million, or \$0.10 per basic share, compared to a net loss of \$6.5 million, or \$0.02 per basic share in Q1 2025 and net earnings of \$65.3 million or \$0.08 per basic share in Q4 2025. The increase in net earnings from the previous quarter mainly resulted from the one-time \$45.0 million reclamation expense for non-operating mine sites in Q4 2025, as well as the benefit of higher revenue and lower depreciation and depletion expense in Q1 2026. Partially offsetting these positive factors, were the impact of an income tax recovery of \$4.9 million in Q4 2025 versus \$49.7 million of income tax expense in Q1 2026, as well as higher share-based compensation costs in Q1 2026. The income tax recovery in Q4 2025 resulted from a \$40.9 million or \$0.05 per share deferred tax recovery related to revised reclamation cash flow projections.

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CASH AND CASH FLOWS

Change in Cash (December 31, 2025 - March 31, 2026)
\$ Millions



(1) Operating cash flow includes cash income tax payment of \$86.8 million related to the 2025 tax year.

(2) Represents cash capital expenditures incurred during Q1 2026.

Discovery's cash balance at March 31, 2026, totaled \$384.9 million, compared to \$410.7 million at December 31, 2025. The reduction in cash during the quarter largely reflected the \$86.8 million 2025 income tax payment made in Q1 2026. Excluding this payment, adjusted free cash flow⁽¹⁾ in Q1 2026 totaled \$62.7 million.

Net cash from operating activities in Q1 2026 totaled \$43.0 million versus net cash used in operating activities of \$6.1 million in Q1 2025 and net cash from operating activities of \$163.2 million the previous quarter. Net cash from operating activities in Q1 2026 resulted mainly from income generated from gold sales at the Porcupine operations, partially offset by income tax payments made during the quarter and working capital movements.

Net cash used in investing activities in Q1 2026 totaled \$72.2 million, which compared to \$3.8 million in Q1 2025 and \$95.3 million in Q4 2025. Additions to mining interests, plant and equipment in Q1 2026 totaled \$67.1 million and mainly related to ongoing investments at the TMA 6 project, pre-stripping and other expenditures at Pamour, and capital development at Hoyle Pond and Borden. Restricted cash increased by \$5.1 million, reflecting additional letters of credit to support operations at Porcupine.

Net cash from financing activities in Q1 2026 totaled \$3.3 million versus \$0.1 million in both Q1 2025 and Q4 2025. Net cash from financing activities in Q1 2026 related to proceeds from the exercise of stock options partially offset by principal payments on lease liabilities.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, "NON-GAAP MEASURES" for more information.

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FINANCIAL POSITION

CURRENT ASSETS

Current assets at March 31, 2026, totaled \$504.4 million, compared to \$526.8 million at December 31, 2025. The change in current assets compared to December 31, 2025 mainly related to a reduction in cash as a result of the \$86.8 million 2025 income tax payment made in Q1 2026.

Accounts Receivable

Accounts receivable totaled \$38.3 million at March 31, 2026, which compared to \$54.2 million at December 31, 2025. The change in accounts receivable in Q1 2026 versus the prior quarter end mainly related to timing on collection of sales tax receivables.

Inventories

Inventories totaled \$103.4 million at March 31, 2026, including \$80.2 million included in current assets, which compared to total inventories of \$91.2 million, of which \$61.2 million was included in current assets, at December 31, 2025. Of the \$80.2 million of inventories included in current assets at March 31, 2026, \$37.3 million related to the value of mineralized material stockpiles at Porcupine compared to \$23.3 million at December 31, 2025; \$10.4 million related to gold in circuit inventories compared to \$7.6 million at December 31, 2025; \$0.2 million related to precious metals inventories compared to \$0.5 million at December 31, 2025; and \$32.3 million related to materials and supplies compared to \$29.8 million at December 31, 2025.

NON-CURRENT ASSETS

Non-current assets at March 31, 2026 totaled \$1,295.4 million, compared to \$1,269.0 million at December 31, 2025. The growth in non-current assets compared to December 31, 2025 mainly related to additions to mining interests, plant and equipment.

Mining Interests, Plant and Equipment

Mining interests, plant and equipment at March 31, 2026 totaled \$1,209.6 million, compared to \$1,179.9 million at December 31, 2025. The change from December 31, 2025 related to additions to mining interests, plant and equipment during Q1 2026.

Restricted Cash

At March 31, 2026, non-current assets included \$13.5 million of restricted cash, compared to \$8.4 million at December 31, 2025. Restricted cash at March 31, 2026 and December 31, 2025 related to letters of credit and cash collateral for government required financial assurances at the Porcupine Operations.

CURRENT LIABILITIES

Current liabilities totaled \$216.2 million at March 31, 2026, compared to \$284.6 million at December 31, 2025, with the change from the previous quarter mainly reflecting the payment of 2025 income taxes during Q1 2026.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities totaled \$123.6 million at March 31, 2026, compared to \$135.3 million at December 31, 2025. Included in accounts payable and accrued liabilities are employee-related payables which totaled \$13.6 million at March 31, 2026, compared to \$28.9 million at December 31, 2025. The change from the previous quarter mainly reflected the payment of annual bonuses.

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Current Taxes Payable

Current taxes payable totaled \$12.9 million at March 31, 2026, compared to \$85.1 million at December 31, 2025. The decrease compared to December 31, 2025 resulted from the payment of 2025 income taxes in Q1 2026.

NON-CURRENT LIABILITIES

Non-current liabilities at March 31, 2026, totaled \$920.2 million versus \$883.7 million at December 31, 2025. The change in non-current liabilities compared to December 31, 2025 mainly reflected the recognition of share-based compensation liabilities from the change of share-based awards from equity-settled to cash-settled.

Reclamation Liabilities

The total reclamation liabilities decreased to \$490.2 million at March 31, 2026, from \$496.0 million at December 31, 2025. The decrease from the prior quarter reflected the draw down of reclamation obligations, partially offset by accretion expense. The Company's reclamation liabilities were determined based on the present value of the expected expenditures required to settle the reclamation obligations. Reclamation obligations relating to operating sites are capitalized as part of the asset's carrying value and amortized over the life of the related asset. Estimates of reclamation costs are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of reclamation costs. Of the total reclamation liabilities at March 31, 2026, \$38.3 million was included in current liabilities representing expenditures expected to be incurred to settle reclamation obligations over the next 12 months. The remaining \$451.9 million of reclamation liabilities are longer term and are included in non-current liabilities.

Deferred Income Tax Liabilities

Deferred income tax liabilities totaled \$53.3 million at March 31, 2026 compared to \$40.3 million at December 31, 2025. The increase from the previous quarter mainly reflected the reversal of temporary differences, primarily related to depreciation, inventory, and reclamation obligations.

CAPITAL MANAGEMENT AND LIQUIDITY

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.

The Company's liquidity is influenced by a range of factors, including fluctuations in gold prices, production volumes, capital spending, operating costs, interest rate movements, and changes in foreign exchange rates. Management reviews these factors on an ongoing basis to assess their impact on liquidity.

At March 31, 2026, the Company had \$250 million of undrawn capacity under its RCF.

At March 31, 2026, the Company had a positive working capital⁽¹⁾ balance of \$288.2 million, which included a cash balance of \$384.9 million, as compared to a working capital of \$242.2 million and cash of \$410.7 million at December 31, 2025. The 19% increase in working capital mainly reflected the reduction in current tax payable following the \$86.8 million 2025 income tax payment made in Q1 2026. The 6% change in cash from December 31, 2025 also mainly

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reflected the \$86.8 million tax payment, the impact of which was partially offset by net cash flows generated from operations during Q1 2026.

(1) Example of Non-GAAP measure. See the section in this MD&A entitled, “NON-GAAP MEASURES” for more information.

SHARE CAPITAL

A summary of the common shares issued and outstanding at March 31, 2026, and impact of changes to share capital is as follows:

<i>In thousands</i>	Common Shares	Amount (\$)
At December 31, 2025	807,760 \$	595,805
Shares issued on exercise of options	2,995 \$	6,931
At March 31, 2026	810,755 \$	602,736

Share-based compensation expense for the three months ended March 31, 2026, was \$8.9 million (three months ended March 31, 2025 - \$1.2 million).

OUTSTANDING SHARE DATA

At May 13, 2026, the Company had the following equity securities and convertible securities outstanding:

	Authorized	Number and Type Outstanding
Voting or Equity Securities Issued and Outstanding	Unlimited Common Shares	810,849,594 Common Shares
Securities convertible or exercisable into voting or equity securities - stock	Stock Options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 5,105,440 Common Shares
Securities convertible or exercisable into voting or equity securities - PSUs, RSUs, & DSU's	PSUs, RSUs, and DSUs to acquire up to 10% of outstanding Common Shares	PSUs, RSUs and DSUs, to acquire 11,703,608 Common Shares
Securities convertible or exercisable into voting or equity securities – Share Purchase Warrants	Share Purchase Warrants to acquire up to 3,900,000 Common Shares of the Company	3,900,000 Share Purchase Warrants to acquire up to 3,900,000 Common Shares at CAD\$0.95 for a term of three years

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SUMMARY OF QUARTERLY RESULTS

<i>\$ Thousands</i>	Q1 2026	Q4 2025 ⁽¹⁾	Q3 2025 ⁽¹⁾	Q2 2025 ⁽¹⁾
Revenue	\$ 285,035	\$ 274,242	\$ 236,961	\$ 142,010
Earnings from mining operations	170,217	143,188	90,709	68,791
Earnings (loss) before income taxes	131,371	60,349	71,114	24,510
Net earnings	81,679	65,289	42,439	5,534
Basic earnings per share	0.10	0.08	0.05	0.01
Diluted earnings per share	\$ 0.10	\$ 0.08	\$ 0.05	\$ 0.01

<i>\$ Thousands</i>	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Revenue	\$ —	\$ —	\$ —	\$ —
Earnings from mining operations	—	—	—	—
Earnings before income taxes	(6,452)	(5,663)	(3,860)	(5,138)
Net earnings	(6,452)	(5,663)	(3,860)	(5,138)
Basic earnings per share	(0.02)	(0.01)	(0.01)	(0.01)
Diluted earnings per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

(1) The impact on earnings from changes in the fair values of net assets acquired from the PPA are reflected in the period in which the changes occurred. Refer to note 6 in the audited consolidated financial statements for the year ended December 31, 2025 for the changes in the fair values of net assets during the period.

Net earnings of \$81.7 million in Q1 2026 resulted primarily from revenue and earnings from mining operations related to gold sales following the completion of the Porcupine Acquisition on April 15, 2025. With the completion of the Acquisition, Discovery transitioned from a single-asset, exploration and development company, to a growing gold producer anchored in Northern Ontario, with three operating mines and significant growth potential through existing projects and exploration upside. The change in the Company's business portfolio significantly impacts the comparability of results in Q1 2026, and in future quarters, to quarterly results prior to April 15, 2025.

RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for oversight, planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of directors, the President and Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Information Officer, and the Executive and Senior Vice Presidents.

During the three months ended March 31, 2026, related party transactions consisted of compensation paid to key management personnel in the ordinary course of business. There were no other material related party transactions during the period.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, trade receivables, other receivables and deposits, investments in marketable securities, accounts payable and accrued liabilities and lease liabilities. Refer to note 21 of the accompanying condensed interim consolidated financial statements for details on the Company's financial instruments.

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FINANCIAL RISK FACTORS

The Company's financial risk factors are disclosed in note 28 of the audited consolidated financial statements for the year ended December 31, 2025.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company's commitments and contractual obligations changed due to the Porcupine acquisition and are disclosed in note 22 of the accompanying condensed interim consolidated financial statements.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

For a full description of the Company's material accounting policies, please see note 3 of the audited consolidated financial statements for the year ended December 31, 2025. Any changes in or adoption of new accounting policies adopted by the Company in Q1 2026 are disclosed in note 3 of the accompanying unaudited condensed interim consolidated financial statements.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 in any future periods affected.

Significant judgments, estimates and assumptions are disclosed in note 3 of the audited consolidated financial statements for the year ended December 31, 2025, and changes to significant judgments, estimates and assumptions are disclosed in note 5 of the accompanying condensed interim consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

NON-GAAP MEASURES

The Company has included certain non-GAAP measures in this document, as detailed below. In the mining industry, these are common performance measures and ratios but may not be comparable to similar measures or ratios presented by other issuers and the non-GAAP measures and ratios do not have any standardized meaning. Accordingly, these measures and ratios are included to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Adjusted Cash Flow From Operations

Adjusted Cash Flow From Operations is a non-GAAP performance measure that is calculated as cash flows from operations adjusted to exclude certain non-recurring items. The Company believes that this measure is useful to the

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external users in assessing the Company's ability to generate cash flow from operations and build the cash resources of the Company.

Adjusted cash flow from operations is reconciled to the amounts included in the Consolidated Statements of Cash Flows as follows:

<i>\$ Thousands</i>	Three months ended			
	March 31, 2026		March 31, 2025	December 31, 2025
Net cash provided by operating activities	\$ 42,968	\$	(6,074)	\$ 163,231
Cash taxes paid relating to prior-year taxable income ⁽¹⁾	86,823		—	—
Adjusted cash flow from operations	\$ 129,791	\$	(6,074)	\$ 163,231

(1) Cash taxes for the year ended 2025 have been excluded to present normalized cash flow from operations. The adjustment reflects the timing of the Company's first cash tax payments following its transition to producer status in 2025.

Free Cash Flow and Adjusted Free Cash Flow

Free Cash Flow is a non-GAAP 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. The Company believes that this measure is useful to the external users in assessing the Company's ability to generate cash flow after capital investments and build the cash resources of the Company. The Company also discloses and calculates adjusted free cash flow by excluding non-recurring items from free cash flow.

Free cash flow is reconciled to the amounts included in the Consolidated Statements of Cash Flows as follows:

<i>\$ Thousands</i>	Three months ended			
	March 31, 2026		March 31, 2025	December 31, 2025
Net cash provided by operating activities	\$ 42,968	\$	(6,074)	\$ 163,231
Mineral interests and PPE additions	(67,057)		(3,767)	(95,324)
Free cash flow	\$ (24,089)	\$	(9,841)	\$ 67,907
Cash taxes paid relating to prior-year taxable income ⁽¹⁾	86,823		—	—
Adjusted free cash flow	\$ 62,734	\$	(9,841)	\$ 67,907

(1) Cash taxes for the year ended 2025 have been excluded to present normalized free cash flow. The adjustment reflects the timing of the Company's first cash tax payments following its transition to producer status in 2025.

Sustaining and Growth Capital

Sustaining capital and growth capital are non-GAAP measures. Sustaining capital is defined as capital required to maintain current operations at existing levels. Growth capital is defined as capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations. Both measurements are used by management to assess the effectiveness of investment programs.

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<i>\$ Thousands</i>	Three months ended		
	March 31, 2026	March 31, 2025	December 31, 2025
Sustaining capital	\$ 20,689	\$ 36	\$ 33,805
Growth capital ⁽¹⁾	49,215	3,092	66,054
Leases	—	735	5,933
Total capital expenditures	69,904	3,863	105,792
Working capital changes	(2,847)	(96)	(10,468)
Additions to mining interests, plant and equipment⁽²⁾	\$ 67,057	\$ 3,767	\$ 95,324

(1) Growth capital includes capitalized exploration expenditures of \$7.1 million that meet the Company's definition of growth capital.

(2) Represents cash expenditures for additions to mining interests, plant and equipment during the period, as reported in the Condensed Consolidated Interim Statements of Cash Flows.

Operating Cash Costs and Operating Cash Costs per Ounce Sold

Operating cash costs and operating cash costs per ounce sold are non-GAAP measures. In the gold mining industry, these metrics are common performance measures but do not have any standardized meaning under GAAP. Operating cash costs include mine site operating costs such as mining, processing, administration and royalty expenses but exclude depreciation and depletion and reclamation costs. Operating cash cost per ounce sold is based on ounces sold and is calculated by dividing operating cash costs by volume of gold ounces sold.

The Company discloses operating cash costs and operating cash cost per ounce sold as it believes the measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with GAAP is production costs. Operating cash costs and operating cash costs per ounce sold should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP.

AISC and AISC per Ounce Sold

AISC and AISC per ounce sold are non-GAAP measures. These measures are intended to assist readers in evaluating the total costs of producing and selling gold from current operations. While there is no standardized meaning across the industry for this measure, the Company's definition conforms to the definition of AISC as set out by the World Gold Council in its guidance note dated June 27, 2013, except for share-based compensation as disclosed below.

The Company defines AISC as the sum of operating costs (as defined and calculated above), sustaining capital, exploration expense, corporate expenses, lease payments relating to sustaining assets, and reclamation cost accretion and depreciation related to current operations. Corporate expenses include general and administrative expenses, net of transaction related costs, severance expenses for management changes and interest income. AISC excludes growth capital expenditures, growth exploration expenditures, reclamation cost accretion and depreciation not related to current operations, lease payments related to non-sustaining assets, interest expense, debt repayment, taxes and share-based compensation.

Operating cash costs and AISC Reconciliation

The following tables reconcile these non-GAAP measures to the most directly comparable GAAP measures available for Q1 2026 and Q4 2025:

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<i>\$ Thousands unless otherwise stated</i>	Three months ended March 31, 2026		
	Porcupine	Corporate	Total Consolidated
Production costs	76,184	—	76,184
Royalty expense	7,058	—	7,058
TSA ⁽¹⁾⁽²⁾	(2,577)	—	(2,577)
Operating cash costs	80,665	—	80,665
General and administrative ⁽²⁾	2,059	7,650	9,709
Accretion of site closure provisions	3,070	—	3,070
Amortization of site closure provision	983	—	983
Sustaining capital	18,986	1,703	20,689
Sustaining leases	978	98	1,076
AISC⁽³⁾	106,741	9,451	116,192
Ounces of gold sold	56,927	—	56,927
Operating cash costs per ounce sold (\$)	1,417	—	1,417
Sustaining capital expenditures per ounce sold (\$)	334	—	363
AISC per ounce sold (\$)	1,875	—	2,041

(1) Transition services agreement ("TSA").

(2) Excludes certain items not reflective of normal operations.

(3) Excludes the \$156 per ounce impact of share-based compensation.

<i>\$ Thousands unless otherwise stated</i>	Three months ended December 31, 2025		
	Porcupine	Corporate	Total Consolidated
Production costs	73,814	—	73,814
Royalty expense	7,859	—	7,859
TSA ⁽¹⁾	(3,047)	—	(3,047)
PPA inventory ⁽²⁾	(2,231)	—	(2,231)
Operating cash costs	76,395	—	76,395
General and administrative ⁽³⁾	1,809	12,118	13,927
Share-based compensation	—	461	461
Accretion of site closure provisions	3,688	—	3,688
Amortization of site closure provision	1,043	—	1,043
Sustaining capital	32,908	897	33,805
Sustaining leases	1,740	84	1,824
AISC	117,583	13,560	131,143
Ounces of gold sold	64,479	—	64,479
Operating cash costs per ounce sold (\$)	1,185	—	1,185
Sustaining capital expenditures per ounce sold (\$)	510	—	524
AISC per ounce sold (\$)	1,824	—	2,034

(1) Costs not reflective of normal operations.

(2) Purchase price allocation represents the depletion of inventories acquired with the business combinations.

(3) Excludes certain items not reflective of normal operations.

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Average Realized Price per Ounce Sold

In the gold mining industry, average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with GAAP is revenue from gold sales. Average realized price per ounces sold should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. The measure is intended to assist readers in evaluating the total revenues realized in a period from current operations.

<i>\$ Thousands unless otherwise stated</i>	Three months ended	
	March 31, 2026	December 31, 2025
Revenue	\$ 285,035	\$ 274,242
Less: Deferred Revenue	5,609	6,181
Sales Refined Gold	\$ 279,426	\$ 268,061
Ounces sold	56,927	64,479
Average realized price per ounce sold (\$)	\$ 4,908	\$ 4,157

Adjusted Net Earnings and Adjusted Net Earnings per Share

Adjusted net earnings and adjusted net earnings per share are used by management and investors to measure the underlying operating performance of the Company. Adjusted net earnings is defined as net earnings adjusted to exclude the after-tax impact of specific items that are significant, but not reflective of the underlying operations of the Company, including foreign exchange gains and losses and other non-recurring items. Adjusted net earnings per share is calculated using the weighted average number of shares outstanding for adjusted net earnings per share.

<i>\$ Thousands unless otherwise stated</i>	Three months ended		
	March 31, 2026	March 31, 2025	December 31, 2025
Net earnings	\$ 81,679	\$ (6,452)	\$ 65,289
Business development expenses	—	3,534	345
Foreign exchange loss (gain)	(1,732)	(128)	4,037
TSA	2,577	—	3,047
Severance	1,766	—	1,853
Shares issued on TTN Resource Development Agreement	—	—	10,868
PPA adjustment - inventory	—	—	2,231
Reclamation expense - discount rate change ⁽¹⁾	—	—	45,036
Income tax related to above adjustments	(1,568)	—	(19,211)
Adjusted net earnings	\$ 82,722	\$ (3,046)	\$ 113,495
Weighted average shares outstanding – basic ('000s)	810,063	401,122	805,988
Adjusted net earnings per share (\$)	\$ 0.10	\$ (0.01)	\$ 0.14

(1) Non-recurring accounting remeasurement from IFRS 3 Business Combinations to IAS 37 Provisions, Contingent Liabilities, and Contingent Assets related to non-operating mine sites acquired through the Porcupine acquisition. Refer to the REVIEW OF FINANCIAL POSITION section of this MD&A.

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Earnings before Interest, Taxes, Depreciation, and Amortization (“EBITDA”)

EBITDA represents net earnings before interest, taxes, depreciation and amortization. EBITDA is an indicator of the Company’s ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

The following is a reconciliation of EBITDA to the consolidated financial statements:

<i>\$ Thousands</i>	Three months ended				
	March 31, 2026		March 31, 2025		December 31, 2025
Net earnings	\$	81,679	\$	(6,452)	\$ 65,289
Add back:					
Finance costs		14,978		126	16,304
Depreciation and amortization		31,576		—	49,381
Income tax expenses (recovery)		49,692		—	(4,940)
EBITDA	\$	177,925	\$	(6,326)	\$ 126,034

Working Capital

Working capital is a non-GAAP measure. In the gold mining industry, working capital is a common measure of liquidity, but does not have any standardized meaning. The most directly comparable measure prepared in accordance with GAAP is current assets and current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. The measure is intended to assist readers in evaluating the Company’s liquidity. Working capital is reconciled to the amounts in the Consolidated Statements of Financial Position as follows:

<i>\$ Thousands</i>	March 31, 2026		December 31, 2025	
Current assets	\$	504,424	\$	526,807
Current liabilities		216,238		284,631
Working capital	\$	288,186	\$	242,176

OTHER RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, development, and production of mining properties. Additional risks not currently known to the Company, or that the Company currently deems to be immaterial, may also impair the Company’s operations. If any of these risks occur, including the financial risks described above, the Company’s business, financial condition and operating results could be adversely affected.

Key risks are described below. For a detailed discussion of risks, refer to the Company’s Annual Information Form (“AIF”) for the year ended December 31, 2025, available on the Company’s website.

This MD&A also contains forward-looking information that involves risks and uncertainties. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Company as described in the documents incorporated by reference herein. Refer to the “Cautionary Statement Regarding Forward-Looking Information”.

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SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical Information in this MD&A with respect to the Company’s Cordero Project has been prepared and presented based on the technical report entitled “Cordero Silver Project, Technical Report & Feasibility Study” with an effective date of February 16, 2024, available on the Company’s SEDAR+ profile at www.sedarplus.ca, and such scientific and technical information is subject to the assumptions and qualifications contained in the said technical report.

Scientific and technical Information in this MD&A with respect to the Company’s Porcupine complex has been prepared and presented based on the technical report entitled “Porcupine Complex, Ontario, Canada, NI 43-101 Technical Report on Preliminary Economic Assessment” with an effective date of January 13, 2025, available on the Company’s SEDAR+ profile at www.sedarplus.ca, and such scientific and technical information is subject to the assumptions and qualifications contained in the said technical report. The Technical Report includes the results of a preliminary economic assessment which is preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is no certainty that the estimates will be realized.

The scientific and technical information in this MD&A was reviewed and approved by Pierre Rocque, P.Eng., Chief Operating Officer of the Company and Eric Kallio P. Geo., Senior Vice President Exploration of the Company, who are recognized as a Qualified Persons (“QPs”) under the guidelines of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). The Mineral Reserve estimate with respect to the Company’s Cordero Project as outlined in this MD&A was completed under the supervision of Willie Hamilton, P.Eng. of AGP, who is an independent Qualified Person as defined under NI 43-101 and has reviewed and approved the mineral reserve estimate disclosure in this MD&A.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Canadian Securities Administrators have issued National Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”) which requires public companies in Canada to submit annual and interim certificates relating to the design and effectiveness of the disclosure controls and procedures that are in use at the Company. The Company’s disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Company’s Chief Executive Officer and Chief Financial Officer, to enable this information to be reviewed and discussed so that appropriate decisions can be made regarding the timely public disclosure of the information. Management has evaluated the effectiveness of the Company’s disclosure controls and procedures and has concluded that they were effective as at March 31, 2026.

Internal Control over Financial Reporting

NI 52-109 also requires public companies in Canada to submit interim and annual certificates relating to the design of internal control over financial reporting (“ICFR”) and an annual certificate that includes evaluating the operating effectiveness of ICFR. The Company’s ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. Management is responsible for establishing and maintaining ICFR. The Company used the 2013 Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) framework as the basis for designing its ICFR. Due to its inherent limitations, ICFR may not prevent or detect misstatements on a timely basis as such systems can only be designed to provide reasonable as opposed to absolute assurance. Also, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that the controls may become inadequate because of

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changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. There have been no significant changes in the Company's internal controls during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, ICFR. The individuals performing the duties of the Company's Chief Executive Officer and the Chief Financial Officer have each evaluated the operating effectiveness of the Company's ICFR as at March 31, 2026, and have concluded that the ICFR is effective.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. Such information or statements may relate to future events, facts or circumstances or the Company'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 are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated or that it will be commercially viable to produce any portion of such resources. Forward-looking statements in this MD&A include, but may not be limited to, statements and expectations regarding: outlooks for the Porcupine Complex and the Cordero Project 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; the future impact of planned mill upgrades, including the secondary screening anticipated in Q2, 2026; the ability to double production at the Porcupine Operations and the anticipated timing thereof; intended infrastructure investments in, method of funding for, and timing of completion of the development and construction of 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, as well as the anticipated use of proceeds therefrom and the impact thereof on Discovery's financial condition; and the Porcupine Complex, including the assumptions and qualifications contained in the Porcupine Technical Report (as defined herein). Forward-looking statements and 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 reserve estimates, and of any metallurgical testing completed to date; estimates of costs and expenditures to complete our programs and goals; the speculative nature of mineral exploration and development in general; there being no significant disruptions affecting the development and operation of the project, including possible pandemic; exchange rate assumptions being approximately consistent with the assumptions in the report; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the report; labour and materials costs being approximately consistent with assumptions in the report and assumptions made in mineral resource estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and

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uncertainties, contingencies, and other factors that are not within the control of Discovery Silver Corp. 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 Company 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: metal prices, continued access to capital and financing, general economic and market access restrictions or tariffs, changes in U.S. laws and policies regarding regulating international trade, including but not limited to changes to or implementation of tariffs, trade restrictions, or responsive measures of foreign and domestic governments, changes to cost and availability of goods and raw materials, along with supply, logistics and transportation constraints, changes in general economic conditions including market volatility due to uncertain trade policies and tariffs; potential disputes with Indigenous groups in relation to the Porcupine Complex; risks related to unexpected liabilities relating to the Porcupine Acquisition (as defined herein); risks relating to the acquisition of the Kidd Operations; the potential cost synergies associated with closing the Kidd transaction; the future expansion potential associated with the closing of the Kidd transaction and the ability to grow processing capacity as a result thereof; risks related to the nature of acquisitions; the ability to meet of guidance; reliance on information about the Porcupine Complex provided by third parties; risks related to integrating the Porcupine Complex; reliance on a third party for transitional services for a period of time after the Porcupine Acquisition Closing; litigation and public attitude towards the Porcupine Acquisition; costs related to the Porcupine Acquisition; increased indebtedness arising from financing the Porcupine Acquisition; risks associated with exploration, development, and operating risks, and risks associated with the early-stage status of the Company's mineral properties; the nature of exploration could have a negative effect on the Company's operations and valuation; risk related to the cyclical nature of the mining business; permitting and license risks; risks related to title to land and the potential acquisition of neighboring land packages and the timing thereof; risks related to requiring a significant supply of water for the Company's operations and being able to source it; the availability of adequate infrastructure for the Company's operations; risks related to community relations; environmental risks and hazards and the limitations that environmental regulation poses on the Company; market price volatility of the Company's common shares; uncertainties with respect to economic conditions; the Company's mineral exploration activities being subject to extensive laws and regulations and the risk of failing to comply with those laws or obtain required permits; the accuracy of historical and forward-looking operational and financial information estimates provided by Newmont and Glencore Canada Corporation; the Company's ability to integrate the Porcupine Operations; the Kidd Operations; statements regarding the Porcupine Operations and the Kidd Operations, including the results of technical studies and the anticipated capital and operating costs, sustaining costs, internal rate of return, concession or claim renewal, the projected mine life and other attributes of the Porcupine Operations, including net present value, the timing of any environmental assessment processes, reclamation obligations; risks and uncertainties related to operating in a foreign country, and specifically, risks arising from operating in Mexico; risks posed by health epidemics and other outbreaks; climate change risks, including risks associated with increased frequency of natural disasters such as fire, flood and seismicity; the risk that commodity prices decline; cybersecurity risks; risks of adverse publicity; potential dilution to the common shares; risks associated with contractual agreements and subsidiaries; the potential of future lack of funding; credit and liquidity risks; the Company's reliance on a limited number of properties; uninsurable risks; costs of land reclamation; pandemic and global health risks on the Company's business, operations, and market for securities; the competitive nature of mineral exploration and in the mining industry generally; the Company's reliance on specialized skills and knowledge; risks associated with acquisitions and integrating new business; future sales of common shares by existing shareholders influence of third-party stakeholders; litigation risk; conflicts of interest; reliance on key executives; reliance on internal controls; risks stemming from international conflicts; risks related to changes to tariff and import/export regulations;

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global financial conditions; currency rate risks; potential enforcement under the *Extractive Sector Transparency Measures Act* (Canada); and the potential to pay future dividends.

Although the Company 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 the Company's AIF available on SEDAR+ at www.sedarplus.ca.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and the Company 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 Company is expressly qualified by these cautionary statements.

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

Information in this MD&A, 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. 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 Company in accordance with NI 43-101 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

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(Expressed in United States dollars, except where otherwise noted)

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.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the Company's website at www.discoverysilver.com or on SEDAR+ at www.sedarplus.ca.