NEWS RELEASE

Discovery Reports Second Quarter 2024 Financial Results

2024-08-20

August 13, 2024, Toronto, Ontario – Discovery Silver Corp. (TSX: DSV, OTCQX: DSVSF) ("Discovery" or the "Company") today announced financial results for the three months ("Q2 2024") and six months ("YTD 2024") ended June 30, 2024. The Company also provided a summary of key events in 2024 related to Discovery's 100%-owned Cordero silver project ("Cordero" or the "Project") in Chihuahua State, Mexico. All figures are stated in Canadian dollars unless otherwise noted.

Tony Makuch, CEO, commented: "Discovery's most significant milestone to date in 2024 was the release of the Cordero feasibility study (the "Feasibility Study") results in February and subsequent filing of the technical report at the end of the first quarter. The Feasibility Study clearly established Cordero as one of the world's largest and most valuable silver development projects with a reserve of 302 million ounces of silver, expected annual silver equivalent ("AgEq")[1] production of 37 million ounces ("Moz") over the first 12 years, low unit costs in the bottom half of the industry cost curve that will drive attractive economic returns and tremendous leverage to higher silver prices.

"Two very important components of the Cordero project are the substantial socio-economic benefits the Project will deliver to Mexico, and the contribution Cordero can make in supporting the country's efforts to link sustainable development and energy transition. For Mexico, Cordero means the creation of thousands of high-quality jobs that pay well above average wages, considerable training and skills development that will have multi-generational benefits and billions of dollars in investment, local purchasing and tax revenue. In terms of energy transition, we want to make Cordero the mine of the future, with our goal being to establish the Project as one of the lowest carbon footprint open-pit mines in the world. To achieve our goal, and as part of our ongoing efforts to optimize the Project, we are evaluating the use of solar farms, battery electric vehicles, trolley assist using electrification, the installation of 5G Wireless Networks for automation and digitization and investments in AI applications wherever possible.

"Finally, as we continue to work through the permitting process, we have progressed with our 2024 work program, which is primarily aimed at further de-risking the Project. We are also advancing project finance discussions with multiple banks, investment firms, corporations and other financial entities and have been very pleased with the level of interest in supporting our world-class silver asset."

FEASIBILITY STUDY HIGHLIGHTS:

- Feasibility Study: Results of the Feasibility Study for Cordero were released on February 20, 2024.
  - Large-scale, long-life, low-cost production: 19-year life-of-mine ("LOM") with average annual production of 37 Moz AgEq in Years 1 – 12, and average all-in sustaining costs[2] under US$12.50 per AgEq ounce in

Years 1 – 8.

- Attractive returns: Net present value ("NPV5%") of US$1.2 billion at US$22 per ounce silver, which increases to US$2.2 billion in Year 4 when the Project reaches final completion to 51,000 tonnes per day.

- Tremendous leverage to silver prices: NPV5% increases 50%, to US$1.8 billion, using current metal prices as of August 12, 2024[3] and grows to US$2.8 billion in Year 4 (4.6x initial capital expenditures).

- Substantial benefits for Mexico: Total investment of US$1.4 billion (including a US$606 million initial investment), 2,500 direct jobs created during construction, peak employment of over 1,000 direct jobs during operation, an estimated US$4 billion of goods and services purchased and expected tax payments of approximately US$1.9 billion within Mexico (at current metal prices as of August 12, 2024).

- Industry-leading environmental standards: Third-party reviews of proposed environmental practices completed to ensure compliance with industry-leading standards; US$130 million budgeted for site restoration and rehabilitation; and significant investment to promote green energy sources and to bring infrastructure and technology to improve water treatment with treated water to be the primary source of water for the Project.

1. Please see the Technical Disclosure section of this news release for more information related to AgEq production.
2. Non-GAAP Measure. Please see the Technical Disclosure and Non-GAAP Measures sections of this news release.
3. Current spot metal prices as at August 12, 2024 include silver: US$27.95 per ounce; gold: US$2,473 per ounce, zinc: US$1.25 per pound and lead: US$0.93 per pound versus Feasibility Study prices of silver: US$22.00 per ounce; gold: US$1,600 per ounce; zinc: US$1.20 per pound; lead: US$1.00 per pound.

SELECTED FINANCIAL DATA:

The following selected financial data is summarized from the Company's unaudited condensed interim consolidated financial statements and related notes thereto (the "Financial Statements") and the Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2024.

The Company's Financial Statements and MD&A are available at **www.discoverysilver.com** and on SEDAR+ at **www.sedarplus.ca**.

	Q2 2024	Q2 2023	**YTD 2024**	YTD 2023
Net Loss	**$ (7,031,192)**	$ (3,879,721)	**$ (7,711,998)**	$ (7,879,439)
Basic and diluted per share	**$ (0.02)**	$ (0.01)	**$ (0.02)**	$ (0.02)
Total comprehensive income (loss)	**$ (8,641,529)**	$ (3,459,046)	**$ (7,523,449)**	$ (6,803,694)
Total weighted average shares outstanding	**397,569,644**	386,471,109	**396,771,480**	369,456,049

	June 30, 2024	December 31, 2023
Cash and cash equivalents	**$ 37,047,745**	$ 58,944,459
Total assets	**$ 131,820,290**	$ 146,065,998
Total current liabilities	**$ 5,804,894**	$ 12,168,225
Working capital[(1)]	**$ 35,854,244**	$ 49,691,371
Total shareholders' equity	**$ 124,552,747**	$ 129,421,106

(1) Defined as current assets less current liabilities from the Company's consolidated financial statements.

About Discovery

Discovery is a precious metals company engaged in the acquisition, development and operation of high-quality assets. The Company's flagship asset is its 100%-owned Cordero project, one of the world's largest undeveloped

silver deposits, which is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico. The Feasibility Study completed in February 2024 demonstrates that Cordero has the potential to be developed into a large-scale, long-life project that generates attractive economic returns and delivers substantial socio-economic benefits for local stakeholders. In developing and operating the Project, an important priority will be maximizing the use of green energy sources, such as electric vehicles and solar power, with the Company's objective being to establish Cordero as one of the lowest carbon footprint open-pit mines globally.

On Behalf of the Board of Directors,

Tony Makuch, P.Eng
President, CEO & Director

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Qualified Person

Gernot Wober, P.Geo, VP Exploration, Discovery Silver Corp. and Pierre Rocque, P.Eng., an independent consultant to the Company, both "Qualified Persons" as such term is defined in NI 43-101, are the Company's designated Qualified Persons for this news release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Wober and Mr. Rocque have reviewed and validated that the information contained in this news release is accurate.

Technical Disclosure

- The Feasibility Study project team was led by Ausenco Engineering Canada ULC ("Ausenco"), with support from AGP Mining Consultants Inc. ("AGP"), WSP USA Inc. ("WSP") and RedDot3D Inc.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- A full technical report has been prepared in accordance with NI 43-101 and was filed on SEDAR on March 28, 2024.
- AgEq produced is metal recovered in concentrate. AgEq payable is metal payable from concentrate. AgEq produced and AgEq payable are calculated as Ag + (Au x 72.7) + (Pb x 45.5) + (Zn x 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.
- AISC is calculated as: [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + Concentrate Penalties + Sustaining Capital (excluding $37M of capex for the initial purchase of mining fleet in Year 1)] / Payable AgEq ounces.

NON-GAAP MEASURES:

The Company has included certain non-GAAP performance measures and ratios 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. Total cash costs per ounce, all-in sustaining costs, and free cash flow, are all forward-looking non-GAAP financial measures or ratios. As the Cordero Project is not in production, these prospective non-GAAP

financial measures or ratios may not be reconciled to the nearest comparable measure under IFRS and there is no equivalent historical non-GAAP financial measure or ratio for these prospective non-GAAP financial measures or ratios. Each non-GAAP financial measure and ratio used herein is described in more detail below.

TOTAL CASH COSTS

The Company calculated total cash costs per ounce by dividing the sum of operating costs, royalty costs, production taxes, refining and shipping costs, net of by-product silver credits, by payable ounces. While there is no standardized meaning of the measure across the industry, the Company believes that this measure is useful to external users in assessing operating performance.

ALL-IN SUSTAINING COSTS

The Company has provided an all-in sustaining costs performance measure that reflects all the expenditures that are required to produce an ounce of silver from operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its updated Guidance Note issued in 2018. The Company believes that this measure is useful to external users in assessing operating performance and the Company's ability to generate free cash flow from current operations. Subsequent amendments to the guidance have not materially affected the figures presented.

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 flows from its mineral projects.

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 does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

Cautionary Note Regarding Forward-Looking Statements

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 include but are not limited to the feasibility of the Project and its attractive economics and significant exploration upside; construction decision and development of the Project, timing and results of the feasibility study and the anticipated capital and operating costs, sustaining costs, net present value, internal rate of return, the method of mining the Project, payback period, process capacity, average annual metal production, average process recoveries, concession renewal, permitting of the Project, anticipated mining and processing methods, 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, the completion of key de-risking items, including the timing of receipt permits, availability of water and power, availability of labour, job creation and other local economic benefits, tax rates and commodity prices that would support development of the Project, and other statements that express management's expectations or estimates of future performance, operational, geological or financial results Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in the results of the 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, the actual results of current and future exploration activities; changes to current estimates of mineral reserves and mineral resources; conclusions of economic and geological evaluations; changes in project parameters as plans continue to be refined; the speculative nature of mineral exploration and development; risks in obtaining and maintaining necessary licenses, permits and authorizations for the Company's development stage and operating assets; operations may be exposed to new diseases, epidemics and pandemics, including any ongoing or future effects of COVID-19 (and any related ongoing or future regulatory or government responses) and its impact on the broader market and the trading price of the Company's shares; provincial and federal orders or mandates (including with respect to mining operations generally or auxiliary businesses or services required for operations) in Mexico, all of which may affect many aspects of the Company's operations including the ability to transport personnel to and from site, contractor and supply availability and the ability to sell or deliver mined silver; changes in national and local government legislation, controls or regulations; failure to comply with environmental and health and safety laws and regulations; labour and contractor availability (and being able to secure the same on favourable terms); disruptions in the maintenance or provision of required infrastructure and information technology systems; fluctuations in the price of gold or certain other commodities such as, diesel fuel, natural gas, and electricity; operating or technical difficulties in connection with mining or development activities, including geotechnical challenges and changes to production estimates (which assume accuracy of projected ore grade, mining rates, recovery timing and recovery rate estimates and may be impacted by unscheduled maintenance); changes in foreign exchange rates (particularly the Canadian dollar, U.S. dollar and Mexican peso); the impact of inflation; geopolitical conflicts; employee and community relations; the impact of litigation and administrative proceedings (including but not limited to mining reform laws in Mexico) and any interim or final court, arbitral and/or administrative decisions; disruptions affecting operations; availability of and increased costs associated with mining inputs and labour; delays in construction decisions and any development of the Project; changes with respect to the intended method of mining and processing ore from the Project; inherent risks and hazards associated with mining and mineral processing including environmental hazards, industrial accidents, unusual or unexpected formations, pressures and cave-ins; the risk that the Company's mines may not perform as planned; uncertainty with the Company's ability to secure additional capital to execute its business plans; contests over title to properties; expropriation +or nationalization of property; political or economic

developments in Canada and Mexico and other jurisdictions in which the Company may carry on business in the future; increased costs and risks related to the potential impact of climate change; the costs and timing of exploration, construction and development of new deposits; risk of loss due to sabotage, protests and other civil disturbances; the impact of global liquidity and credit availability and the values of assets and liabilities based on projected future cash flows; risks arising from holding derivative instruments; and business opportunities that may be pursued by the Company. 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 28, 2024, which is available under the Company's issuer profile on SEDAR+ at **www.sedarplus.ca**.