Discovery Silver

Corporate Presentation

DSV

January 2024

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DSV-TSX DSVSF-OTCQX

Forward Looking Statement & NI 43-101 Disclosure

•This presentation contains certain forward-looking information and statements (collectively, “Forward Looking Statements”) which may not be based on fact and involve a number of risks and uncertainties, including without limitation, statements regarding the Company’s expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are Forward Looking Statements. Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as “believe”, “expect”, “is expected”, “scheduled”, “forecasts”, “outlook”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, or variations of such words and phrases or that state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms or similar expressions.
•The Forward Looking Statements in this presentation relate to, among otherthings: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of base and precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Cordero Project and other projects under option.
•Such Forward Looking Statements are based upon a number of key estimates and assumptions which, while considered reasonable by the Company as of the date of such Forward Looking Statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the Forward Looking Statements made by or on behalf of the Company. Such factors include, but are not limited to, fluctuations in the price of silver, zinc, and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Mexico, the accuracy of the Company’s current estimates of mineral grades and the accuracy of the geology and vein structures at the Company’s projects, the maintenance of access to surface rights for exploration, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents, labour disputes, and the ability of the Company to get access to surface rights for exploration]. Readers are cautioned that Forward Looking Statements are not guarantees of future performance, and the foregoing list is not exhaustive of all factors which may have been used. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in Forward Looking Statements. The Company disclaims any intention or obligation to update or revise any Forward Looking Statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.
•Mineral Resource estimates reported herein have been classified as Measured, Indicated, or Inferred, and Mineral Reserve estimates reported herein have been classified as Proven or Probable, in each case based on the confidence of the input data, geological interpretation, and grade estimation parameters. The Mineral Resource and Mineral Reserve estimates were prepared in accordance with NI 43-101 and classifications adopted by the CIM Council. Statements regarding the results of the preliminary feasibility study (“PFS”) are Forward Looking Statements, as are the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the Cordero project, anticipated mining and processing methods, proposed pre-feasibility study production schedule and metal production profile, anticipated construction period, anticipated mine life, expected recoveries and grades, anticipated production rates, infrastructure, social and environmental impact studies, availability of labour, tax rates and commodity prices that would support development of the Cordero project. Information concerning mineral resource or reserve estimates and the economic analysis thereof contained in the results of the PFS are also Forward Looking Statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining, if a mineral deposit were developed and mined. Forward-looking statements are statements that are not historical facts which address events, results, outcomes, or developments that the Company expects to occur.
Gernot Wober, P.Geo, V.P Exploration, Discovery Silver Corp., is the Company's designated Qualified Person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and has reviewed and validated that the information contained herein is accurate. All sources of data contained herein are from Discovery Silver unless otherwise noted.
References (used through current presentation):
1The most recent resource estimate and mineral reserve estimate for the Cordero project were press released on January 24, 2023. Resource commodity prices of Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb. Reserve commodity prices of Ag - $22.00/oz, Au - $1,600/oz, Pb - $1.00/lb, Zn - $1.20/lb. Summary tables can be found in the Appendices. A technical report will be posted on Discovery’s website and filed on SEDAR within 45 days of the press release.
2 AgEq for sulphide mineral resources is calculated as Ag + (Au x 15.52) + (Pb x 32.15) + (Zn x 34.68); these factors are based on commodity prices of Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb and assumed recoveries of Ag – 87%, Au – 18%, Pb – 89% and Zn – 88%. AgEq for oxide mineral resources is calculated as Ag + (Au x 22.88) + (Pb x 19.71) + (Zn x 49.39); this factor is based on commodity prices of Ag - $24.00/oz and Au - $1,800/oz and assumed recoveries of Ag – 59%, Au – 18%, Pb - 37% and Zn - 85%.
3 PFS by Ausenco Engineering Canada Inc., as press released on January 24, 2023. PFS commodity prices ($US): $22.00/oz Ag, $1.20/lb Zn, $1.00/lb Pb, $1,600/oz Au. A technical report is posted on Discovery’s website and has been filed on SEDAR.
4 AISC is calculated as [Operating costs (mining, processing and G&A) +Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (excluding $15M of capex for the purchase of the initial mining fleet in Y1) + Closure Costs] / Payable AgEq ounces

A Backdrop of Rising Silver Demand

Demand for silver from the solar and auto sectors has tripled over the last decade.

Demand in both sectors expected to grow dramatically for decades to come.

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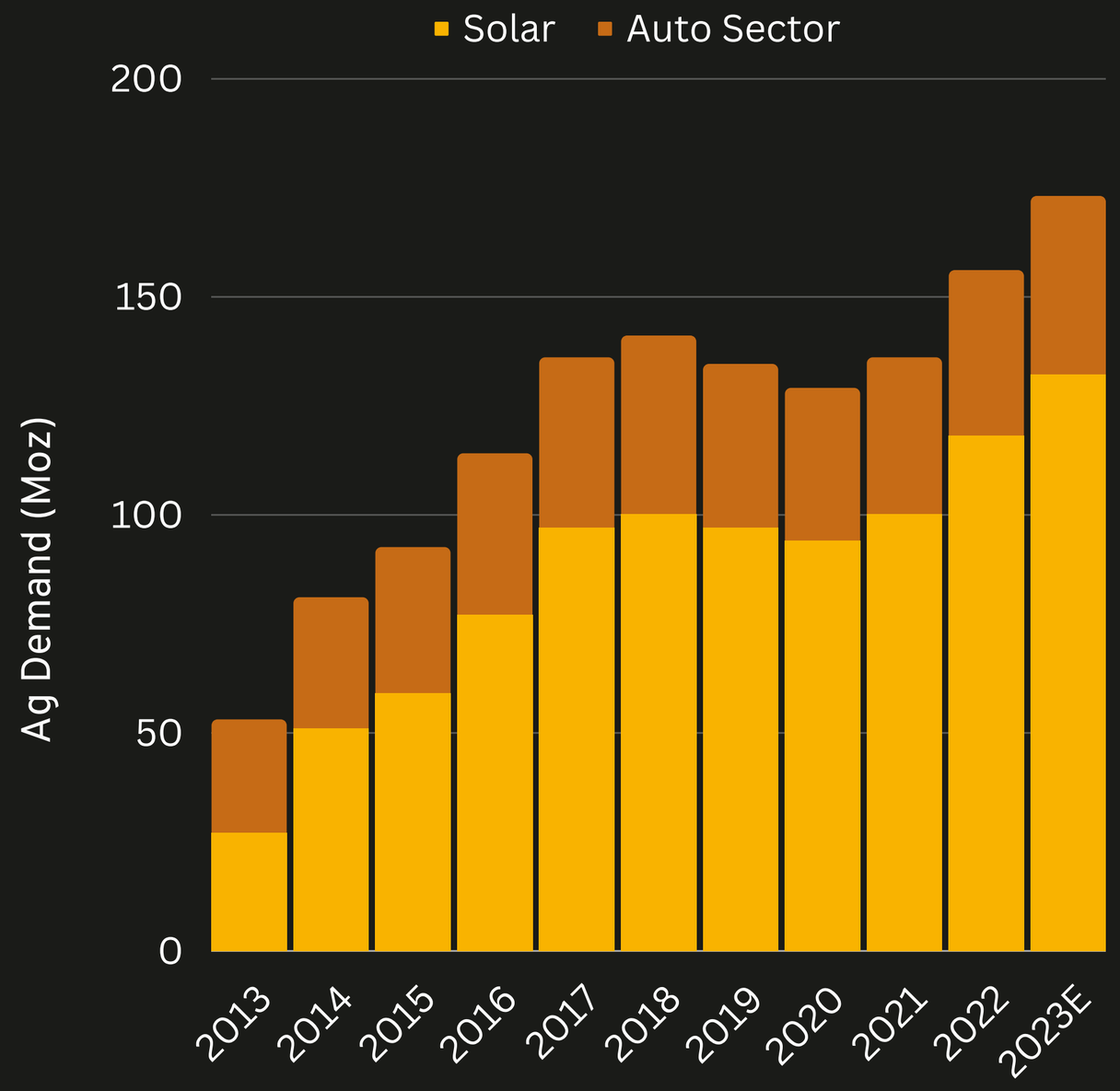
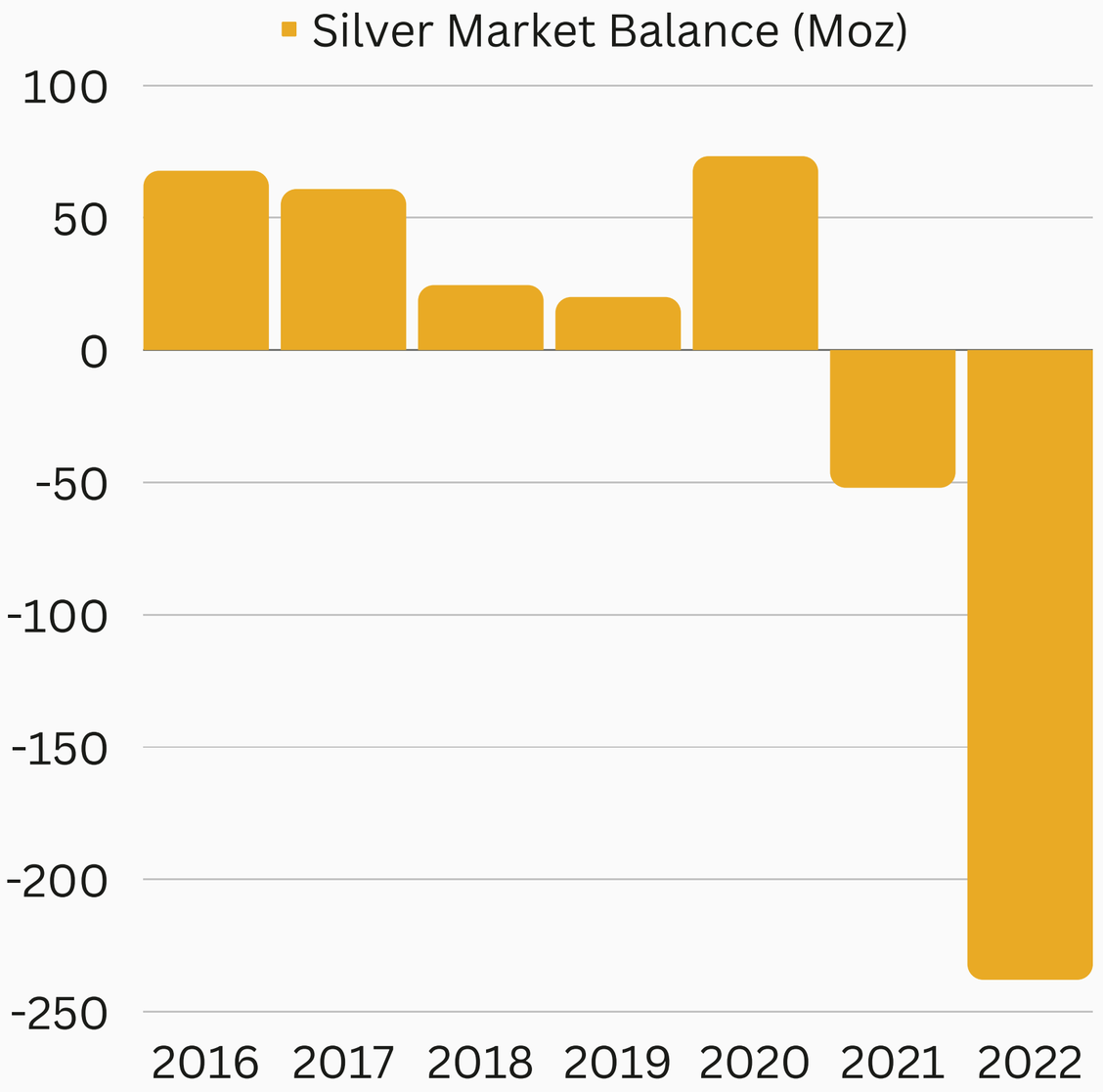


Source: CPM Group

Silver Demand Outstripping Supply

In 2022 the silver market was in deficit by a record 238 Moz

Shortfall in silver expected to underpin higher prices based on flat silver supply versus growing demand



*Market balance measures total supply versus total demand

Source: Silver Institute

Cordero - A Tier 1 Silver Asset

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✓ Exceptional Economics

NPV(5%) = US$1.2B

IRR = 28%

✓ Capital Efficiency

Initial capex = $455M

NPV to Capex = 2.5x

✓ Unique Scaleability

Ag Reserves = 266 Moz

Ag M&I Resource = 467 Moz

AgEq M&I Resource = 1.1 Boz

The Next Major Silver Producer

Top Producer

33Moz AgEq annual production

Top 3 primary silver mine

Long Mine Life

18 year mine life

Clear extension potential

Low Cost

AISC of $12.80 /AgEq oz in Years 1 - 12

Bottom half of cost curve

The Path Forward

2024

Deliver Feasibility Study (on track for 1Q)

Project finance discussions

Receipt of construction permit / construction decision

2025-2026

Commence project construction

~2-year development period

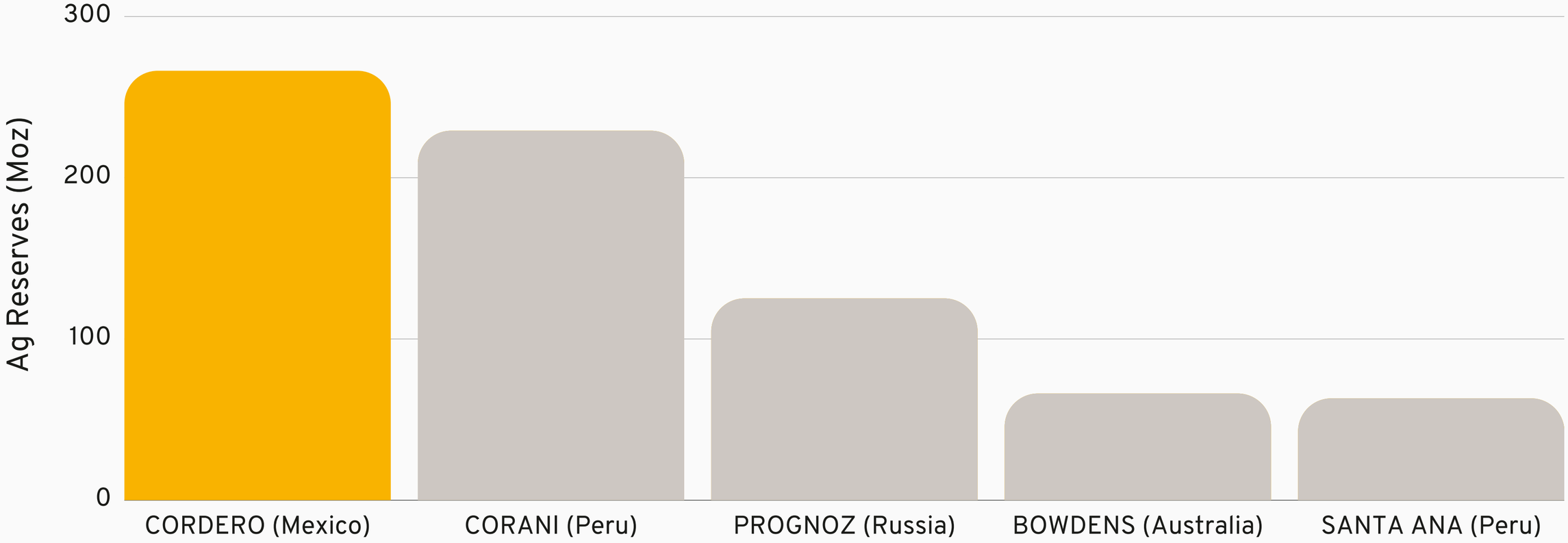
2027

Process plant commissioning

First metal production

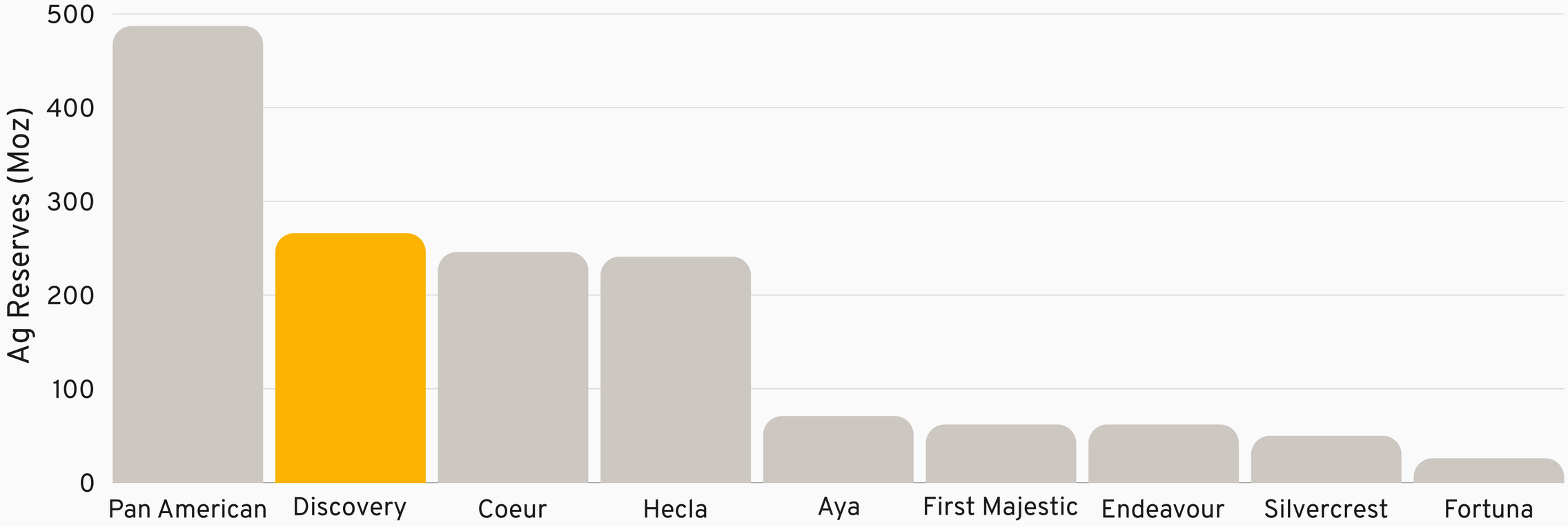
Largest Undeveloped Silver Deposit

Largest Undeveloped Primary Silver Deposits by Reserves



Source: S&P Capital IQ

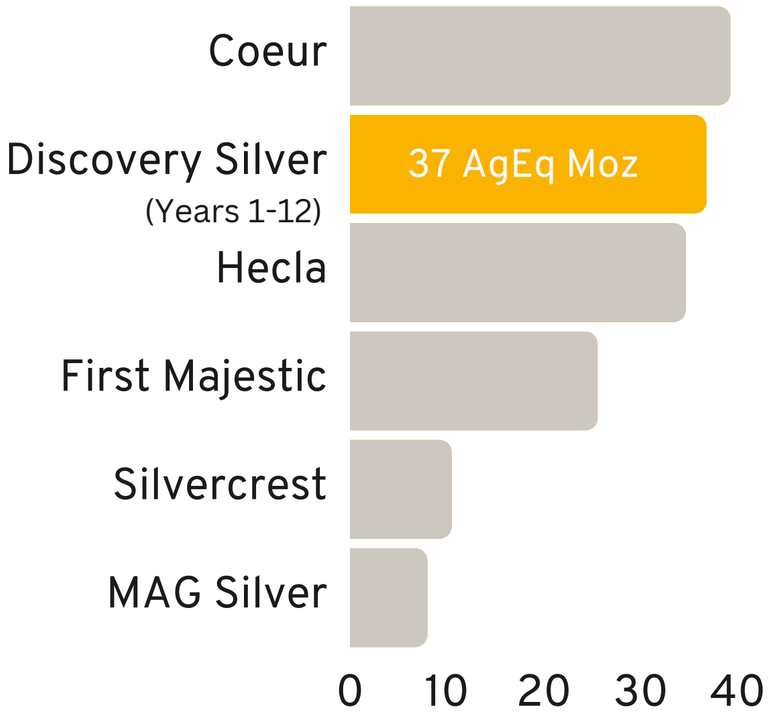
Reserves vs Silver Producers



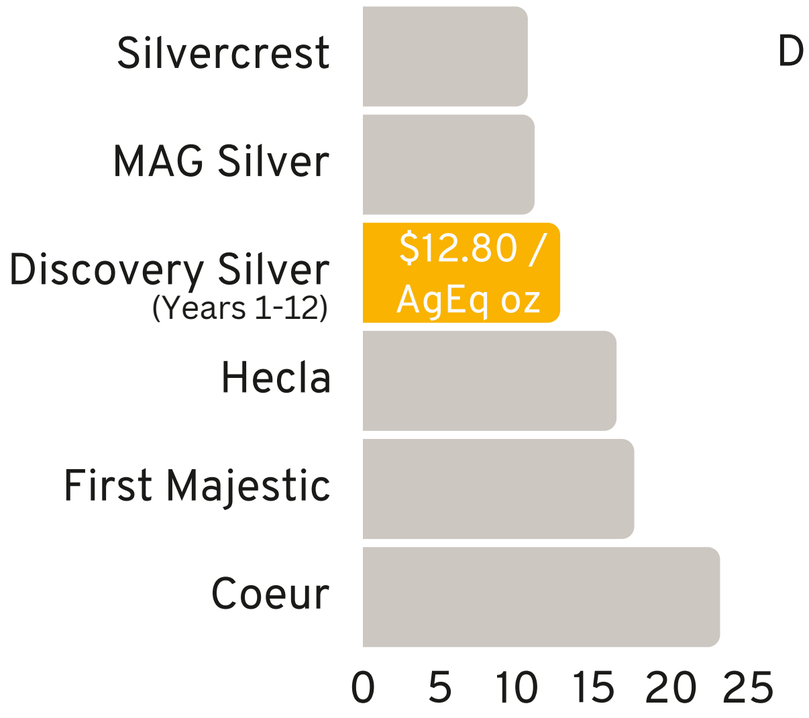
Market Cap (C$B)	$7.6	$0.3	$1.4	$3.4	$1.2	$2.1	$0.5	$1.2	$1.5

Source: Company reports. Market caps based on closing price on January 16, 2024.

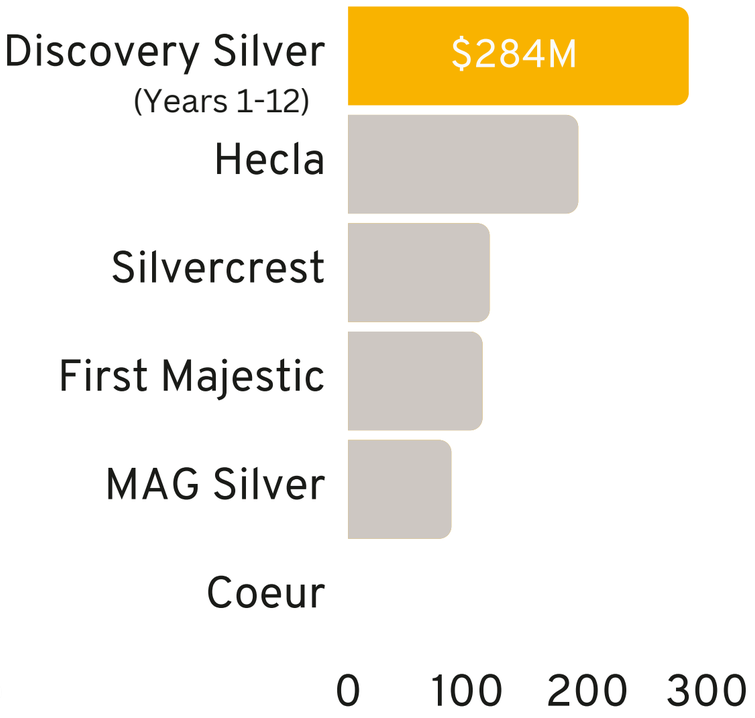
Large Scale + Low Cost = Profitability



2023E AgEq Produced (Moz)



2023E AISC (US$/AgEq oz)



AISC Margin at $22/oz x Metal Payable (US$M)

Source: Consensus estimates for producers based on S&P Capital IQ and Thompson Reuters, Discovery Silver sourced from 2023 Pre-Feasibility Study. AISC Margin is calculated at a silver price of $22/oz less AISC. AISC, AISC Margin and Profitability are non-GAAP measures - please refer to Cautionary Notes on non-GAAP measures.

Expansion Potential

Reserves

Ag - 265 Moz

Pb - 2.9 Blb

Zn - 4.7 Blb

Prices: Ag - $22/oz, Pb - $1.00/lb, Zn - $1.20/lb

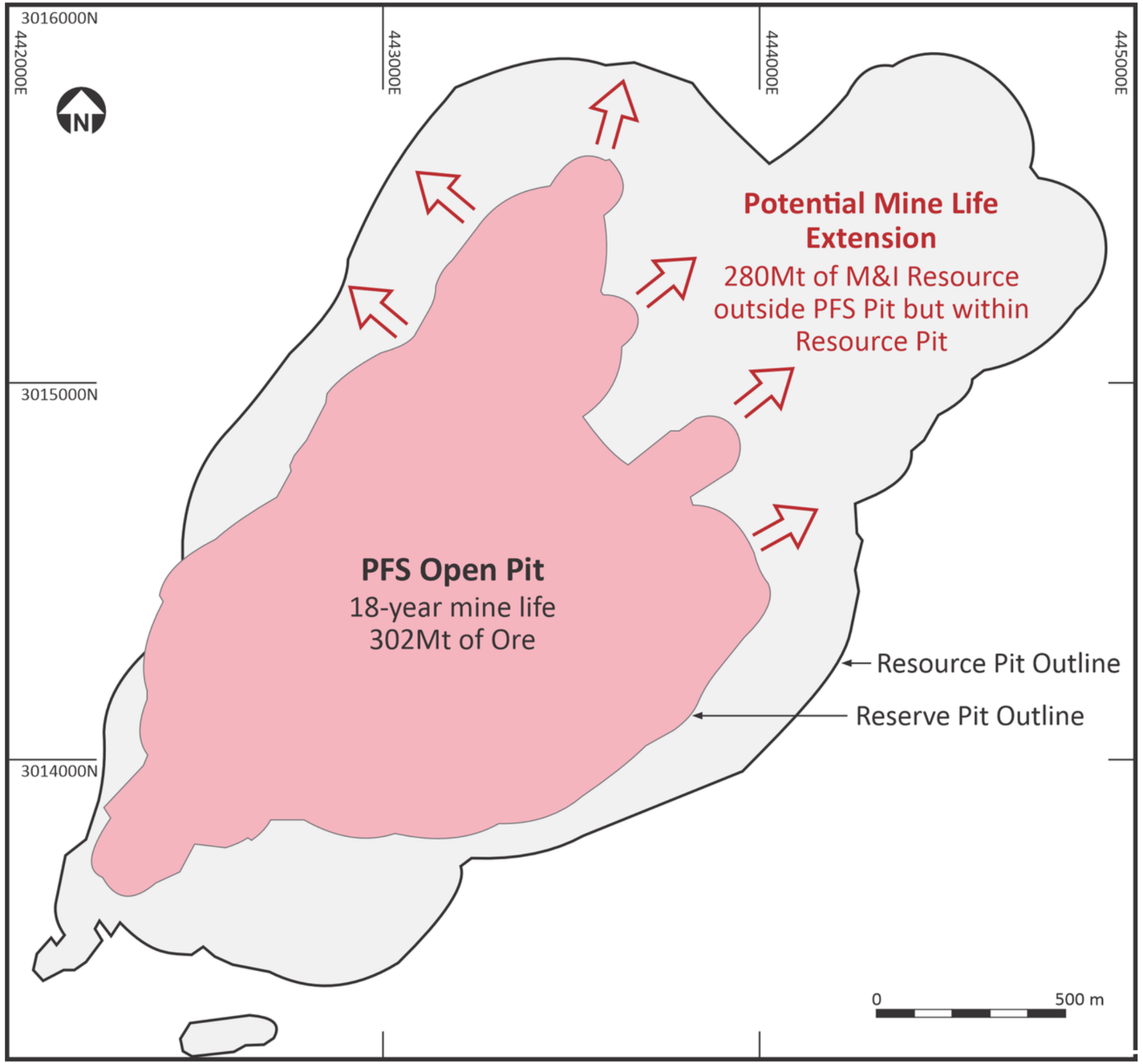
Resource (M&I)

Ag - 467 Moz

Pb - 4.5 Blb

Zn - 8.5 Blb

Prices: Ag - $24/oz, Pb - $1.10/lb, Zn - $1.20/lb



Ideal Jurisdiction

Chihuahua State, Mexico

450 year mining history

2nd largest silver producing state in Mexico

Cordero Project

Located 35kms north of mining town of Parral

Land & Infrastructure

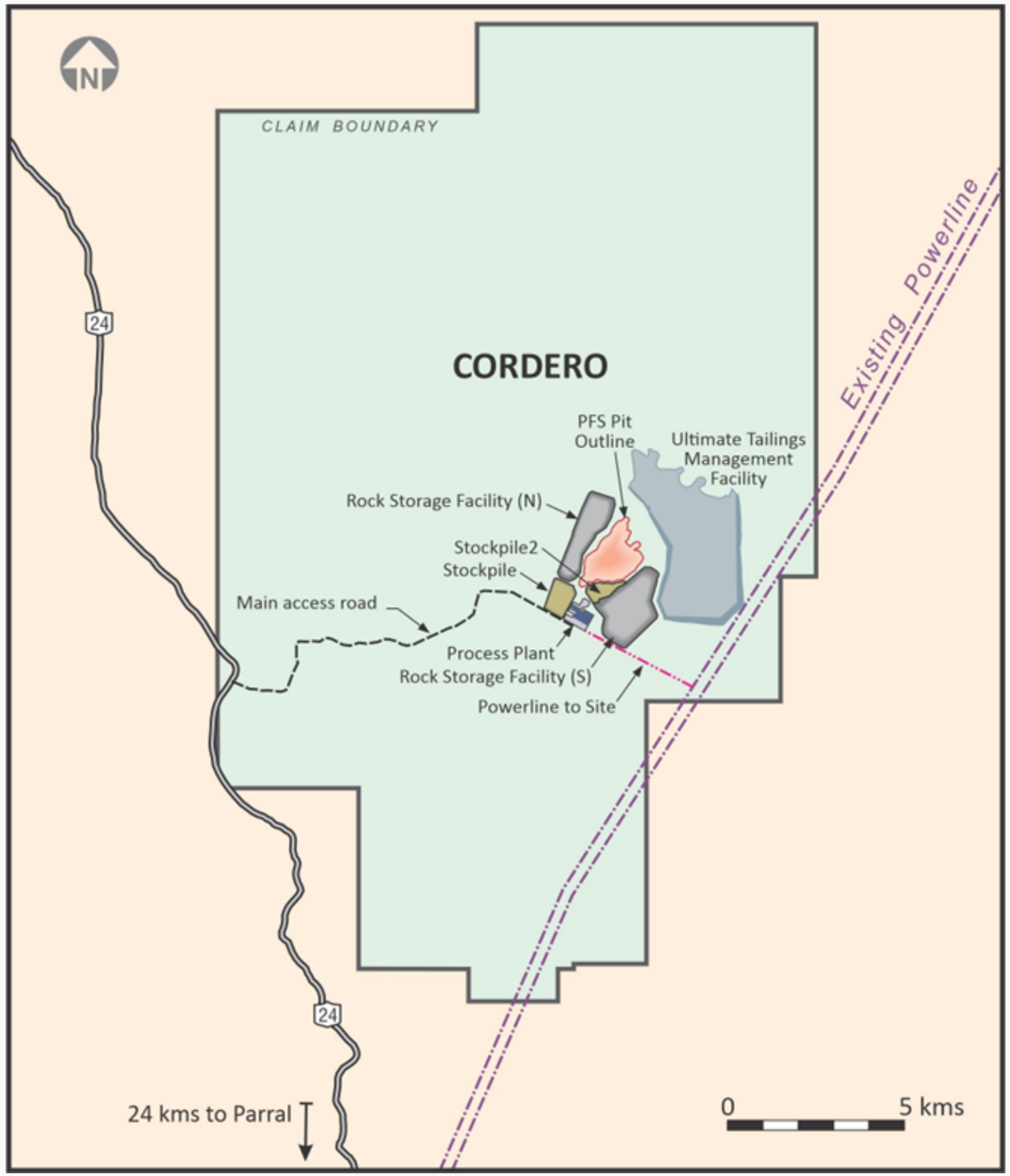
35,000 ha Land Package

Proposed site infrastructure on private land

Nearest local community is town of Parral

Infrastructure

Close proximity to powerline & highway



Building the Team

Tony Makuch

Appointed CEO January 2023
CEO of Kirkland Lake Gold (2016-2022)

Gord Leavoy

Appointed VP Mineral Processing June 2023
+40 yrs of process & tailings incl. Kirkland Lake Gold

Jose Jabalera

Appointed Director Corporate Affairs May 2023
Senior positions with Mexico government

Barry Olson

Appointed Director August 2023
Former SVP with Goldcorp, oversaw build of Penasquito

Jon Gill

Appointed Advisor to the Board August 2023
+50 yrs mining experience & current Director of Agnico Eagle

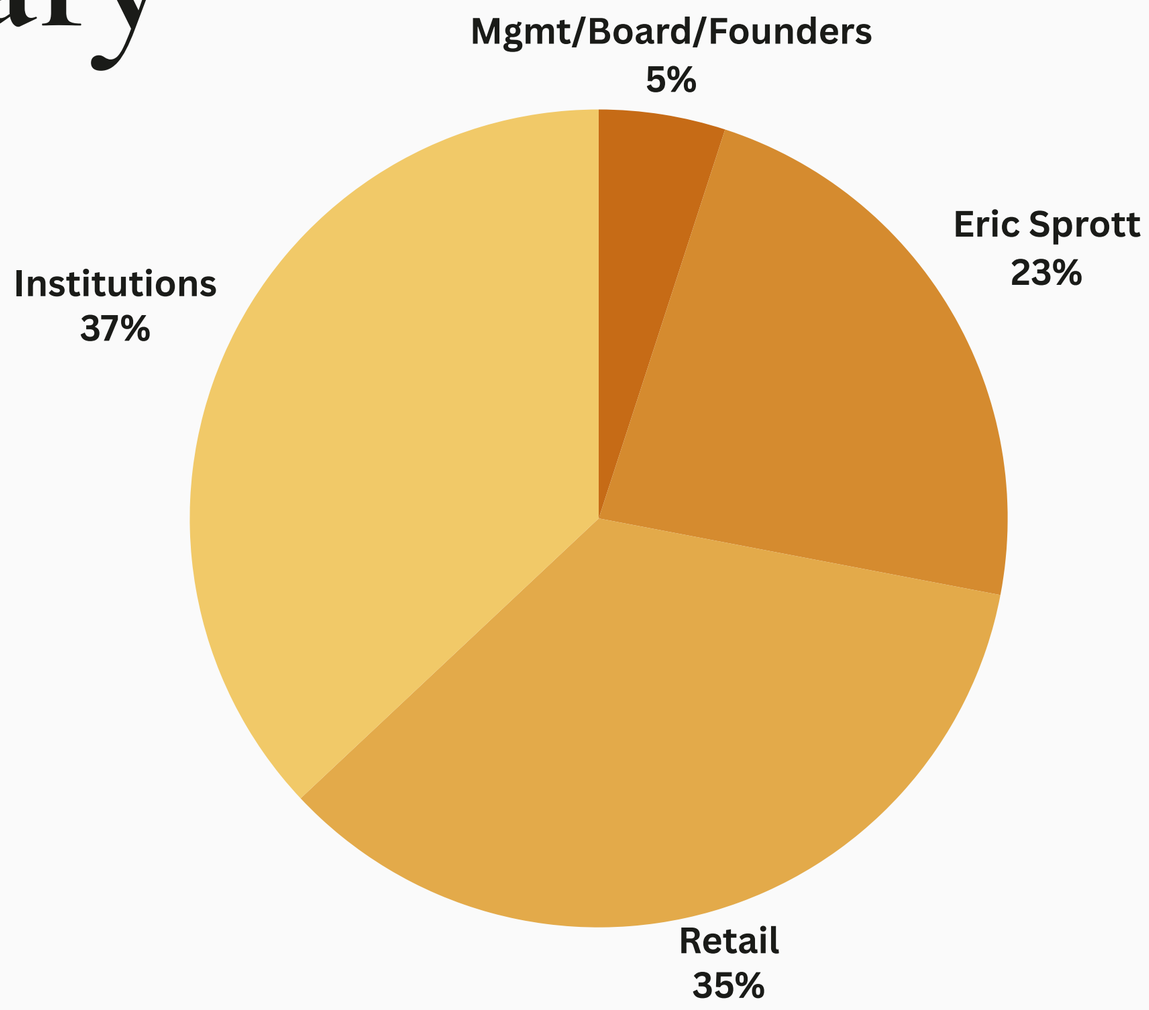
Mike Neumann

Appointed Advisor to the Board August 2023
+40 yrs mining experience with Mexico focus

Corporate Summary

- Ticker: DSV-TSX, DSVSF-OTCQX
- Cash Balance: CDN ~$60 million

- Shares Outstanding - 395 M
- Options Outstanding - 25 M
- Fully Diluted Shares Outstanding - 420 M
- Basic Market Capitalization - C$290 M
- P/NAV (consensus) - 0.2x



*Market Capitalization based on closing share price on TSX of $0.73 on January 15, 2024

Re-Rating Opportunity

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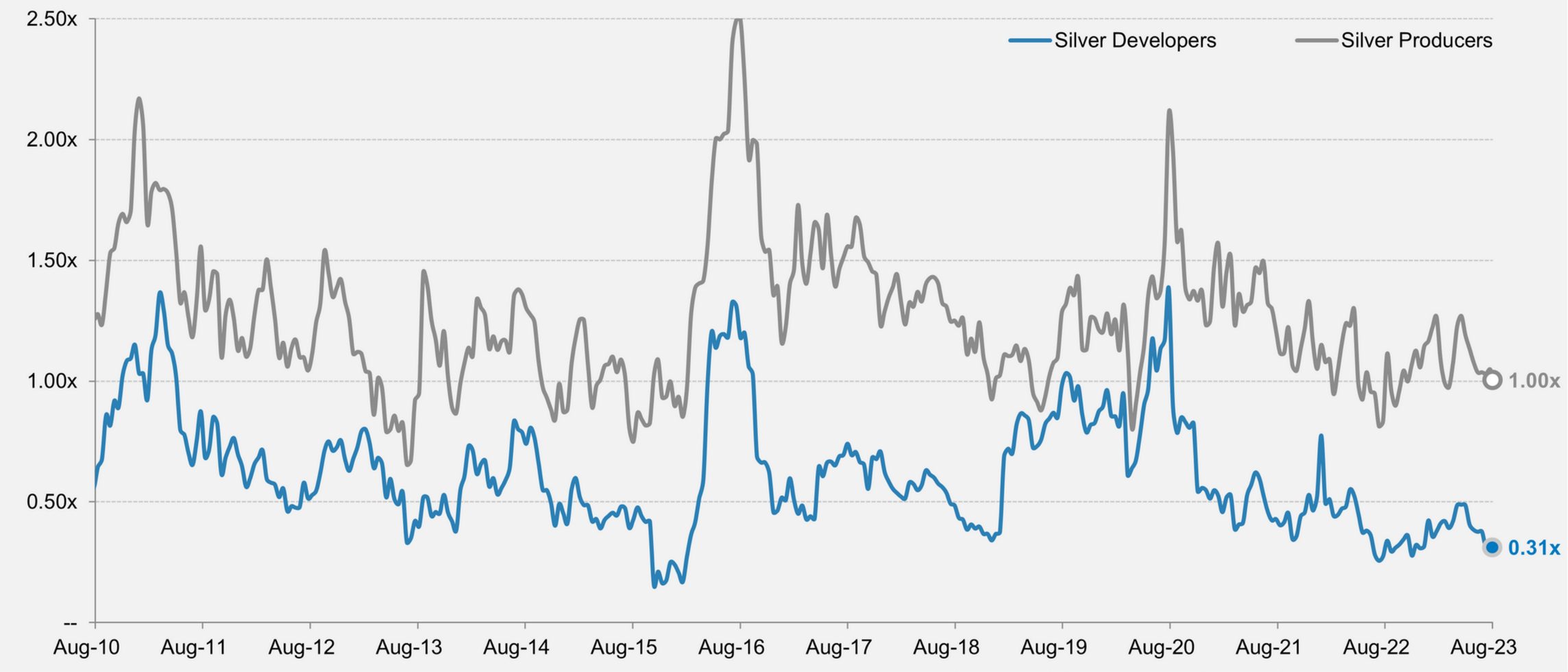
Consensus P/NAV Over Time



Source: BMO Capital Markets, Company filings, street research, FactSet

Do you have any questions?

416 613 9410
55 University Ave
Toronto ON Canada
info@discoverysilver.com

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Appendices

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Management

Tony Makuch

CEO, President & Director

CEO of Kirkland Lake Gold (2016-2022)

Andreas L'Abbe

CFO

+15 yrs in financial management & operations

Forbes Gemmell

VP Corp. Development

+20 yrs in capital markets & mining

Gord Leavoy

VP Mineral Processing

+40 yrs of process & tailings experience incl. Kirkland Lake Gold

Gernot Wober

VP Exploration

+35 yrs in exploration incl. Osisko Mining

Roman Solis

VP Mexico

+20 yrs in Mexico operations & exploration

Jose Jabalera

Director Corporate Affairs - Mexico

Senior positions with federal & state governments in Mexico

Board of Directors

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Murray John
Chairman
+35 yrs in capital markets & executive management

Jennifer Wagner
Director
+15 yrs in legal & compliance incl. Kirkland Lake Gold

Daniel Vickerman
Director
+20 yrs in capital markets & mining

Jeff Parr
Director
Current Vice-Chair of Agnico Eagle

Barry Olson
Director
Former SVP with Goldcorp, oversaw Penasquito build

Moira Smith
Director
+30 yrs in exploration incl. Teck & Fronteer

Tony Makuch
Director, CEO & President

Jon Gill
Advisor to the Board
+50 yrs mining experience & current director at Agnico Eagle

Mike Neumann
Advisor to the Board
+40 yrs mining experience with Mexican focus

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Our ESG Commitment

Environment

Environmental baseline studies complete

Targeting receipt of Clean Industry Certification in 1H 2023

Evaluation of 'green' initiatives for project build/operations underway

Social Licence

Local community initiatives focused on social services & medical assistance ongoing

ESR (Socially Responsible Enterprise) Distinction awarded in 4Q 2022

Governance

Corporate policies reviewed by Board annually to ensure controls that identify, manage & monitor risks

Two members of senior management have passed Level 1 International Sustainable Business training

Geology + Resource + Reserves

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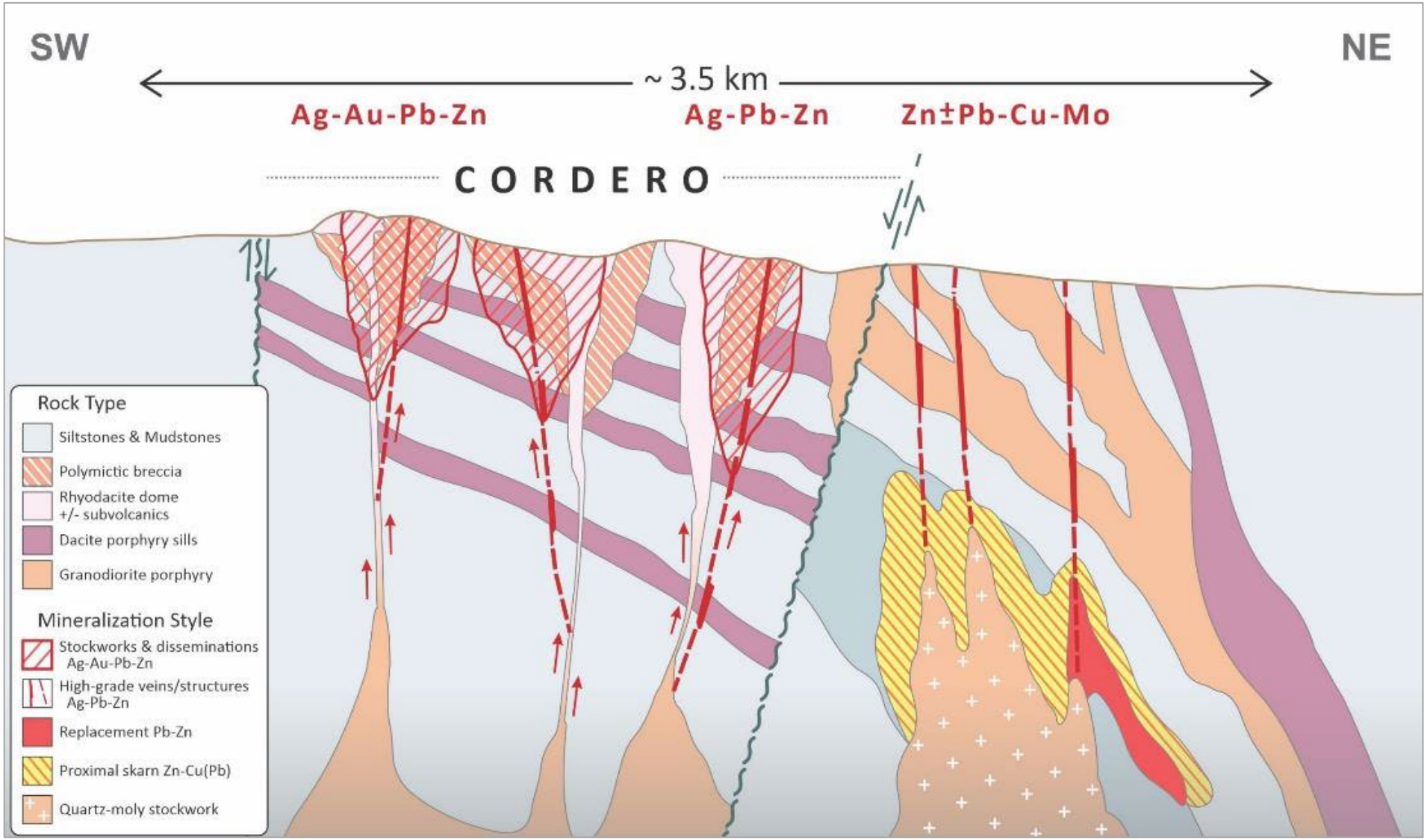
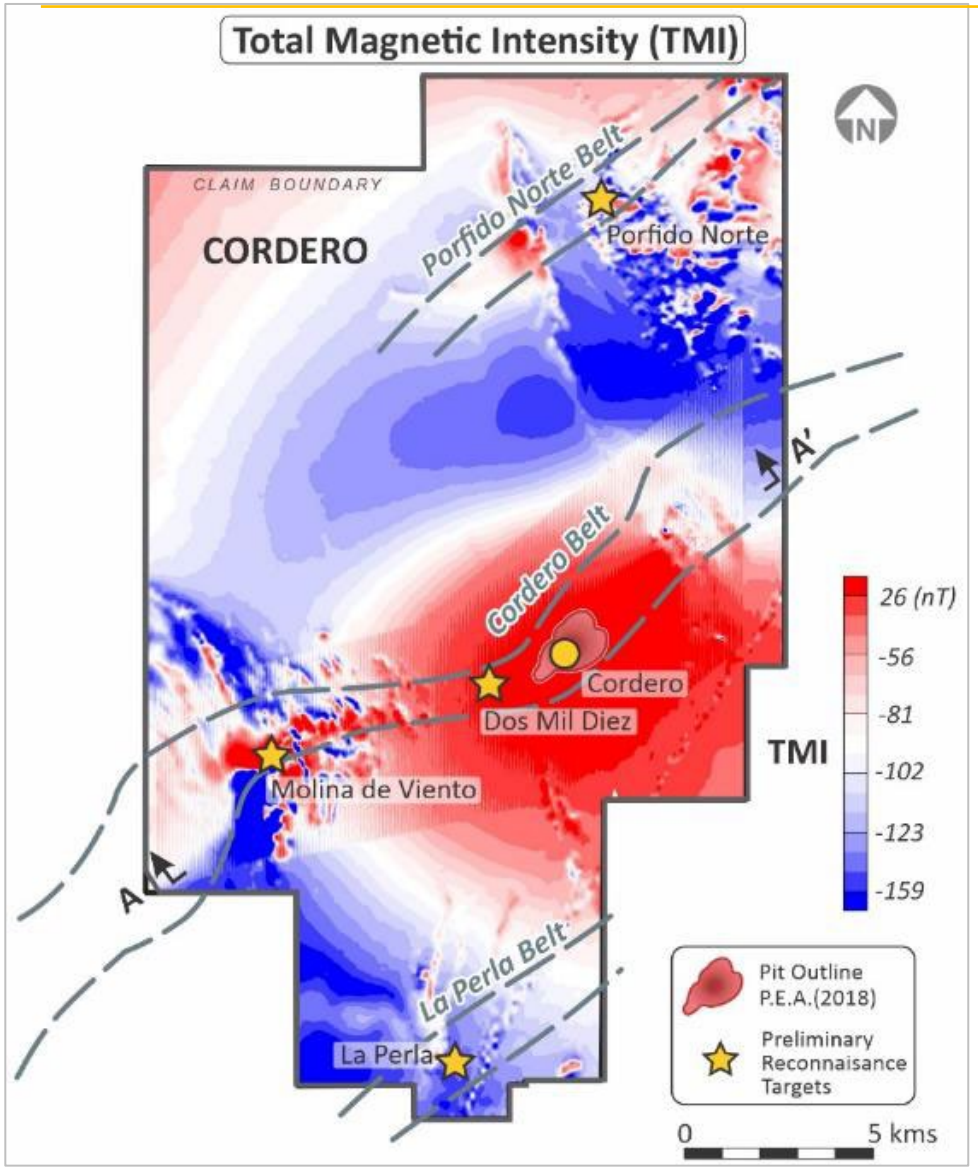
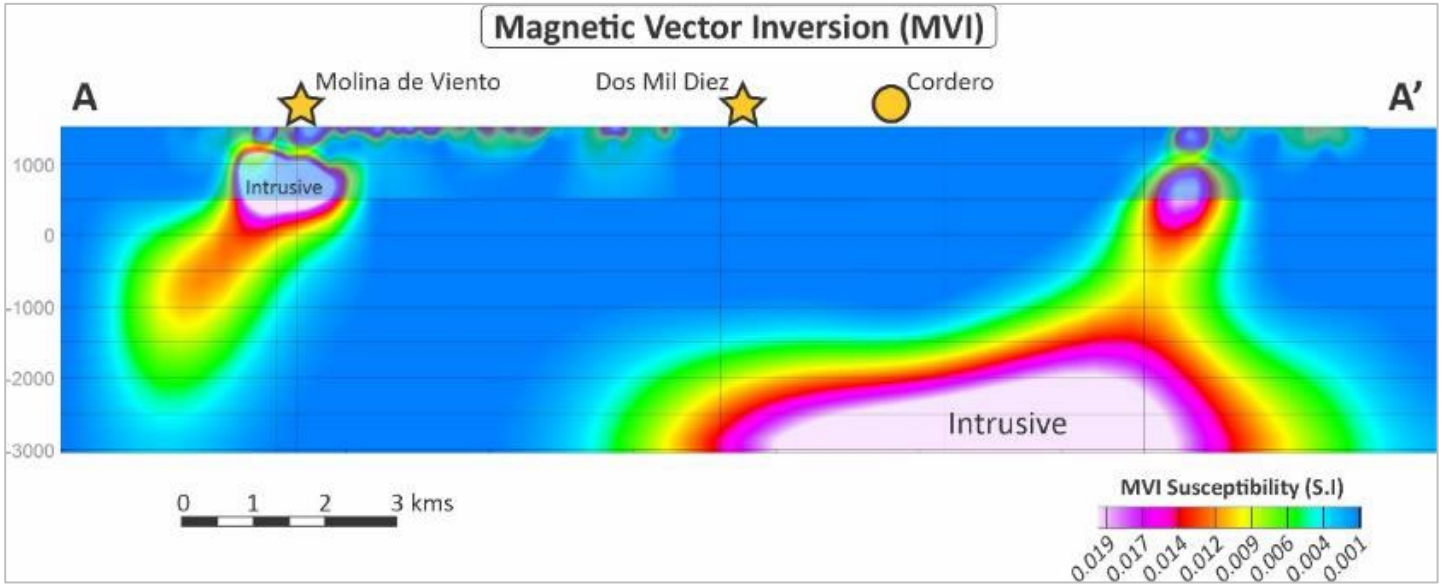
Cordero – Conceptual Geological Model



Geophyics – Interpreted Intrusive at Depth





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Property–Wide Exploration Targets

La Ceniza

Resource growth target adjacent to Cordero

Porfido Norte

Chargeability high suggesting possible intrusion

Prominent Ag soil anomaly + surface alteration

Sanson

Large, strong mag high indicative of possible source intrusion

Intense silica alteration + Ag rock geochemistry + jasperoid veining

Dos Mil Diez

Large alteration footprint from ASTER imagery interpretation

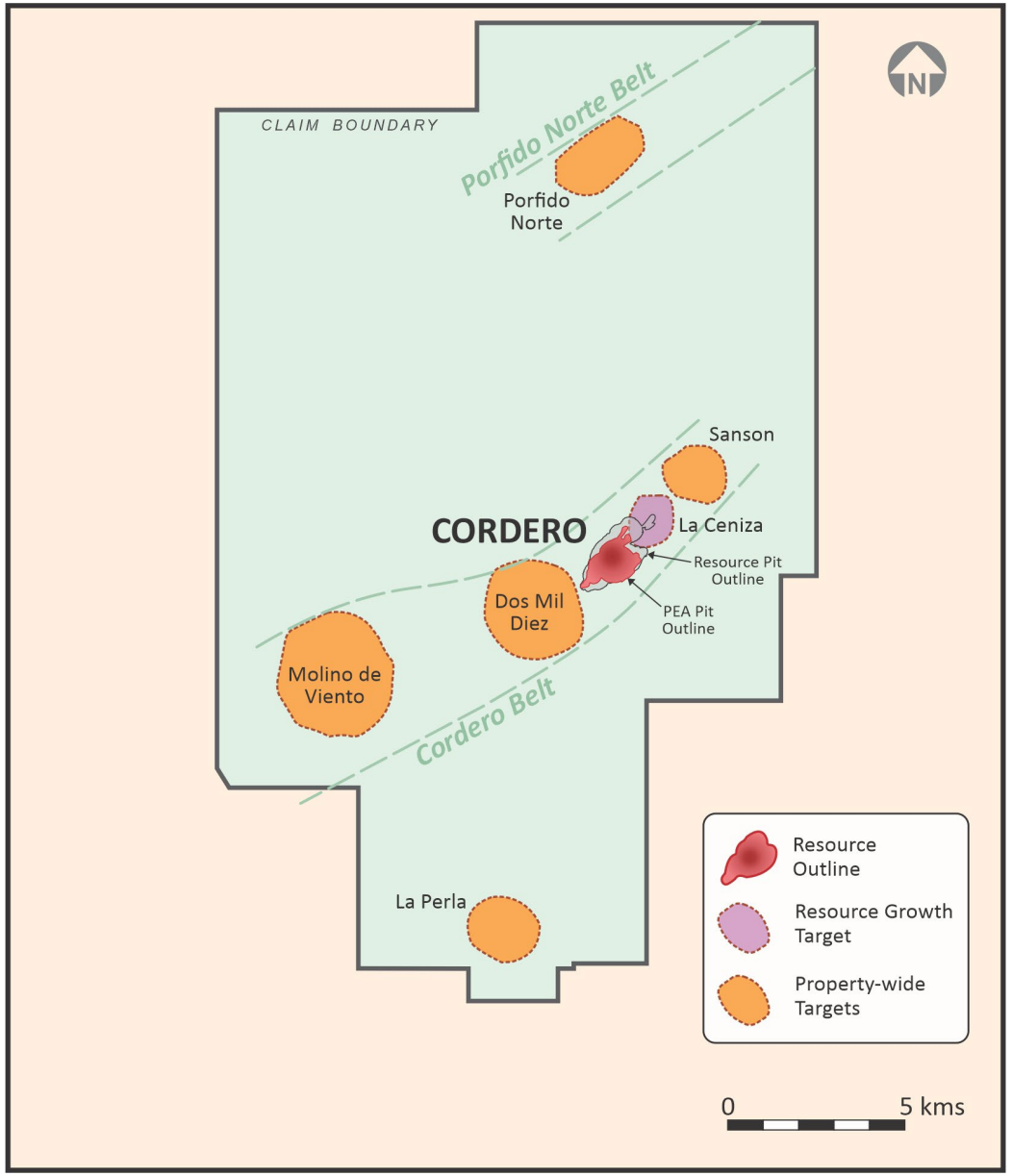
Mapped intrusives, veining & alteration + Ag rock geochemistry

Molino de Viento

Chargeability high / resistivity low anomaly + Ag rock geochemistry

La Perla

Chargeability high + alteration footprint + historic UG workings



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2023 Mineral Resource Estimate

MATERIAL	CLASS	TONNES	GRADE					CONTAINED METAL				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		(Mt)	*(g/t)*	*(g/t)*	*(%)*	*(%)*	*(g/t)*	*(Moz)*	*(koz)*	*(Mlb)*	*(Mlb)*	*(Moz)*
OXIDE	Measured	21	30	0.08	0.23	0.25	**49**	21	51	109	117	**33**
	Indicated	42	24	0.06	0.24	0.31	**46**	33	85	224	288	**62**
	M&I	**63**	**26**	**0.07**	**0.24**	**0.29**	**47**	**54**	**136**	**333**	**405**	**95**
	Inferred	**36**	**18**	**0.04**	**0.28**	**0.37**	**43**	**21**	**40**	**216**	**292**	**49**
SULPHIDE	Measured	250	23	0.08	0.33	0.57	**55**	185	604	1,824	3,132	**439**
	Indicated	403	18	0.04	0.27	0.56	**46**	228	524	2,387	4,947	**598**
	M&I	**653**	**20**	**0.05**	**0.29**	**0.56**	**49**	**413**	**1,128**	**4,211**	**8,079**	**1037**
	Inferred	**109**	**13**	**0.02**	**0.21**	**0.38**	**33**	**46**	**82**	**510**	**923**	**118**
TOTAL	Measured	271	24	0.08	0.32	0.55	55	206	655	1,933	3,249	472
	Indicated	445	19	0.04	0.27	0.54	46	261	609	2,611	5,235	660
	M&I	**716**	**20**	**0.06**	**0.29**	**0.54**	**49**	**467**	**1,264**	**4,544**	**8,484**	**1,132**
	Inferred	**145**	**14**	**0.02**	**0.23**	**0.38**	**35**	**67**	**122**	**726**	**1,215**	**167**

Mineral Resource Estimates are inclusive of Reserves

Net Smelter Return (NSR cut-off)

- NSR – Net revenue less treatment costs & refining charges
- Oxide & Sulphide resource cut-off: $7.25/t

Pit constraint assumptions

- Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb
- Recovery assumptions: Ag – 87%, Au – 18%, Pb – 89% and Zn – 88%. AgEq for sulphide mineralization and Ag – 59%, Au – 18%, Pb - 37% and Zn - 85% for oxide mineralization
- Operating costs: Mining costs of $1.59/t for ore and waste, Processing costs of $5.22/t and G&A costs: $0.86/t

2023 Mineral Reserve Estimate

MATERIAL	CLASS	TONNES	GRADE				CONTAINED METAL			
			Ag	Au	Pb	Zn	Ag	Au	Pb	Zn
		(Mt)	*(g/t)*	*(g/t)*	*(%)*	*(%)*	*(Moz)*	*(Moz)*	*(Blb)*	*(Blb)*
OXIDE	Proven	8	34	0.08	0.28	0.29	9	0.02	0.05	0.05
	Probable	11	28	0.07	0.28	0.36	10	0.02	0.07	0.09
	Total P&P	**19**	**31**	**0.07**	**0.28**	**0.33**	**19**	**0.04**	**0.12**	**0.14**
SULPHIDE	Proven	156	29	0.1	0.46	0.69	144	0.5	1.57	2.38
	Probable	128	25	0.06	0.44	0.76	104	0.25	1.23	2.14
	Total P&P	**284**	**27**	**0.08**	**0.45**	**0.72**	**248**	**0.75**	**2.79**	**4.52**
TOTAL	Proven	164	29	0.1	0.45	0.67	153	0.52	1.63	2.42
	Probable	138	26	0.06	0.43	0.73	114	0.27	1.3	2.22
	Total P&P	**302**	**27**	**0.08**	**0.44**	**0.7**	**266**	**0.79**	**2.94**	**4.65**

Net Smelter Return (NSR cut-off)

- NSR – Net revenue less treatment costs & refining charges
- Oxide & Sulphide NSR cut-off: $10.00/t

Pit constraint assumptions

- Ag - $20.00/oz, Au - $1,600/oz, Pb - $0.95/lb, Zn - $1.20/lb
- Recovery assumptions were varied according to head grade and concentrate grades. Lead concentrate recoveries were approximately 82.5%, 12.6% and 91.8% for silver, gold, and lead respectively. Zinc concentrate recoveries were approximately 10.0%, 9.5% and 77.8% for silver, gold, and zinc respectively.
- Operating costs: The life-of-mine mining cost averaged US$1.60/t mined, preliminary processing costs were US$5.22/t ore and G&A was US$0.89/t ore placed

Metallurgy

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PFS Metallurgical Test Program Summary

PFS Test Program Scope

Sulphides

High-grade samples & testing of rock blends

Test based on coarse grind size (~210 micron) & lower reagent consumptions

Oxides

Flotation testwork of 10% oxide / 90% sulphide blends

PFS Test Program Results

Sulphides

Recoveries from high grade samples: Ag 94-98%, Pb 89-97%, Zn 92-96%

Recoveries from rock type blends (medium grade): Ag 85-92%, Pb 85-92%, Zn 81-89%

Reagent consumption reduced significantly whilst achieving in-line/improved recoveries vs PEA

Oxides

Oxide recoveries through flotation: Ag ~60%, Pb ~40%, Zn: ~85%

Blending of oxides to be incorporate in PFS (eliminating heap leach circuit)

PFS Metallurgical Test Program Results

Test Type	Rock Type / Sample Location	Head Grade				Lead Circuit				Zinc Circuit			
						Recovery to Concentrate		Concentrate Grade		Recovery to Concentrate		Concentrate Grade	
		Ag	Pb	Zn	AgEq	Ag	Pb	Ag	Pb	Ag	Zn	Ag	Zn
		(g/t)	(%)	(%)	(g/t)	(%)	(%)	(g/t)	(%)	(%)	(%)	(g/t)	(%)
High-Grade	Breccia	252	3.8	2.6	**462**	93	96	4,634	73	4	93	219	52
	Volcanic	71	1.9	5.1	**319**	91	97	2,518	72	6	92	55	57
	Volcanic	46	0.9	2.1	**151**	86	93	3,270	69	8	96	100	56
	Sedimentary	41	0.8	1.6	**128**	81	89	2,395	53	13	96	182	53
Rock Type Blend	Starter Pit	37	0.6	0.6	**76**	85	92	3,516	57	7	89	287	53
	NE Extension	29	0.5	0.7	**70**	81	90	3,085	61	10	84	249	51
	South Corridor	33	0.4	0.8	**76**	65	85	2,868	44	18	85	446	53
	Run of Mine	33	0.5	0.8	**76**	75	89	3,643	62	12	81	385	59
Low-Grade	Volcanic	10	0.1	0.2	**21**	26	64	712	19	17	62	550	34
	Breccia	30	0.3	0.1	**44**	69	87	4,277	52	7	64	1,042	46
10% Oxide / 90% Sulphide Blend	Starter Pit	40	0.5	0.5	**76**	78	84	3,694	57	7	89	321	52
	NE Extension	29	0.5	0.6	**66**	78	86	3,250	61	9	87	255	54
	South Corridor	33	0.4	0.7	**71**	65	80	3,369	49	16	88	434	52
	Run of Mine	35	0.5	0.7	**74**	73	84	3,506	54	11	88	335	51

PFS Process Design

Phase 1 – Initial Throughput

Heap leach circuit eliminated

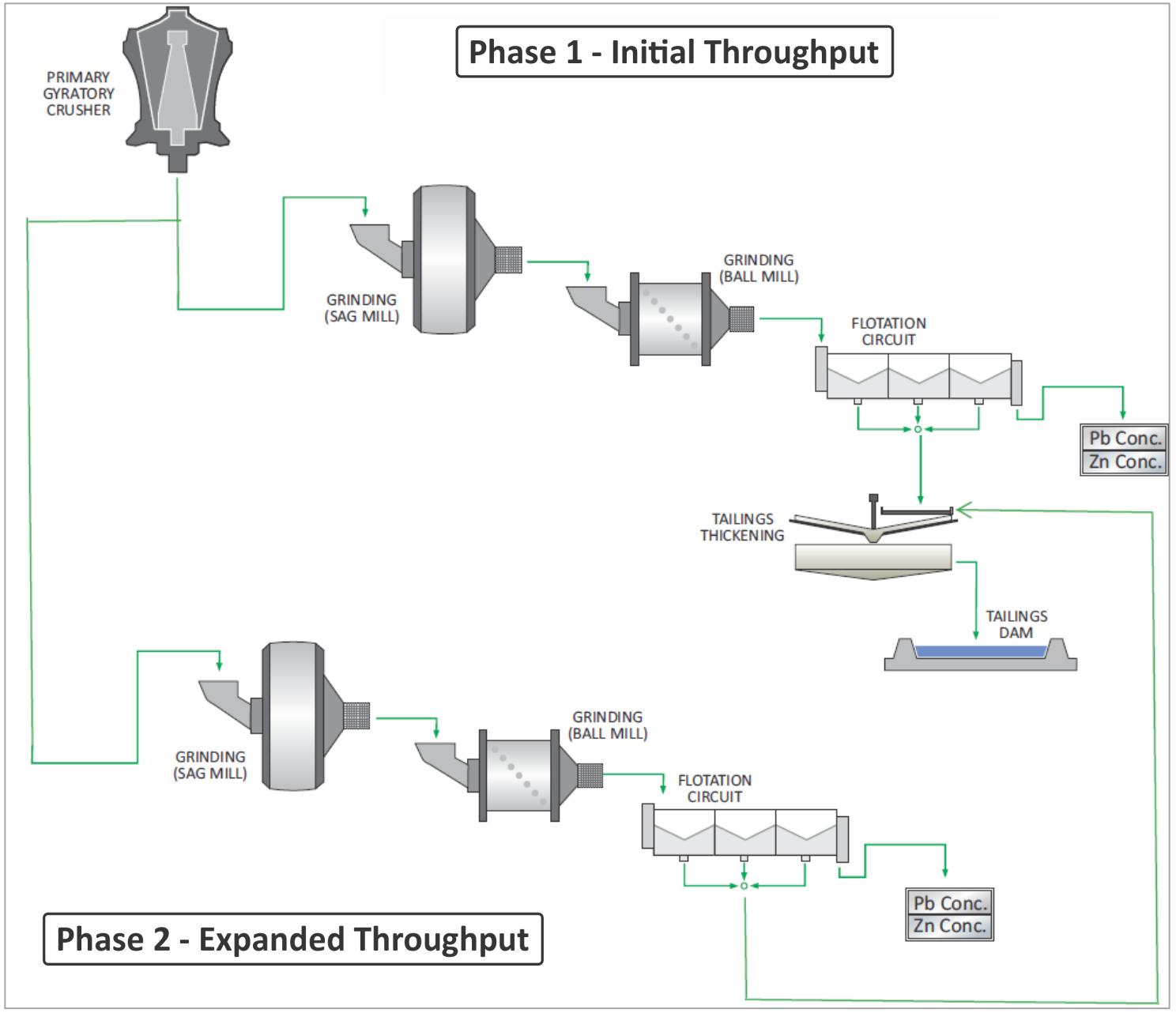
Advantages include simplified circuit, improved capital efficiency & streamlined permitting

Throughput rate of ~25,000 tpd

Phase 2 – Expanded Throughput

Addition of parallel grinding & flotation circuits

Throughput rate of ~50,000 tpd



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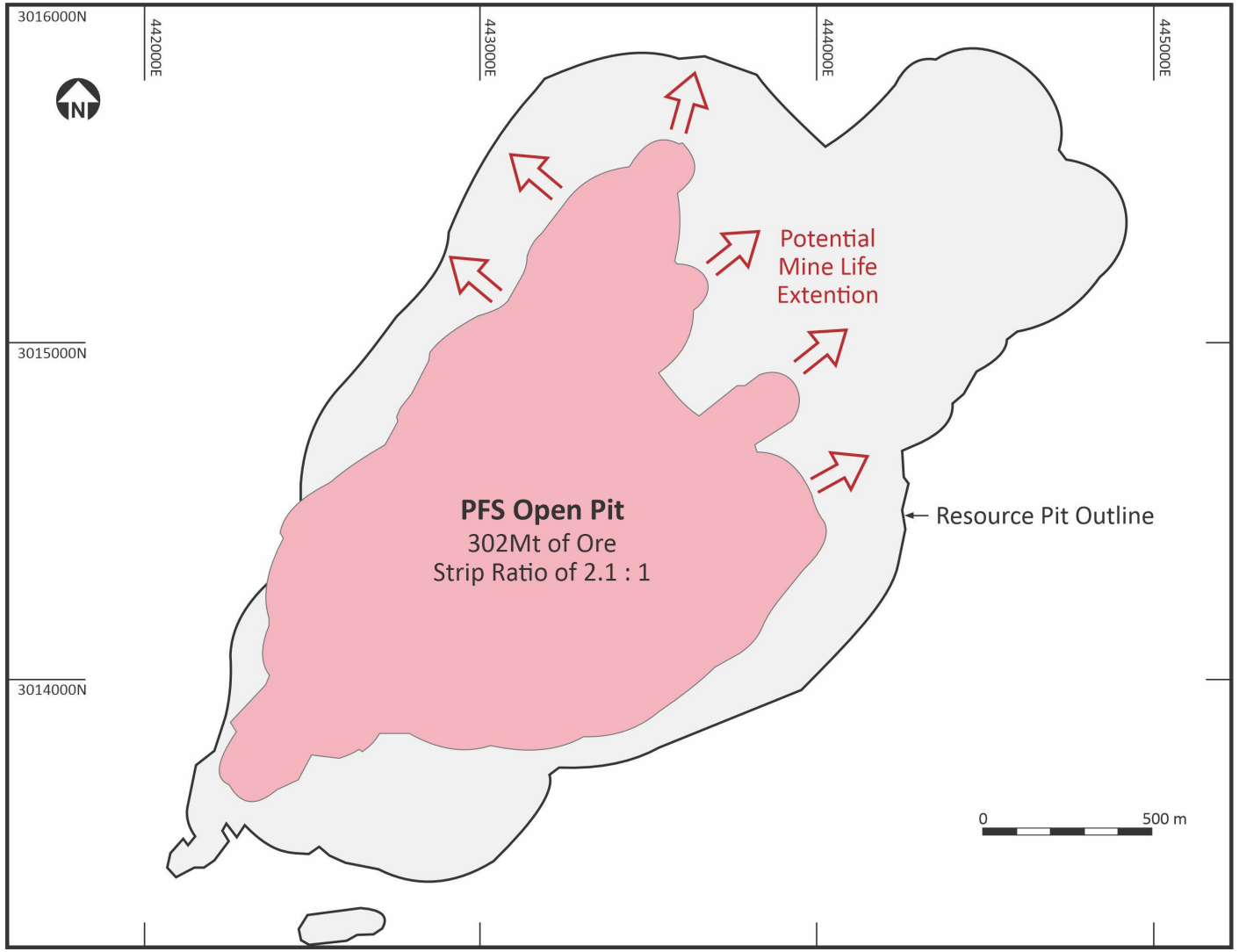
Silver Price Torque

PFS Mine Plan Optionality

PFS Mine Plan only assumes ~40% of M&I Resource tonnes are processed

Potential to extend mine life and/or increase production at higher metal prices



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Mine Plan

PFS mine plan

Tonnes of ore: 302Mt

Reserve classification: +70% of mill feed in Proven category in Y1 – Y5

Strip ratio: 2.1:1

Mining rate: 60 – 70 Mt/a

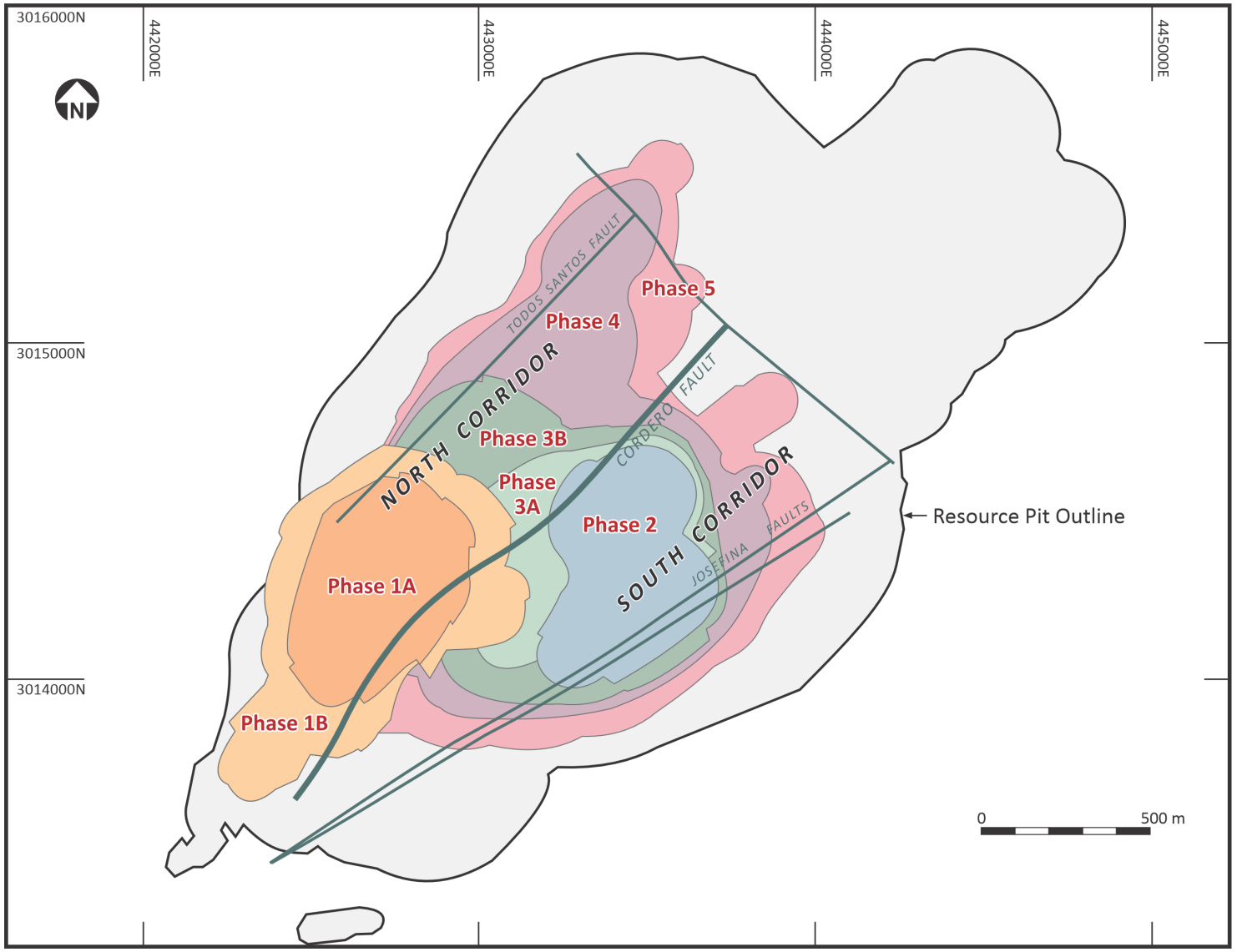
Stockpiling of low-grade material over LOM

Mine life extension potential

279Mt of M&I Resource sits outside PFS pit but within Resource Pit

Reserves based on: Ag - $22/oz, Pb - $1.00/lb, Zn - $1.20/lb

Resource Pit was run on: Ag - $24/oz, Pb - $1.10/lb, Zn - $1.20/lb



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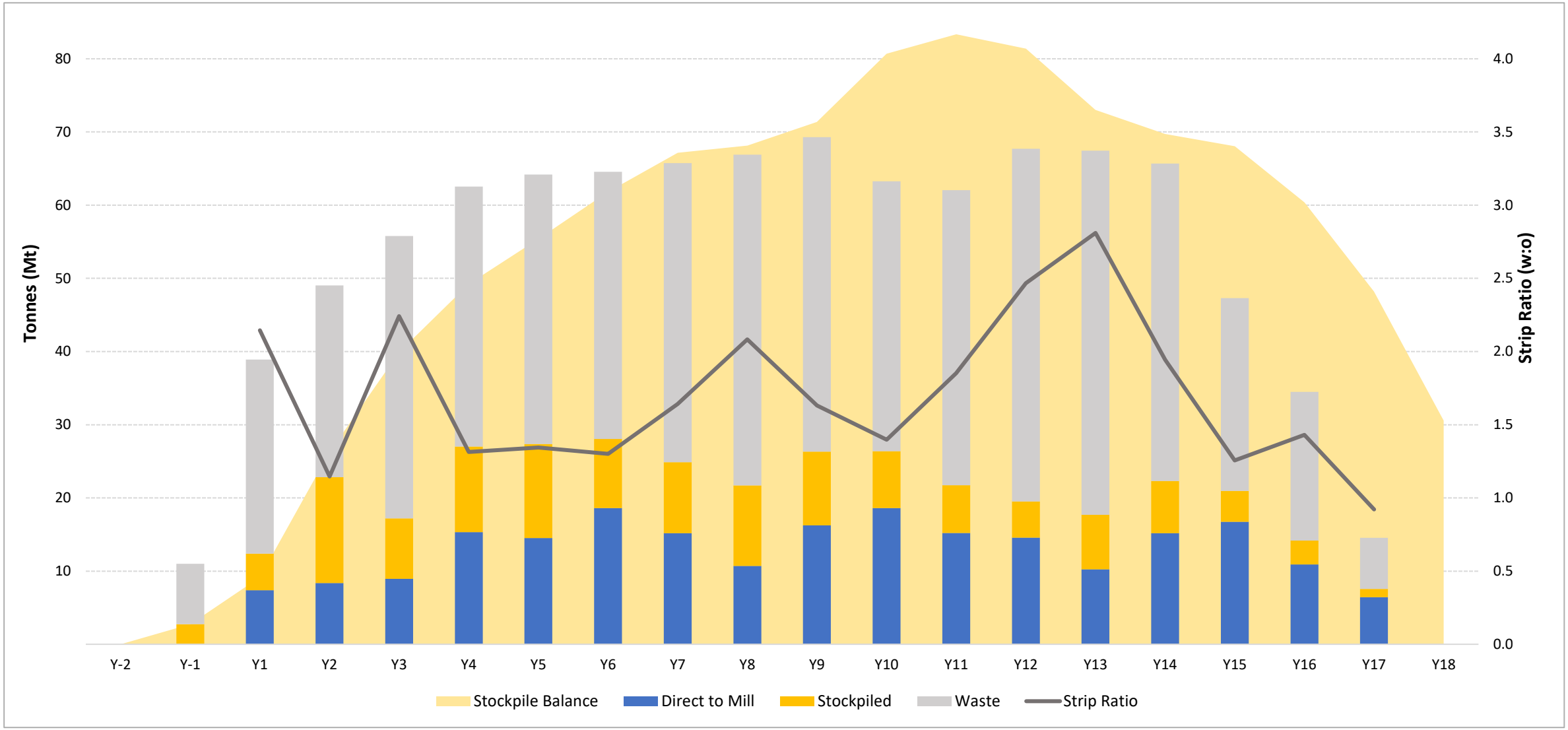
Mine Plan



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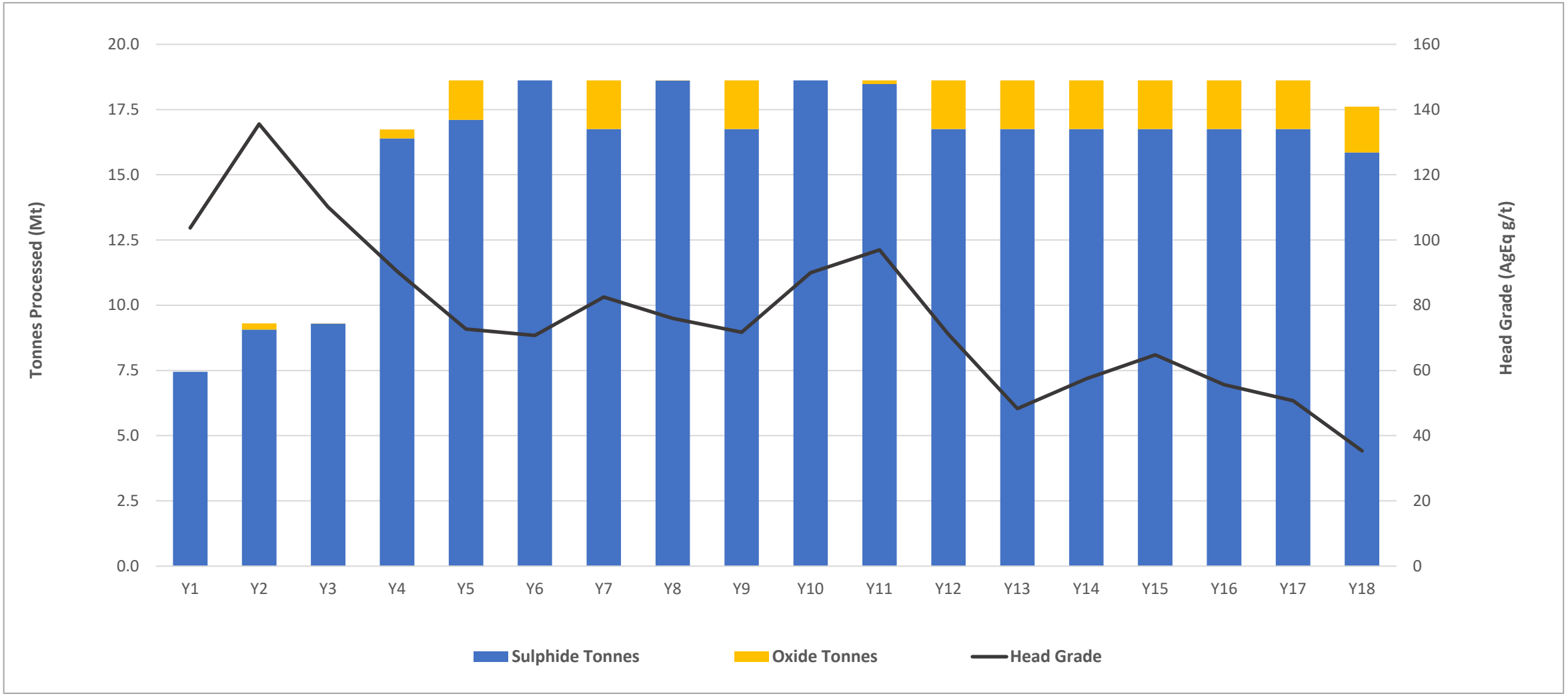
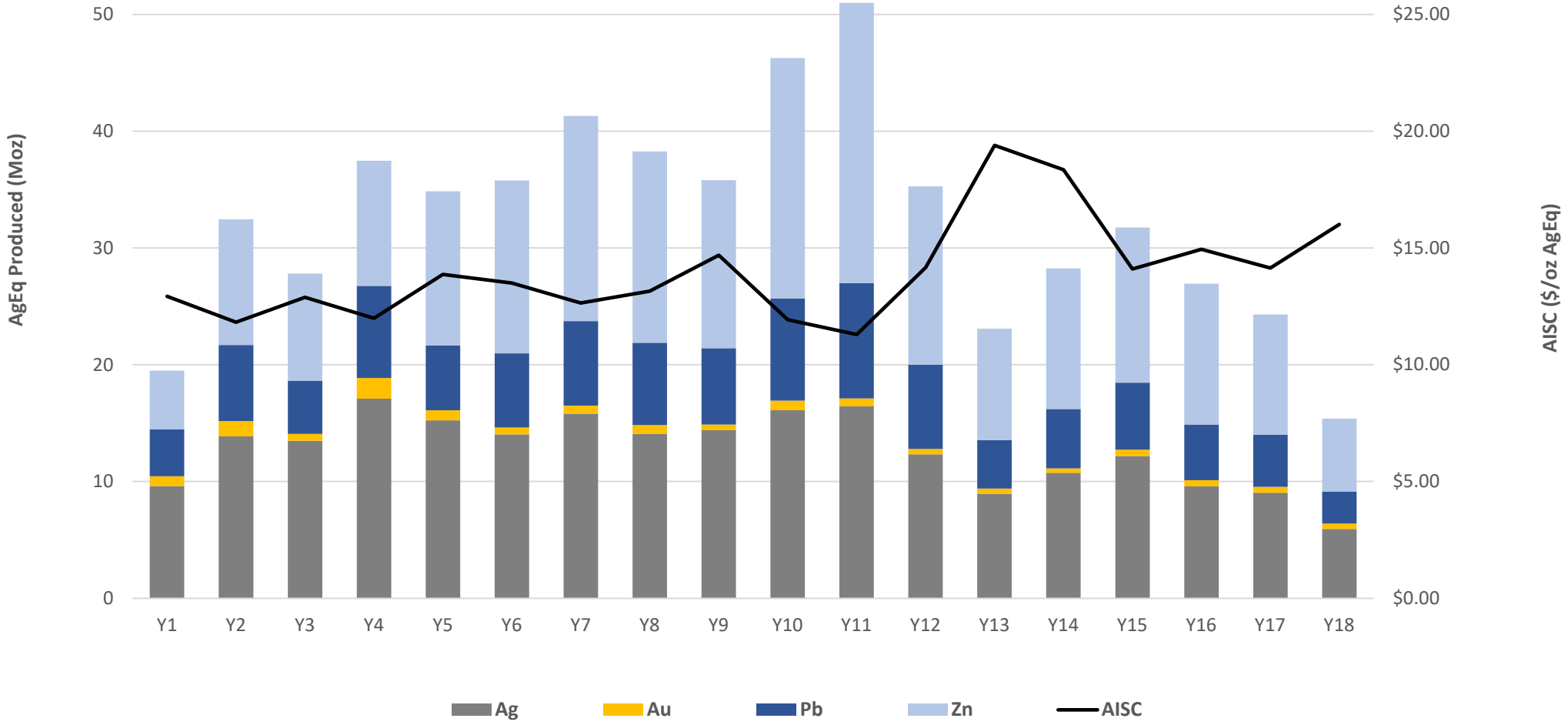
Processing Schedule



AgEq Production vs AISC



Production & All-in Sustaining Costs (ASIC) are sourced from 2023 PFS.

Production & AISC calculations assume:
Ag = $22/oz
Au = $1,600/oz
Pb = $1.00/lb
Zn = $1.20/lb

AISC is calculated on a co-product basis

Processing: Metallurgical Recoveries

	UNITS	PHASE 1				PHASE 2								LOM			
		Years 1 - 4				Years 5 - 12				Years 13 - 16							
		Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn
Average head grade	g/t or %	44	0.20	0.63	0.76	29	0.07	0.48	0.81	19	0.05	0.31	0.52	27	0.08	0.44	0.70
RECOVERIES																	
Recovered to Pb Con	%	77%	13%	89%	-	71%	13%	87%	7%	62%	13%	83%	-	70%	13%	86%	-
Recovered to Zn Con	%	13%	10%	-	86%	16%	10%	-	86%	20%	10%	-	84%	16%	10%	-	86%
Total Recoveries	%	90%	23%	89%	86%	87%	23%	87%	86%	82%	23%	83%	84%	86%	23%	86%	86%
CONCENTRATE GRADES																	
Pb Concentrate	g/t or %	3,546	2.57	58%	-	2,643	1.15	53%	-	2,129	1.17	45%	-	2,650	1.42	52%	-
Zn Concentrate	g/t or %	450	1.55	-	51%	338	0.49	-	51%	448	0.58	-	50%	373	0.66	-	51%

Note – recoveries were based on the 2022 metallurgical test program which included lock-cycle tests and examined metal recoveries to the silver-lead concentrate and the silver-zinc concentrate at varying head grades and varying rock type, rock type blends and oxide/sulphide blends

Note – Pb recovery in Zn concentrate and Zn recovery into Pb concentrate are not shown as they are not payable in these respective products. Misplacement of base metals in the concentrates is minor and not expected to be a problem for the smelters

Marketing: Concentrate Terms

Payabilities

	Ag	Au	Pb	Zn
Pb Concentrate				
Payable metal	95%	95%	95%	-
Minimum deduction	50 g/t	1 g/t	3 units	-
Zn Concentrate				
Payable metal	70%	70%	-	85%
Deduction	3 oz/t	1 g/t	-	-

Treatment/Refining Charges

PARAMETER	UNITS	PFS COST	5-YEAR BENCHMARK AVERAGE
TREATMENT/REFINING CHARGES			
Treatment charge – Pb con	*$/dmt*	$130	~$130
Treatment charge – Zn con	*$/dmt*	$210	~$215
Ag refining charge – Pb con	*$/oz*	$1.20	~$1.05

Concentrate Transportation

Pb con - $140/wmt, Zn con - $125/wmt (trucking to Guaymas + port handling + ocean freight)

Capex: Summary

	INITIAL CAPITAL		EXPANSION CAPITAL		SUSTAINING LOM CAPEX	TOTAL LOM CAPEX
	Y-2	Y-1	Y3/4	Y9		
CAPITAL EXPENDITURES *(US$ M)*						
Mining	$18	$52	$3	-	$67	$140
Infrastructure	$8	$23	$12	-	$22	$65
Processing Plant	$39	$117	$114	$14	-	$284
Tailings Facility (TSF)	$11	$34	$40	-	$106	$191
Offsite Infrastructure	$5	$15	$35	-	-	$55
Indirects	$15	$44	$39	$11	-	$109
Owners Costs	$3	$10	$3	$1	-	$17
Closure (Net of Salvage Value)	-	-	-	-	$24	$24
Contingency	$15	$46	$43	$5	$9	$118
TOTAL CAPEX	**$455**		**$289**	**$31**	**$228**	**$1,003**

Initial Capital

Two-year construction period

Infrastructure + TSF construction + Plant throughput of 25.5 ktpd

Expansion Capital

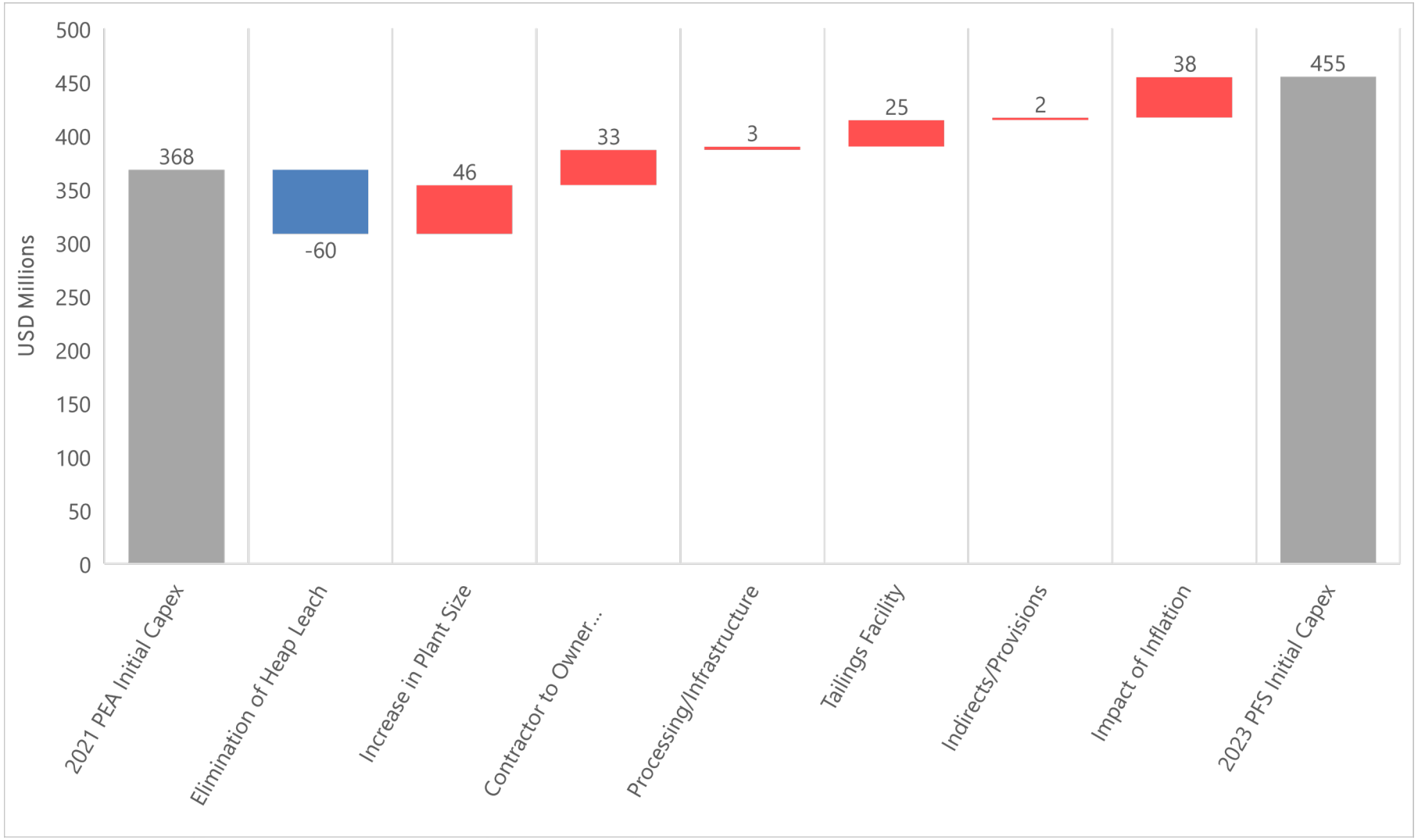
Year 3/4: expand to 51 ktpd (add ball mill & flotation circuit)

Year 9: expand flotation circuit for higher Zn grades

Sustaining Capital

Primarily TSF lifts & down payments for mine equipment being acquired through a lease to own contracts

Capex: PFS vs PEA Comparison



Major cost increases

Plant: +25% increase in plant size

Mining: switch to owner mining

Inflation: cost escalation based on Q4 2022 quotes

Major cost decrease

Heap leach: elimination of heap leach based on positive flotation results from oxide-sulphide blending

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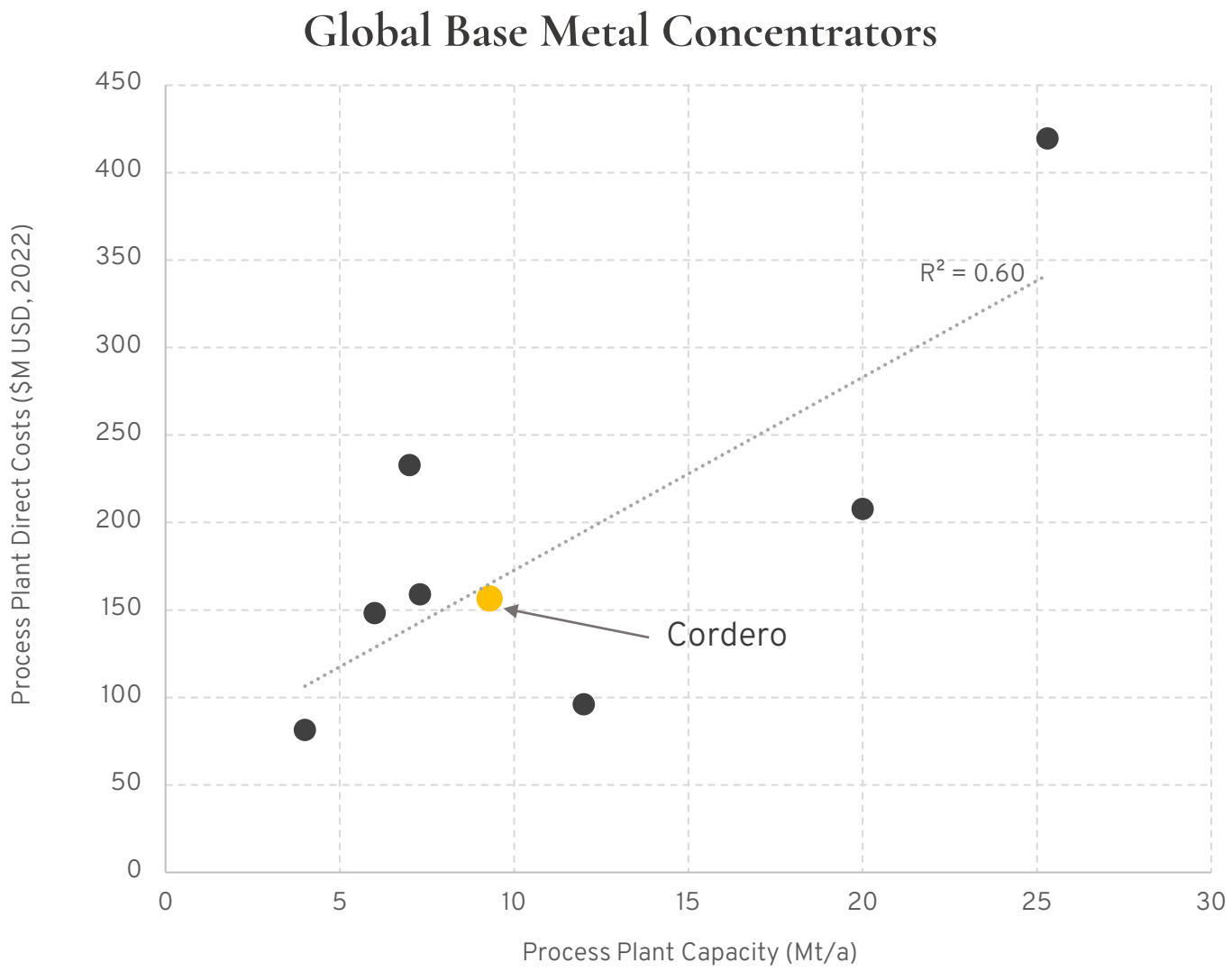
Capex: Benchmarking



Capex efficiencies driven by:

Minimal early mine development/pre-strip

Minimal site development earthworks required due to flat topography

Conventional process design for the concentrator, based on a very coarse grind size

Phased expansion approach of process plant

Close proximity to existing infrastructure & no camp required

Source: Ausenco

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Operating Costs: Summary

ITEM	UNIT COST		LOM COST
Mining Cost	$2.45	*($/t mined)*	$2,286M
Processing Costs			
Phase 1 - 25.5ktpd	$6.46	*($/t processed)*	$1,929M
Phase 2 - 50ktpd	$6.39	*($/t processed)*	
Site G&A			
Phase 1 - 25.5ktpd	$1.06	*($/t processed)*	$188M
Phase 2 - 50ktpd	$0.57	*($/t processed)*	

Mining cost

Assumes owner-operated with lease financing

Diesel cost: $0.65/t (assumes $1.10/L vs $1.00/L in PEA)

Processing cost

Generated from first principles by Ausenco

Sulphide processing costs benefit from coarse grind size & low power costs

Power cost: $2.25/t (assumes $0.068/kWh vs $0.062/kWh in PEA)

G&A costs

Generated from first principles by Ausenco

Costs assume small camp & administration office at site

Operating Costs: Benchmarking

	Unit	CORDERO	COPPER MOUNTAIN		GIBRALTAR	MT. MILLIGAN	RED CHRIS	PINTO VALLEY
Commodity		Ag-Pb-Zn	Cu		Cu-Mo	Cu-Au	Au-Cu-Ag	Cu-Au-Ag
Location		Chihuahua, Mexico	BC, Canada		BC, Canada	BC, Canada	BC, Canada	Arizona, USA
Camp		N	N		N	Y	Y	N
Mill Throughput	*(tpd)*	51,000	45,000	65,000	85,000	63,000	30,000	56,000
Comminution (avg.)								
Grind Size	*(micron)*	200	165	165	350	175	170	-
Bond Work index (Bwi)	*(kWh/t)*	19	24	24	11	25	20	14
Operating Costs								
Mining	*(US $/t mined)*	$2.45	$1.70	$1.70	$1.43	$2.00	$2.90	$1.68
Processing	*(US $/t processed)*	$6.39	$5.08	$3.87	$3.75	$5.57	$6.70	$4.67
G&A	*(US $/t processed)*	$0.57	$0.65	$0.51	$0.83	$1.80	$3.30	$1.13
Source		2023 PFS	2022 LOM and 65ktpd Expansion Study		2022 Technical Report	2020 Technical Report	2021 Technical Report	2021 Technical Report

Benchmark group

Open pit + flotation plants with high throughput

Mining cost

Above benchmark group average

Process costs

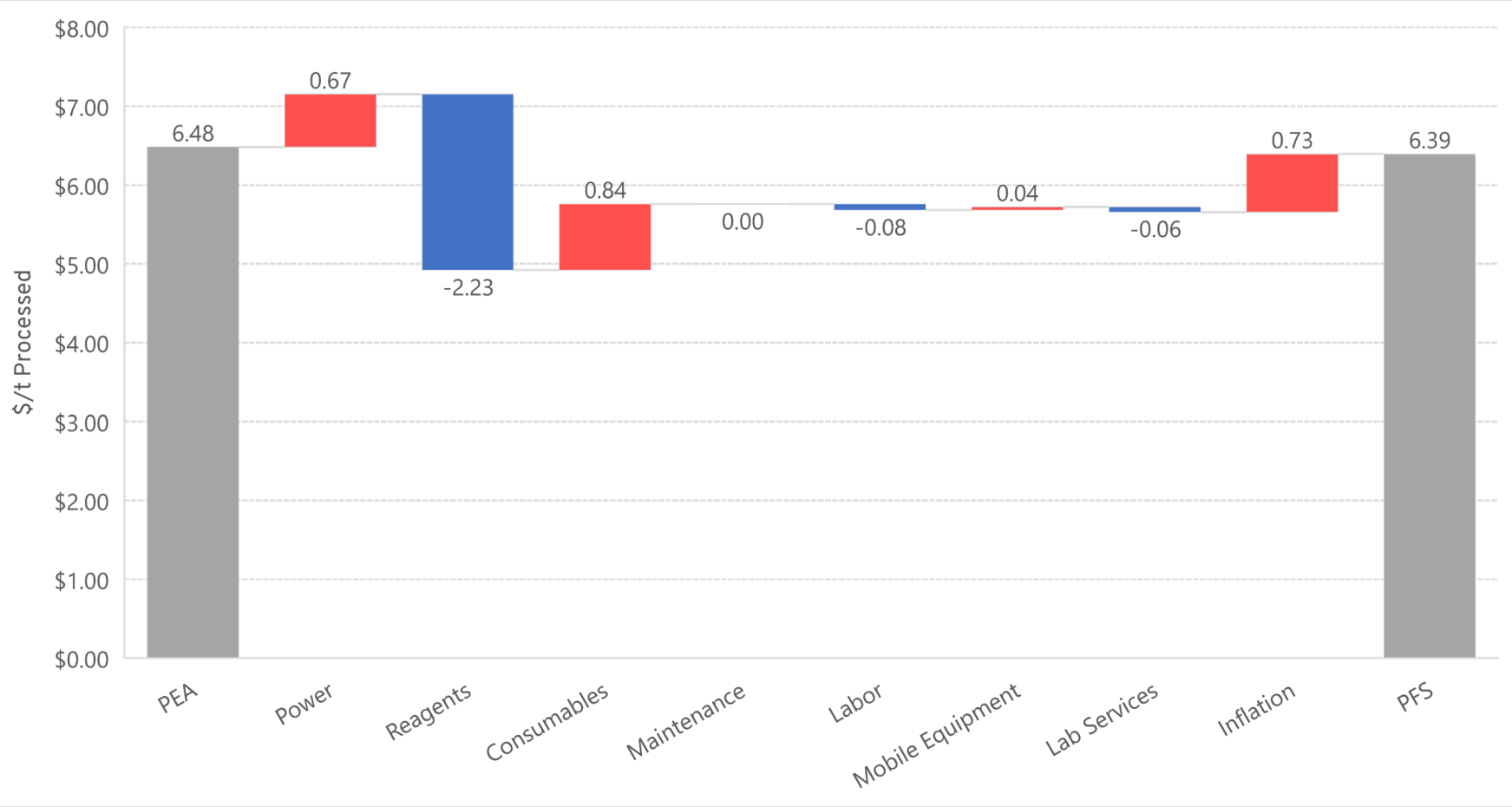
Above benchmark group average

G&A costs

Below benchmark group average

Costs benefit from no camp & jurisdiction

Processing Costs: PFS vs PEA Comparison



Major cost increases

Power: higher consumption based on comminution testwork

Consumables: higher grinding media consumption + water costs

Inflation: cost escalation related to power, grinding media & reagents

Major cost decrease

Reagents: elimination of soda ash & reduction of MIBC

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Commodity Price Sensitivity

NPV/IRR/Payback sensitivity to Ag/Zn prices

		Ag ($/oz)													
		$18.00			$20.00			$22.00			$25.00			$30.00		
		NPV (5%) *(US$M)*	IRR *(%)*	Payback *(yrs)*	NPV (5%) *(US$M)*	IRR *(%)*	Payback *(yrs)*	NPV (5%) *(US$M)*	IRR *(%)*	Payback *(yrs)*	NPV (5%) *(US$M)*	IRR *(%)*	Payback *(yrs)*	NPV (5%) *(US$M)*	IRR *(%)*	Payback *(yrs)*
Zn ($/lb)	$1.05	638	19.3%	5.5	798	22.3%	5.0	958	25.2%	4.5	1,198	29.3%	3.9	1,599	36.0%	3.3
	$1.10	703	20.3%	5.4	863	23.3%	4.8	1,023	26.1%	4.4	1,263	30.2%	3.9	1,664	36.8%	3.2
	$1.20	832	22.4%	5.1	992	25.2%	4.6	1,153	28.0%	4.2	1,393	32.0%	3.7	1,794	38.4%	3.1
	$1.30	962	24.3%	4.8	1,122	27.1%	4.3	1,282	29.7%	4.0	1,523	33.7%	3.6	1,923	40.0%	3.0
	$1.45	1,156	27.1%	4.4	1,317	29.7%	4.1	1,477	32.3%	3.7	1,717	36.1%	3.4	2,118	42.3%	2.2

Note: Fixed prices for Au = $1,600/oz & Pb = $1.00/lb

Cross Sections

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Sections

Long Section A – A’

North Corridor including Pozo de Plata & NE Extension

Long Section B – B’

South Corridor

Cross Section C – C’

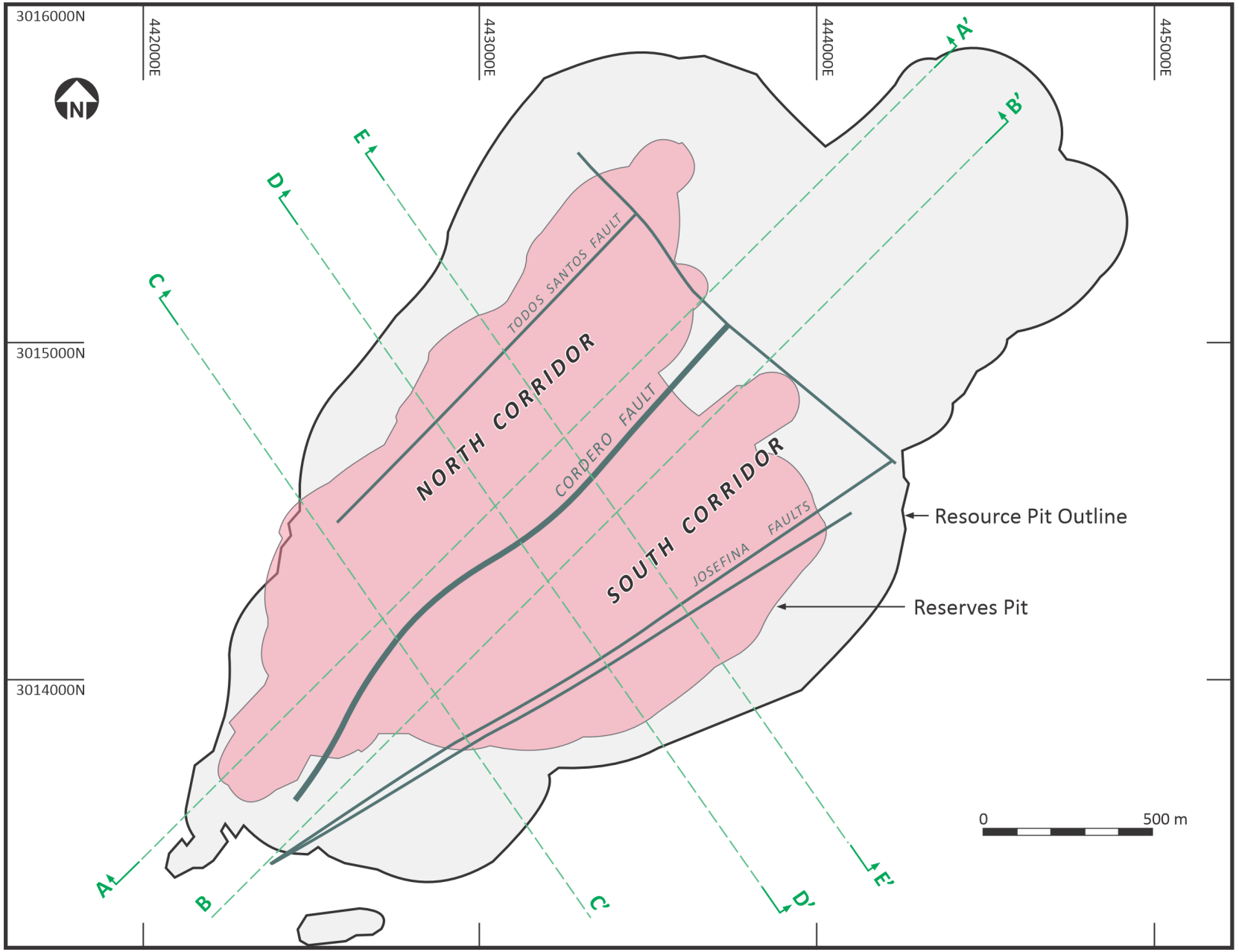
Pozo de Plata – potential starter pit

Cross Section D – D’

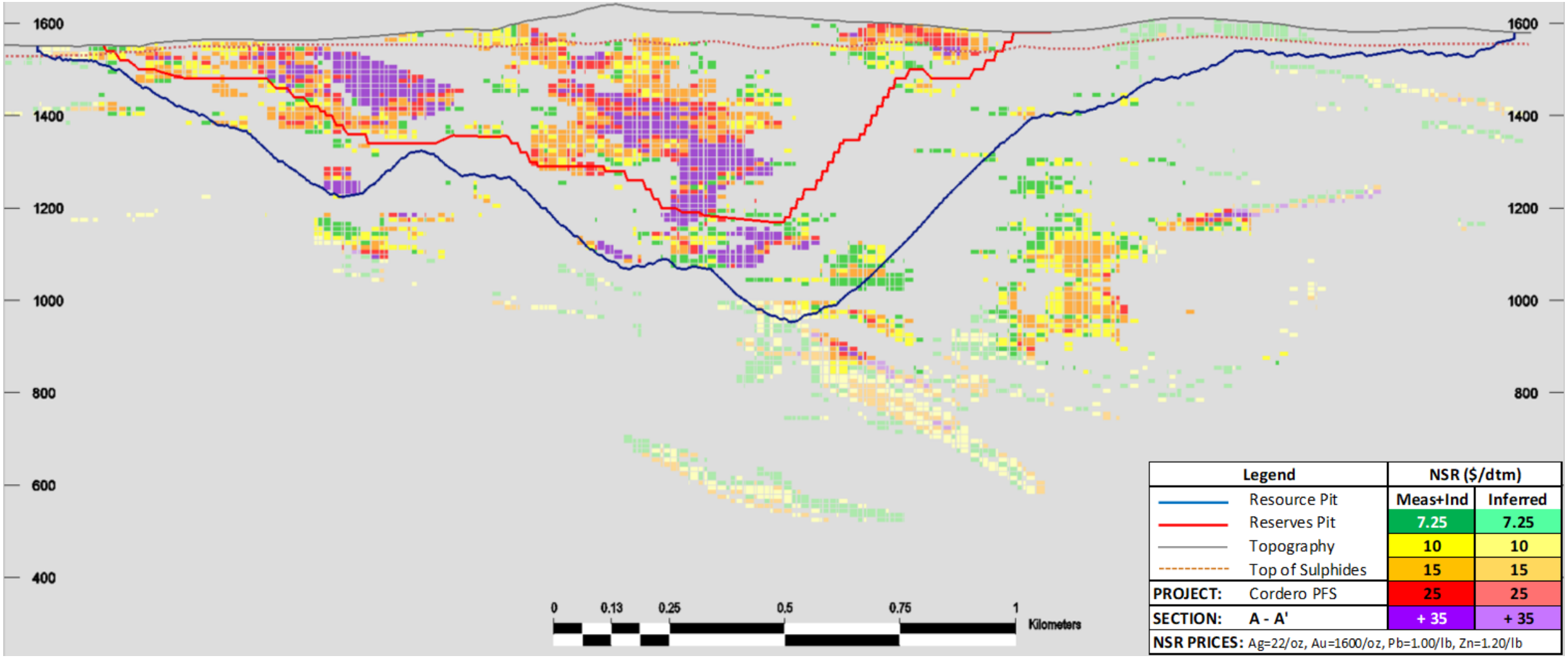
NE Extension, South Corridor & Josefina

Cross Section E – E’

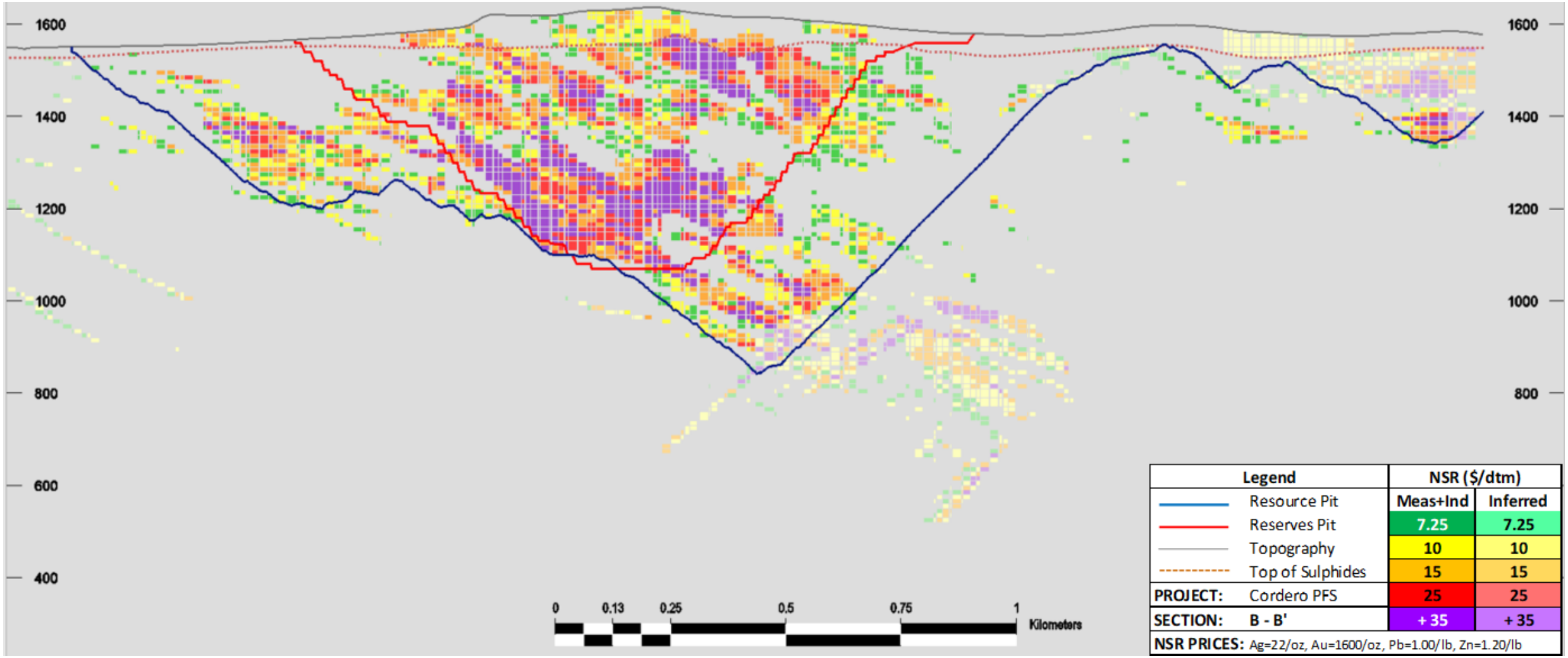
NE Extension, South Corridor & Josefina



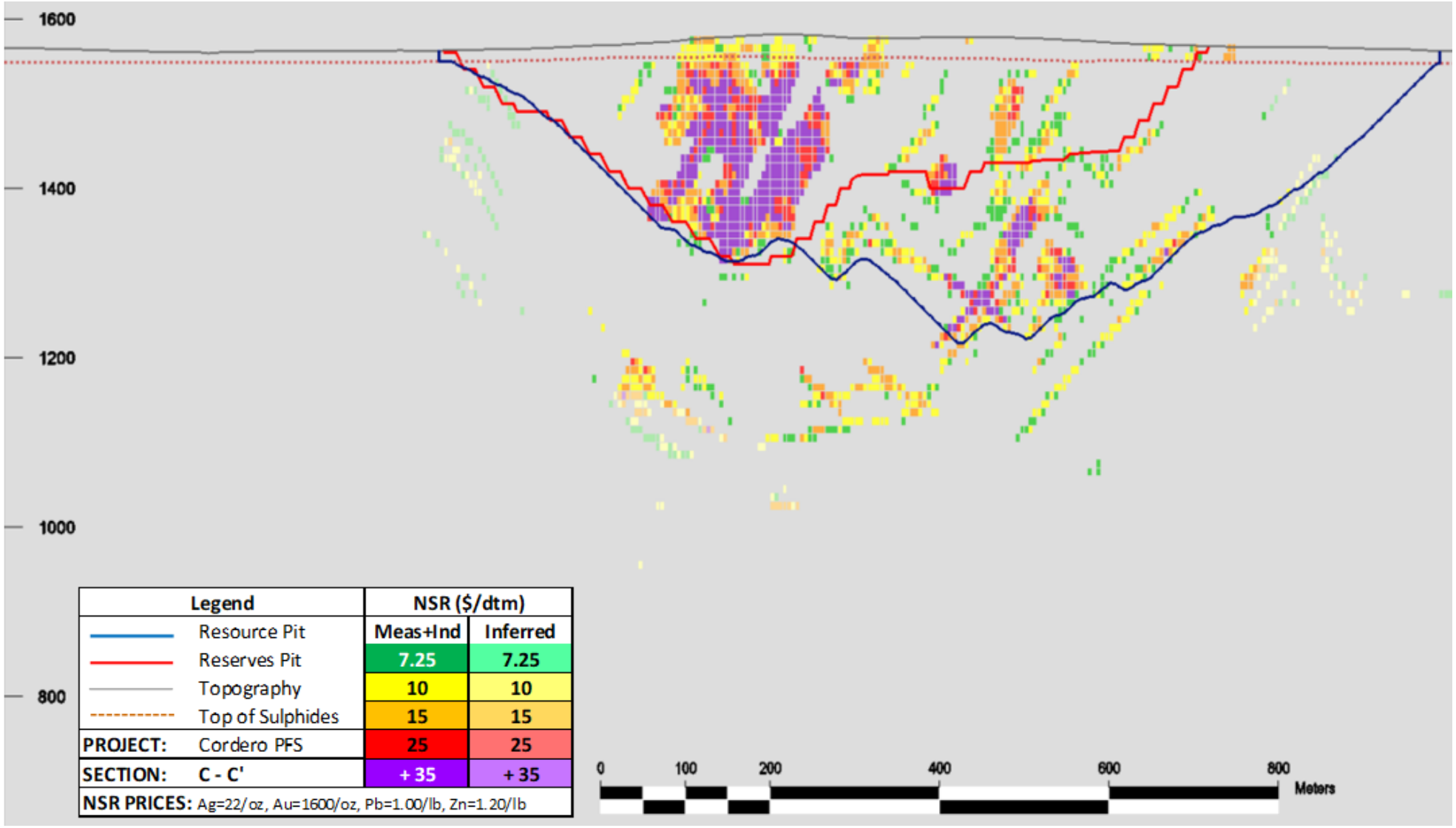
Long Section A – A’



Long Section B – B’



Cross Section C – C’



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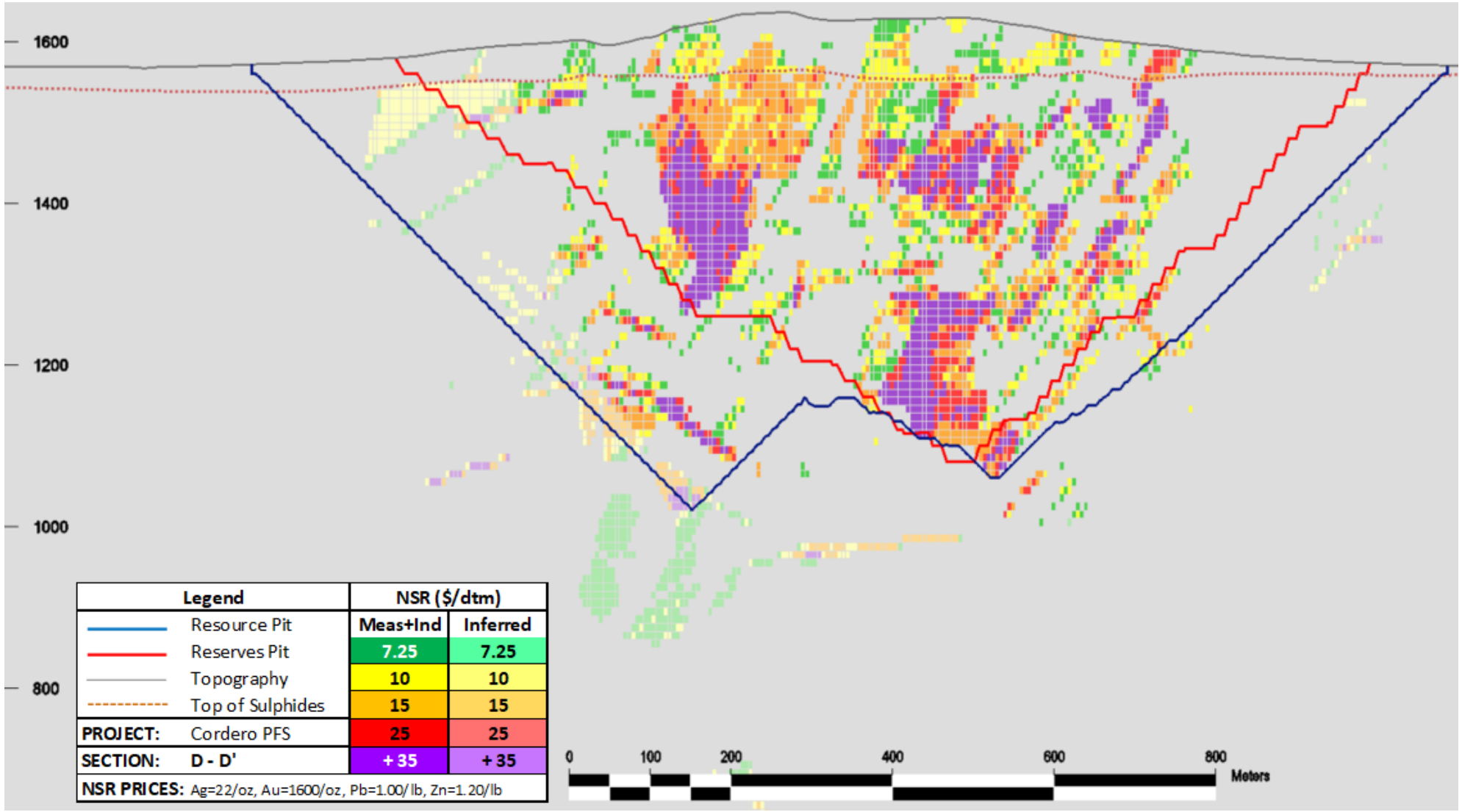
Cross Section D – D’



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Cross Section E – E’