NEWS RELEASE

Discovery completa la adquisición del complejo Porcupine y se convierte en un nuevo productor de oro con sede en Canadá

2025-04-20

- Growing gold production in one of the world's most prolific mining camps
- Large Mineral Resource base with substantial exploration upside
- A management team with extensive experience working in the Timmins Camp
- Increased financial strength following closing of $575 million financing package

April 16, 2025, Toronto, Ontario - Discovery Silver Corp. (TSX: DSV, OTCQX: DSVSF) ("Discovery" or the "Company") today reported the completion of the previously announced acquisition (the "Transaction") of Newmont Corporation's ("Newmont") Porcupine Operations (the "Porcupine Complex" or "Porcupine") based in and near Timmins, Ontario, Canada. All dollar amounts in this press release are in US dollars unless otherwise specified.

Tony Makuch, Discovery's CEO, commented: "With the closing of the Porcupine acquisition, Discovery moves forward as a diversified North American precious metals company, combining growing gold production in a highly prolific gold camp in Northern Ontario, Canada, with our Cordero project, one of the world's largest silver development projects based on reserves and expected production.

"The Porcupine Complex has produced approximately 70 million ounces of gold since 1910. Included in acquired Porcupine assets are:

- Hoyle Pond: One of the North America's highest grade gold mines with over four million ounces produced since 1987 and an excellent track record for replacing reserves;
- Borden: A relatively new mine at the centre of a 1,000 km^2 land position where there is potential to extend the existing mining zones and where there has been very little exploration outside of the current mining area;

- Pamour: An open-pit project that is currently commencing production and has the potential to become much larger through drilling to depth and in multiple directions;
- Dome Mine: One of the pillars of Canada's gold mining history, where there remains a large mineral resource and substantial exploration upside; and,
- Dome Mill: A large-scale, central processing facility currently operating below capacity levels and with significant growth potential to accommodate increased production.

"Our recently released technical report (the "Report") estimated average annual production of over 285,000 ounces of gold for the next 10 years, with total production extending to 2046. We expect to improve on the estimates in the Report by investing in the assets to grow production, extend mine life and lower costs at existing operations. We also have a strong commitment to exploration, with there being multiple attractive drill targets at each asset and significant regional exploration potential.

"Looking ahead, our aim is to re-establish Porcupine as a Tier 1 asset in the global gold industry, one that meets the highest operating standards and achieves excellence in all aspects of responsible mining. Our efforts will be supported by a strong balance sheet, with approximately C$240 million ($170 million) having been added to our cash position through our recent financings. As a management team, we know Porcupine well, have a solid understanding of the opportunities that exist, and are looking forward to getting started."

As consideration for the Transaction, Discovery has paid an affiliate of Newmont $200 million of cash and issued approximately 119.7 million Discovery common shares, resulting in Newmont owning an approximate 15.0% interest in the Company. In addition, the Company will pay to Newmont $150 million in deferred cash consideration to be paid in four annual payments of $37.5 million commencing on December 31, 2027.

To fund the acquisition and expected capital expenditures and working capital requirements at Porcupine, and for general corporate and working capital purposes, Discovery has completed financings for $575 million (the "Financing Package"). Details of the Financing Package are provided in the press release entitled, "Discovery Announces Transformational Acquisition of Newmont's Porcupine Complex," issued on January 27, 2025, which is available at **www.discoverysilver.com** and under the Company's profile at SEDAR+ (**www.sedarplus.ca**).

Exchange of Subscription Receipts

As part of the Financing Package, on February 3, 2025, Discovery completed a "bought deal" public offering (the "Offering") of 275,000,000 subscription receipts (the "Subscription Receipts") for aggregate gross proceeds of C$247.5 million (approximately $175 million) pursuant to a prospectus supplement dated January 29, 2025 to the Company's short form base shelf prospectus dated March 23, 2023.

With the closing of the Transaction, the common shares of Discovery issuable pursuant to the 275,000,000 Subscription Receipts will be automatically issued through the facilitates of CDS Clearing and Depository Services Inc. in accordance with the terms of the Subscription Receipts, as applicable, on a one-for-one basis.

Consistent with established Toronto Stock Exchange ("TSX") guidelines, trading in the Subscription Receipts on the TSX (TSX: DSV.R) will be halted effective prior to the opening of trading on the TSX today (April 16, 2025), and the Subscription Receipts will be delisted as at the close of business today.

Discovery Capital Structure

With the completion of the Transaction, and following the execution of all financing agreements, Discovery capital structure includes 797.5 million common shares outstanding, with existing shareholders prior to the Transaction owning approximately 50.5% of the pro forma shares outstanding, excluding any new common shares acquired by existing shareholders via the Offering.

After receipt of all cash from the Financing Package, Discovery's cash position has increased approximately C$240 million ($170 million), with a $100 million senior debt facility with Franco-Nevada remaining undrawn.

NEW LOGO

With the closing the Porcupine acquisition, the Company today launched a new logo, with the "DISCOVERY" name in blue and the letter "V" including both gold and silver. The logo highlights Discovery's position as a growing North American precious metals company providing shareholders with significant exposure to both gold and silver prices.



USE OF PEA ESTIMATES

All operating estimates in this press release related to the Porcupine Complex are taken from the technical report entitled, "Porcupine Complex, Ontario, Canada, Technical Report on Preliminary Economic Assessment" (the "PEA"), filed under the Company's profile at SEDAR+ (**www.sedarplus.ca**) on January 28, 2025 and available on Discovery's website at **www.discoverysilver.com**. The 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.

ABOUT DISCOVERY

Discovery is a growing North American-focused precious metals company. The Company has exposure to silver through its first asset, the 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. On April 15, 2025, Discovery completed the acquisition of the Porcupine Complex from Newmont Corporation, transforming the Company into a new Canadian gold producer with multiple operations in one of the world's most renowned gold camps in and near Timmins, Ontario. Discovery owns a dominant land position within the camp, with a large base of Mineral Resources remaining and substantial growth and exploration upside.

On Behalf of the Board of Directors,

Tony Makuch, P.Eng
President, CEO & Director

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QUALIFIED PERSONS

Mr. Pierre Rocque, P.Eng. and Eric Kallio, P.Geo., "Qualified Persons" as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, have reviewed and approved the scientific and technical information included in this press release.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking information.

When used in this press release, the words "estimate", "plan", "continue", "anticipate", "might", "expect", "project",

"intend", "may", "will", "shall", "should", "could", "would", "predict", "predict", "forecast", "pursue", "potential", "believe" and similar expressions are intended to identify forward-looking information. This information involves 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 future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information pertaining to, without limitation, statements with respect to: the upside potential of Porcupine; the operational and financial estimates included in the PEA; the potential to improve on the PEA estimates, including the potential to increase production, reduce costs and extend mine life at the Hoyle Pond and Borden underground mines, optimize and expand the Pamour open-pit project and complete the work needed to upgrade existing mineral resources, as well as identify new mineral resources, at Dome Mine; regional exploration potential; investing to re-establish Porcupine as a Tier 1 asset in the global gold industry; the ability to generate substantial value for all stakeholder groups; the timing related to the exchange of Subscription Receipts for underlying common shares, the trading halt and subsequent delisting of the Subscription Receipts and the listing of the underlying common shares; other statements relating to the financial and business prospects of the Company; information as to the Company's strategy, plans or future financial or operating performance; and other events or conditions that may occur in the future.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include, among others: the Company's ability to obtain the anticipated benefits from the Transaction; the Company's ability to integrate Porcupine into the Company's operations; the accuracy of financial and operational estimates for Porcupine; the ability to repay the debt financing components of the Franco-Nevada Financing Package; statements or information concerning the future financial or operating performance of the Company and its business, operations, properties and condition, resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone; potential expansion of mineralization; the timing and results of future resource and/or reserve estimates; the timing of other exploration and development plans at the Company's mineral project interests; the proposed timing and amount of estimated future production and the illustrative costs thereof; requirements for additional capital; environmental risks; general business and economic conditions; delays in obtaining, or the inability to obtain, third-party contracts, equipment, supplies and governmental or other approvals; changes in law, including the enactment of mining law reforms in Mexico; accidents; labour disputes; unavailability of appropriate land use permits; changes to land usage agreements and other risks of the mining industry generally; the inability to obtain financing required for the completion of exploration and development activities; changes in business and economic conditions; international conflicts; other factors beyond the Company's control; and those factors included herein and elsewhere in the Company's public disclosure.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. See the section "Risk Factors" in the Company's annual information form dated as of March 26, 2025, for the financial year ended December 31, 2024, for additional risk factors that could cause results to differ materially from forward-looking statements.

There can be no assurance that such information will prove to be accurate as actual developments or events could cause results to differ materially from those anticipated. These include, among others, the factors described or referred to elsewhere herein, and include unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control.

The forward-looking information included in this press release is expressly qualified by the foregoing cautionary statements. Readers of this press release are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, unless required under applicable laws. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this press release.