
Discovery Reports Q3 2023 Financial Results and Update

November 14, 2023, Toronto, Ontario – Discovery Silver Corp. (TSX: DSV, OTCQX: DSVSF) (“Discovery” or the “Company”) is pleased to announce its financial results for the third quarter ended September 30, 2023 (“Q3 2023”), and to provide a summary of key events for the quarter and subsequent to quarter-end. All figures are stated in Canadian dollars (“C\$”) unless otherwise noted. Discovery’s flagship project is the 100%-owned Cordero silver project (“Cordero” or the “Project”) located in Chihuahua State, Mexico.

Tony Makuch, CEO, states: *“We made significant advances at Cordero during and subsequent to the third quarter of 2023. The submission of our Environmental Impact Statement (“Manifiesto de Impacto Ambiental” or “MIA”), the principal permit required for the development of Cordero, represents a major milestone for the Company. The submission encapsulates detailed environmental and social baseline studies and is supported by third-party reviews from specialist environmental and engineering consultant firms. Meanwhile, our Feasibility Study (“FS”) continues to progress well and remains on track for completion in Q1 2024. FS drilling wrapped up during the quarter with results highlighting the potential to extend the already long mine life at Cordero. We also reported strong results from our FS metallurgical test program demonstrating that higher silver recoveries of up to 7% into the precious metals concentrate are achievable at significantly reduced levels of reagent consumption. Concurrent to these positive developments, we made several key appointments to our board and management team which, in conjunction with our strong balance sheet with a current cash balance of approximately \$65 million, provides us with an excellent platform to deliver our FS as well as advance Cordero through the permitting process.”*

HIGHLIGHTS FROM Q3 2023 & SUBSEQUENT EVENTS:

- Reported results from the FS metallurgical test program demonstrating higher silver recoveries of up to 7% to the precious metals concentrate at significantly lower reagent consumption.
- Addition of several key appointments that strengthen the Company’s Board of Directors, and also the permitting and technical teams.
- Formal submission for evaluation of the MIA to Secretaría de Medio Ambiente y Recursos Naturales (“SEMARNAT”), the federal government agency responsible for evaluating MIA submissions.
- Completion of the reserve expansion and definition component of our Feasibility Study program consisting of an additional 35,000 m of drilling in over 100 drill holes completed since the cut-off for the Pre-Feasibility Study with results demonstrating the potential to further grow reserves within and on the margins of the open pit.
- Release of the Company’s 2022 Environmental, Social and Governance (“ESG”) report highlighting the Company’s current practices and priorities going forward.
- As of September 30, 2023, the Company had a cash and cash equivalents balance of \$60.0 million.

- Subsequent to September 30, 2023, the Company received a refund for the cumulative IVA return filed of approximately \$8.0M, including interest and inflationary adjustments.

SUMMARY OF Q3 2023 & SUBSEQUENT EVENTS:

Feasibility Study Metallurgical Test Program:

The FS metallurgical test program was focused on optimizing metallurgical performance for a run-of-mine composite with process variables such as reagent dosage and type, grind size and the testing of oxide-sulphide blends with oxides above 10%. Highlights from this test work include:

- Increased silver recoveries of up to 7% to the precious metals concentrate where higher payabilities are received.
- Significant reductions in reagent consumption while achieving improved metallurgical performance than outlined in the Preliminary Feasibility Study (“PFS”)
- Excellent metallurgical performance achievable for oxide-sulphide blending of up to 15% oxides (the PFS assumed a cap of up to 10% oxides).
- Primary grind sensitivity confirmed a coarse grind size of 200 micron passing p80 is the optimal grind size (unchanged from the PFS).

For further details on the results from the FS metallurgical test program noted above refer to our news release dated October 26, 2023.

Key Appointments:

On August 24, 2023, the Company announced a number of key appointments that significantly strengthen the Company’s Board of Directors and management team. These include:

- **Barry Olson (Independent Director)** – more than 30 years mining experience with a track record of successfully developing and managing multi-billion-dollar international mining projects including Peñasquito, Mexico’s largest open pit mine.
- **Jonathan Gill (Advisor to the Board)** – more than 50 years of global mining experience including senior mine management roles with Inco Ltd. and advisory roles on major international mining projects and currently a Director of Agnico Eagle Mines Ltd.
- **Mike Neumann (Advisor to the Board)** – a mining engineer with over 40 years mining experience focused on mine design, operations and environmental permitting including permitting, start up and construction experience in Mexico.
- **José Jabalera (Director, Corporate Affairs Mexico)** – held senior positions over the last decade within both the Mexican Federal Government and the State Government of Chihuahua focused on establishing productive working relationships between mining corporations, government and local communities.
- **Gord Leavoy (Vice President, Mineral Processing)** – more than 40 years’ experience with major mining companies such as Kirkland Lake Gold Inc. and Goldcorp Inc. across all aspects of mineral processing and tailings dam construction and operation.

- **Bindu Satyajit (Corporate Secretary & Manager, Administrative Services)** – more than 15 years' experience in the mining industry focused on project management, administration, internal reporting and corporate communications.

Further details on each appointee can be found in the news release dated August 24, 2023.

Submission of Environmental Impact Assessment:

The MIA for Cordero was submitted to SEMARNAT for evaluation during the quarter. The submission is supported by comprehensive environmental and social baseline assessment work and outlines detailed plans for the responsible and sustainable development of the Cordero Project. The Project is expected to have significant positive direct and indirect socioeconomic impacts within Mexico at local, regional and national levels with an expected peak local workforce of over 1,000 employees, over US\$4 billion of expected goods and services purchased locally within Mexico and direct tax revenues of approximately US\$1.2 billion over the 18-year mine life outlined in the PFS. The Company looks forward to working with SEMARNAT through the permitting review process to demonstrate its full compliance with Mexican regulatory requirements alongside its overarching commitment to meet the highest industry standards for environmental protection, health and safety and social responsibility.

For further details on the MIA submission refer to our news release dated August 31, 2023.

Feasibility Study Drilling:

The Company has drilled over 52,000 m (164 holes) as part of its FS drill program (since the data cut-off for the PFS study). This includes approximately 35,000 m of reserve definition and expansion drilling, 7,000 m of condemnation drilling and 10,000 m of engineering drilling (hydrogeology and geotechnical).

Reserve Expansion Drilling – the reserve expansion and definition component of our Feasibility Study drill program finished up in Q3 2023. Highlight intercepts from the final holes drilled in this program include:

- **52 m averaging 105 g/t AgEq¹** (51 g/t Ag, 0.19 g/t Au, 0.6% Pb and 0.9% Zn) from 102 m and **37 m averaging 171 g/t AgEq¹** (79 g/t Ag, 0.09 g/t Au, 1.1% Pb and 1.5% Zn) from 276 m in hole C22-722 in the southwest of the South Corridor.
- **15 m averaging 479 g/t AgEq¹** (278 g/t Ag, 0.08 g/t Au, 3.1% Pb and 2.9% Zn) from 145 m in hole C22-713 also in the southwest of the South Corridor.
- **39 m averaging 134 g/t AgEq¹** (104 g/t Ag, 0.17 g/t Au, 0.5% Pb and 0.3% Zn) from 46 m in hole C22-728 in the southwest of the North Corridor.

Overall, the results from our FS drill program demonstrate the potential to expand reserves through the conversion of waste to ore within the reserves pit and through the expansion at depth of the reserves pit.

For further details on the drill results noted above refer to our news release dated August 2, 2023. Supporting Technical Disclosure for drill results can be found at the end of this release.

2022 ESG Report

On July 2, 2023, the Company announced it had released its 2022 ESG report, highlighting the Company's current practices and priorities going forward. Key highlights include:

- Receipt of the Socially Responsible Enterprise (Empresa Socialmente Responsable) (ESR) distinction from the Mexican Centre for Philanthropy (Centro Mexicana para la Filantropía) (CEMEFI) and achieving a ranking in the top 10% of approximately 1,000 participating small to medium sized companies in Mexico.
- Receipt of the Great Place to Work Certification (achieving an overall score of 84%), an internationally recognized certification program awarded to companies that create an outstanding employee experience.
- The Company held 19 engagement sessions with local stakeholders in 2022 and made significant community investments in health, education and training.

The full 2022 ESG Report is available for download in English and Spanish at: www.discoverysilver.com/sustainability

SELECTED FINANCIAL DATA:

The following selected financial data is summarized from the Company's consolidated financial statements and related notes thereto (the "Financial Statements") for the quarter ended September 30, 2023, and the Management's Discussion and Analysis ("MD&A") for the quarter ended September 30, 2023.

A copy of the Financial Statements and MD&A is available at www.discoverysilver.com or on SEDAR at www.sedarplus.ca.

	Q3 2023	Q3 2022
Net loss		
(a) Total	\$ (2,207,479)	\$ (5,550,164)
(b) basic and diluted per share	\$ (0.01)	\$ (0.02)
Net loss & total comprehensive loss	\$ (3,059,766)	\$ (4,993,977)
Total weighted average shares outstanding	395,720,230	349,402,721

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 59,931,068	\$ 46,220,938
Total assets	\$ 150,770,808	\$ 91,583,326
Total current liabilities	\$ 13,327,861	\$ 1,964,868
Working capital ⁽²⁾	\$ 59,402,439	\$ 53,081,932
Total Shareholders' equity	\$ 132,902,518	\$ 89,158,070

(2) Non-GAAP measure defined as current assets less current liabilities from the Company's consolidated financial statements.

About Discovery

Discovery's flagship project is its 100%-owned Cordero project, one of the world's largest silver deposits. The PFS completed in January 2023 demonstrates that Cordero has the potential to be developed into a highly capital efficient mine that offers the combination of margin, size and scalability. Cordero is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico.

On Behalf of the Board of Directors,
Tony Makuch, P.Eng
President, CEO & Director

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1 TECHNICAL NOTES & REFERENCES:

Drill results: all drill results in this news release are rounded. Assays are uncut and undiluted. Widths are drilled widths, not true widths, as a full interpretation of the actual orientation of mineralization is not complete. As a guideline, intervals with disseminated mineralization were chosen based on a 25 g/t AgEq cutoff with no more than 10 m of dilution. AgEq calculations are used as the basis for total metal content calculations given Ag is the dominant metal constituent as a percentage of AgEq value in approximately 70% of the Company's mineralized intercepts. AgEq is calculated as $Ag(g/t) + 18.39 \times Au(g/t) + 30.81 \times Pb(\%) + 36.54 \times Zn(\%)$. This calculation is based on metal prices of USD \$22.00/oz Ag, \$1,600/oz Au, \$1.00/lb Pb, \$1.20/lb Zn and life-of-mine average recovery assumptions from the 2023 Pre-Feasibility Study of 87% for Ag, 22% for Au, 86% for Pb and 85% for Zn.

Sample analysis and QA/QC Program

The true width of the veins is estimated to be approximately 70% of the drilled width. Assays are uncut except where indicated. All core assays are from HQ drill core unless stated otherwise. Drill core is logged and sampled in a secure core storage facility located at the project site 40km north of the city of Parral. Core samples from the program are cut in half, using a diamond cutting saw, and are sent to ALS Geochemistry-Mexico for preparation in Chihuahua City, Mexico, and subsequently pulps are sent to ALS Vancouver, Canada, which is an accredited mineral analysis laboratory, for analysis. All samples are prepared using a method whereby the entire sample is crushed to 70% passing -2mm, a split of 250g is taken and pulverized to better than 85% passing 75 microns. Samples are analyzed for gold using standard Fire Assay-AAS techniques (Au-AA24) from a 50g pulp. Over limits are analyzed by fire assay and gravimetric finish. Samples are also analyzed using thirty three-element inductively coupled plasma method ("ME-ICP61"). Over limit sample values are re-assayed for: (1)

values of zinc > 1%; (2) values of lead > 1%; and (3) values of silver > 100 g/t. Samples are re-assayed using the ME-OG62 (high-grade material ICP-AES) analytical package. For values of silver greater than 1,500 g/t, samples are re-assayed using the Ag-CON01 analytical method, a standard 30 g fire assay with gravimetric finish. Certified standards and blanks are routinely inserted into all sample shipments to ensure integrity of the assay process. Selected samples are chosen for duplicate assay from the coarse reject and pulps of the original sample. No QAQC issues were noted with the results reported herein.

Qualified Person

Gernot Wober, P.Geo, VP Exploration, Discovery Silver Corp., is the Company's designated Qualified Person for this news release 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 in this news release is accurate.

The most recent technical report for the Cordero Project is the 2023 Preliminary Feasibility Study for the Company's Cordero project. The report was completed by Ausenco with support from AGP, Knight Piésold and Hard Rock and is available on Discovery's website and on SEDAR under Discovery Silver Corp.

FORWARD-LOOKING STATEMENTS:

Neither TSX Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this release.

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This news release may include forward-looking statements that are subject to inherent risks and uncertainties. All statements within this news release, other than statements of historical fact, are to be considered forward looking. Although Discovery believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those described in forward-looking statements. Statements regarding the results of the pre-feasibility study and the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the 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 Project. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in the results of the pre-feasibility study 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. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those described in forward-looking statements include fluctuations in market prices, including metal prices, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Discovery does not assume any obligation to update any forward-looking statements except as required under applicable laws. The risks and uncertainties that may affect forward-looking statements, or the material factors or assumptions used to develop such forward-looking information, are described under the heading "Risks Factors" in the Company's Annual Information Form dated March 30, 2023, which is available under the Company's issuer profile on SEDAR at www.sedarplus.ca.