DISCOVERY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2025 and 2024

Dated May 13, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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, 2025 and 2024 (the "Interim Financial Statements") which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Additional information relating to the Company, including the most recent Annual Information Form ("AIF") for the year ended December 31, 2024, and the Company's audited consolidated financial statements for the year ended December 31, 2024 (the "Consolidated Financial Statements"), are available on SEDAR+ at www.sedarplus.ca. The information provided herein supplements, but does not form part of, the Interim Financial Statements and includes financial and operational information from the Company's subsidiaries.

This document contains forward-looking statements and forward-looking information. Refer to the cautionary language under the section entitled "Cautionary Statement on Forward-Looking Statements" in this MD&A. All dollar ($) amounts are expressed in Canadian dollars ("CAD"), the Company's reporting currency, except where otherwise noted. References to United States dollars are denoted as ("USD"). 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, 2025, unless otherwise stated.

Discovery uses non-GAAP (generally accepted accounting principles) performance measures throughout this MD&A as it believes that these generally accepted industry performance measures provide a useful indication of the Company's operational performance. These non-GAAP performance measures do not have standardized meanings defined by IFRS Accounting Standards and may not be comparable to information in other Company reports and filings. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS Accounting Standards.

The non-GAAP performance measures can include – cash cost per gold and/or silver equivalent payable ounce, working capital, all-in sustaining cost per gold and/or silver equivalent payable ounce ("AISC"), and free cash flow. For further information, refer to the section entitled "Financial Information and Non-GAAP Measures" in this MD&A.

HIGHLIGHTS OF Q1 2025

- Discovery announced the transformational acquisition of the Porcupine Complex (the "Complex") on January 27, 2025, which establishes the Company as a new Canadian gold producer in and near Timmins, Ontario, Canada. The transaction closed on April 15, 2025.
- Agreements for a USD$575 million financing package (the "Financing Package") were also announced on January 27, 2025, including USD$475 million of royalty and equity financing and a USD$100 million senior debt facility ("Debt Facility"), which remains undrawn. The Financing Package also closed on April 15, 2025.
- On March 19, 2025, the Company achieved a significant milestone with the acquisition of 66 hectares of land near the planned location of the Cordero processing plant. With this acquisition, Discovery now owns 100% of the land required to advance Cordero into development.

DESCRIPTION OF BUSINESS

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 producer with assets in Canada and Mexico. The Company is principally engaged in the exploration, development and operation of mineral properties that have demonstrated potential for profitable operations and for generating attractive returns for all stakeholders. Discovery's first asset is the 100%-owned Cordero silver development-stage project ("Cordero" or the "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 that is capable of generating 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 ("Manifesto de Impacto Ambiental" or "MIA") currently being reviewed by the Mexican Government's department of natural resources and environment ("Secretaría de Medio Ambiente y Recursos Naturales or "SEMARNAT").

On April 15, 2025, the Company completed the acquisition ("Porcupine Acquisition" or "Acquisition") of the Porcupine Complex (the "Porcupine Operations" or "Porcupine") from Newmont Corporation ("Newmont"). The Acquisition establishes Discovery as a new Canadian-based gold producer, with multiple operations, a large base of Mineral Resources and substantial potential for growth in one of the world's most prolific gold camps. With the closing of the Acquisition, the Company will report gold production, and related costs, from the Porcupine Operations commencing in the second quarter of 2025.

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 third consecutive year in 2024; receiving CEMEFI's Best Environmental Practices distinction for the first time 2024; and being awarded the two-year Quality Environmental Certification from Mexico's Federal Attorney's Office for Environmental Protection or "PROFEPA" in November 2023. The Company also supports energy transition, with plans to increase the use of electric vehicles and other 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.

PORCUPINE ACQUISITION

With the closing of the Porcupine Acquisition on April 16, 2025, the Company paid to Newmont consideration at closing including USD$200 million in cash and USD$75 million through the issuance of 119.7 million common shares of Discovery. In addition, deferred consideration will be provided to Newmont totaling USD$150 million to be paid in four annual cash payments of USD$37.5 million commencing on December 31, 2027.

To fund the Acquisition and provide liquidity in support of operating and growing the Porcupine Operations, Discovery completed the USD$575 million Financing Package, which included USD$400 million related to royalty and debt agreements with Franco-Nevada Corporation ("Franco-Nevada"), and approximately USD$175 million (C$247.5 million) from a bought deal public offering of subscription receipts (the "Public Offering"), which closed on February 3, 2025. Included in the $400 million from Franco-Nevada were: $200 million related to a 2.25% life-of mine net smelter return ("NSR") royalty, $100 million from a 2.00% NSR repayable royalty and $100 million related to a senior debt facility. Under terms of the Debt Facility, the Company issued to Franco-Nevada 3,900,000 share purchase warrants, exercisable at $0.95 with a three-year expiry. 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.

Pursuant to the terms of the Public Offering, the Company issued an aggregate of 275,000,000 Subscription Receipts at an issue price of C$0.90 per Subscription Receipt, for gross proceeds of $247,500,000, which included 25,000,000 Subscription Receipts issued pursuant to the exercise, in full, of the over-allotment option granted to the underwriters of the Public Offering. Upon closing of the Public Offering, the common shares of Discovery issuable pursuant to the 275,000,000 Subscription Receipts were 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. The Subscription Receipts were delisted at the close of business on April 16, 2025.

Prior to the closing of the Acquisition, Porcupine was transferred into a newly formed corporation, Dome Mine Ltd. pursuant to an asset purchase agreement. On closing of the Transaction, all of the issued and outstanding common shares of Dome Mine Ltd. were sold to Discovery pursuant to a share purchase agreement.

PORCUPINE OVERVIEW

The Porcupine Operations of Discovery cover approximately 1,400 km^2 in and near Timmins, Ontario. Porcupine consists of the Hoyle Pond, Pamour and Hollinger mine properties, the Dome mine property and milling facility (collectively "Dome"), and numerous near-mine and regional exploration targets in and around Timmins, Ontario. The Complex also includes the Borden mining operation and large, highly prolific, land position near Chapleau, Ontario. Current operations include the Hoyle Pond and Borden underground mines, with production at the Pamour open-pit project expected to ramp up throughout 2025. All mineralization from the operating mines is treated at Dome, including mineralization from Borden, which is trucked 190 km to the Dome Mill.

Based on the recent technical report (the "Technical Report"), annual production at Porcupine is expected to average over 285,000 ounces of gold for the next 10 years, with total production extending to 2046. Discovery expects to improve on the estimates in the Technical Report through investment in the assets to grow production, extend mine life and lower costs at existing operations. The Company also plans extensive exploration drilling, with there being multiple attractive drill targets at each asset and significant regional exploration potential.

Key highlights of the Porcupine Operations and their upside potential are provided below.

- Hoyle Pond: A high-grade gold mine that has produced over four million ounces of gold since 1987 and, over that period, has established a solid track record for replacing reserves.
- Borden: A relatively new mine at the centre of a 1,000 km^2 land position with potential to extend existing mining zones and where there has been limited exploration outside of the current mining area.
- Pamour: A new open-pit operation with a 22-year mine life with growth potential through exploration success.
- Dome Mine: A century-old gold producer where there remains a large mineral resource and exploration upside.
- Dome Mill: A central processing facility currently operating below capacity levels and with significant growth potential to accommodate increased production.

CORDERO OVERVIEW

The Cordero Project was acquired by Discovery in 2019. Since that time, significant exploration drilling and technical analysis has been completed, 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 that is capable of generating substantial free cash flow and attractive economic returns.

Key highlights of the Feasibility Study include:

- Average annual production of 37 million silver equivalent ounces ("AgEq") over the first 12 years with a total project life of 19 years;
- All-in sustaining costs averaging below USD$12.50 per AgEq ounce in Years 1 – 8;
- Base-case after-tax net present value ("NPV") of USD$1.2 billion (Base-case metal prices: Silver – $22.00 per ounce; Gold – USD$1,600 per ounce; Zinc – USD$1.20 per ounce; Lead – USD$1.00 per ounce);
- Initial capital expenditures of USD$606 million (resulting in a NPV to capital ratio of 2:1);
- Large-scale Mineral Reserve totaling 302 million ounces of silver, 840,000 ounces of gold, 5.2 billion pounds of zine and 3.0 billion pounds of lead;
- Important socio-economic contribution to Mexico, including significant job creation and billions of dollars in investment, local procurement and tax payments; and,
- High levels of environment responsibility and a commitment to contributing to the management of key social issues such as carbon reduction and water quality and availability.

<u>First Quarter 2025 Highlights</u>

On March 19, 2025, the Company achieved a significant milestone with the acquisition of 66 hectares of land near the planned location of the Cordero processing plant. With this acquisition, Discovery now owns 100% of the land required to advance Cordero into development.

OUTLOOK

With the closing of the Porcupine Acquisition on April 15, 2025, Discovery has transformed into a diversified North American-focused precious metals producer combining growing gold production in Northern Ontario, Canada, with one of the world's largest silver development projects in Chihuahua State, Mexico. Beginning in the second quarter of 2025, the Company will report gold production from the Hoyle Pond and Borden underground mines, as well as from the ramp up of gold production from the Pamour open-pit project.

Key priorities for the Porcupine Operations over the balance of 2025 include:

- Implementing investment plans aimed at growing mining rates, increasing production levels and lowering unit costs at Hoyle Pond and Borden;
- Ensuring the successful ramp up of production at Pamour;
- Completing work at Dome to evaluate the large Inferred Mineral Resource and the potential to resume mining operations; and,
- Advancing numerous exploration opportunities at each of the operating sites, as well as at regional targets.

In addition, the Company plans to complete sufficient work during 2025 to file a pre-feasibility study ("PFS") for the Porcupine Operations with an effective date of December 31, 2025. The PFS is expected to include performance guidance measures for 2026. During 2025, the Company is focused on completing the transition process, including optimizing management structures, integrating systems and commencing investment and exploration programs.

As of the date of this MD&A, the Company is well capitalized to fund growth and optimization plans for Porcupine and current expenditure plans at Cordero with total cash of approximately $250 million, and an undrawn US$100 million Debt Facility. The current cash position mainly reflects the addition of US$475 million of cash through the recently completed royalty and equity financings, net of the US$200 million cash consideration paid for Porcupine at closing, transaction and other related costs and cash collateral required for closure obligation bonding requirements.

Through the issuance of common shares to Newmont as equity consideration for the Porcupine Acquisition, as well as the issuance of 275 million common shares to holders of the Subscription Receipts through the Public Offering, the Company's total common shares outstanding increased from 400.5 million at December 31, 2024 to approximately 801.4 million as at the date of this MD&A.

In Mexico, following release of the Cordero FS, the Company has conducted a limited work program aimed at further advancing and de-risking the Project. The program has included engineering and design work, additional permitting, the acquisition or lease of additional surface rights where appropriate, and the continuation of the Company's ESG and community outreach programs.

With the completion of the land acquisition program in March 2025, the next major milestone for the Cordero will be approval of the Company's Environmental Impact Assessment or MIA by SEMARNAT, which was submitted in August 2023. The MIA passed SEMARNAT's legal review soon after its submission and was advanced for technical review. As of the date of this MD&A, the Company had yet to receive a ruling on the technical review of the MIA. Based on favourable developments in Mexico since President Claudia Sheinbaum assumed office on October 1, 2024, including public comments acknowledging the importance of foreign investment projects and the mining industry to the country's economy, the Company remains confident that Cordero will receive MIA approval.

(Expressed in Canadian dollars, except where otherwise noted)

SUMMARIZED FINANCIAL RESULTS

Summary of Quarterly Results

		Q1 2025		Q4 2024		Q3 2024		Q2 2024
Net loss	**$**	**(9,257,501)**	$	(7,918,235)	$	(5,265,159)	$	(7,031,192)
Basic and diluted loss per share	**$**	**(0.02)**	$	(0.02)	$	(0.01)	$	(0.02)
Total comprehensive loss	**$**	**(8,395,735)**	$	(7,419,994)	$	(8,647,141)	$	(8,641,529)
Cash and cash equivalents	**$**	**15,115,274**	$	29,310,579	$	33,442,223	$	37,047,745
Total assets	**$**	**115,472,961**	$	122,882,786	$	125,095,052	$	131,820,290
Total current liabilities	**$**	**7,977,528**	$	8,607,312	$	6,224,929	$	5,804,894
Total non-current liabilities	**$**	**2,196,810**	$	2,287,261	$	1,262,711	$	1,462,649
Working capital(1)	**$**	**11,212,723**	$	24,397,116	$	30,899,454	$	35,854,244
Total weighted average shares outstanding		**401,122,298**		400,414,988		397,696,018		397,569,644

		Q1 2024		Q4 2023		Q3 2023		Q2 2023
Net loss		(680,805)	$	(5,665,597)	$	(2,207,479)	$	(3,879,721)
Basic and diluted loss per share	$	(0.00)	$	(0.01)	$	(0.01)	$	(0.01)
Total comprehensive income (loss)	$	1,118,080	$	(4,539,860)	$	(3,059,766)	$	(3,459,046)
Cash and cash equivalents	$	50,704,880	$	58,944,459	$	59,931,068	$	68,168,006
Total assets	$	147,418,451	$	146,065,998	$	150,770,808	$	149,199,876
Total current liabilities	$	11,443,293	$	12,168,225	$	13,327,861	$	11,057,495
Total non-current liabilities	$	4,554,476	$	4,476,667	$	4,540,429	$	4,599,065
Working capital(1)	$	42,866,483	$	49,691,371	$	59,402,439	$	65,661,086
Total weighted average shares outstanding		395,973,316		395,747,953		395,720,230		386,471,109

(1) Working capital is an additional GAAP measure defined as current assets less current liabilities and calculated directly from the Company's Statement of Financial Position in its interim and annual consolidated financial statements.

Q1 2025 Compared to Q1 2024

Net loss and total comprehensive loss

The Company had a total comprehensive loss of $8,395,735 during Q1 2025, compared to a total comprehensive gain of $1,118,080 for Q1 2024. The total comprehensive loss for Q1 2025 includes a non-cash currency translation adjustment ("CTA") gain of $861,766 from the translation of Discovery's Mexican subsidiaries MXP functional currency financial statements to the Company's reporting currency of CAD on consolidation (Q1 2024 – CTA gain of $1,798,885). CTA gains or losses are the result of the appreciation or depreciation of foreign currency balances in USD or MXP compared to the CAD during the period, primarily impacting the mineral property balances.

The increase in net loss during Q1 2025 compared to Q1 2024 is primarily due primarily to $5,014,243 in business development expenses incurred for the evaluation of the Porcupine Complex.

Exploration and project evaluation expense

The Company incurred exploration and project evaluation costs during Q1 2025 of $5,170, while $153,447 was spent in Q1 2024. While the Company awaits the receipt of the permit associated with the submission of the MIA, all planned regional or property-wide expenditures were postponed.

General office and other expenses

During Q1 2025, the Company incurred general office and other expenses of $7,222,564 compared to $1,941,475 during Q1 2024. The increase during Q1 2025 was a direct result of the Company pursuing corporate development opportunities.

Professional fees

During Q1 2025, the Company incurred professional fees of $662,532 compared to $504,024 during Q1 2024. This increased spend on general legal, accounting, and other consulting fees when compared to Q1 2024 was primarily related to the acquisition of the Porcupine Complex.

Interest income

The Company earned interest income of $216,656 during Q1 2025 compared to $699,881 during Q1 2024. The lower interest is due to a lower average cash balance on hand during the period and therefore a lower total being invested in interest-bearing instruments.

Foreign exchange gain

The company realized a foreign exchange gain of $182,512 during Q1 2025 compared to a gain of $1,976,289 during Q1 2024. This foreign exchange gain was primarily due to changes in MXP and USD rates against the Canadian Dollar.

Financial Position at March 31, 2025

The Company's financial position changed from Q4 2024 to Q1 2025 primarily as a result of the following movements:

Cash and cash equivalents

Cash and cash equivalents decreased from $29,310,579 at December 31, 2024 to $15,115,274 at March 31, 2025 primarily as a result of spend in G&A related to the costs incurred for the acquisition of the Porcupine Complex, as well as the payment of accrued salaries and benefits to Management and employees. In addition, the

Company acquired the final 66 hectares of land needed for Cordero, resulting in a cash outflow of approximately $2.4M.

IVA receivable

The Company classifies the IVA receivable balance as current or non-current based on the estimated timing of collection from SAT. Any returns deemed collectible within 12 months are recorded as a current receivable while any IVA estimated to be collectible after 12 months is recorded as a non-current receivable. As at March 31, 2025, the Company recorded $2,774,650 and $2,205,777 as current and non-current IVA receivables in the Statement of Financial Position. During Q1 2025, the Company received a refund of approximately $0.4 million.

Mineral properties

Mineral properties increased from $84,949,272 at December 31, 2024 to $90,249,274 primarily as a result of the acquisition of the final 66 hectares of land needed for Cordero and other costs directly attributable to the Cordero project including mining duties, camp costs, salaries and benefits and administrative and other expenses.

Current liabilities

Current liabilities consist of accounts payable and accrued liabilities and lease liabilities. These have remained consistent from the balances at December 31, 2024 of $8,359,638 and $247,674, respectively compared to March 31, 2025 balances of $7,736,045 and $241,483, respectively.

Non-current liabilities

Non-current liabilities consist of the long-term portion of lease liabilities including office leases and long-term land leases which decreased slightly from $2,287,261 at December 31, 2024 to $2,196,810 at March 31, 2025.

CASH FLOW

The Company had net cash used in operating activities of $8,719,157 for Q1 2025 compared to net cash used in operating activities of $3,334,740 for Q1 2024 primarily as a result in increased spend on corporate development and related professional fees.

The Company had net cash used in investing activities of $5,405,851 for Q1 2025 compared to net cash used in investing activities of $4,453,550 for Q1 2024, mainly related to the mineral property additions capitalized to the Cordero Project in both periods.

The Company had net cash used in financing activities of $90,033 during Q1 2025 compared to cash provided by financing activities of $23,921 during Q1 2024. The net cash outflow during Q1 2025 was the result of the principal repayment on the corporate office lease and land lease, offset by minor cash inflows on exercise of options while the cash outflow during Q1 2024 related primarily the principal repayment of the office lease liabilities.

(Expressed in Canadian dollars, except where otherwise noted)

CAPITAL MANAGEMENT AND LIQUIDITY

The Company defines capital as its shareholder's equity (comprised of issued share capital, contributed surplus and deficit). The Company's objectives when managing capital are to support the Company's main activities of identifying, defining and developing mineral deposits, thus creating shareholder value, as well as ensuring that the Company will be able to meet its financial obligations as they become due.

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 its underlying assets as well as possible business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital but rather relies on the expertise of the Company's management. Management reviews its capital management approach on an ongoing basis. As at March 31, 2025, the Company does not have any long-term debt outstanding, and is not subject to any externally imposed capital requirements or debt covenants.

As part of the Financing Package, the Company entered into an agreement with Franco Nevada for a USD$100 million Term Loan Facility which remains undrawn at the date of this MD&A.

At March 31, 2025, the Company had working capital (defined as current assets less current liabilities from the Statement of Financial Position in the Consolidated Financial Statements) of $11,212,723 (December 31, 2024 – $24,397,116).

SHARE CAPITAL

A summary of the common shares issued and outstanding at March 31, 2025 and impact of changes to share capital is as follows:

	Common Shares	Amount
At January 1, 2024	395,862,249	$ 216,194,163
Shares issued on exercise of options	3,468,450	2,625,456
Shares issued on exercise of RSUs	1,130,545	1,391,509
At December 31, 2024	400,461,244	$ 220,211,128
Shares issued on exercise of options	**50,000**	**57,946**
Shares issued on exercise of RSUs	**1,837,129**	**2,151,329**
At March 31, 2025	**402,348,373**	**$ 222,420,403**

(1) Refer to Recent Developments for equity issued subsequent to March 31, 2025.

The non-cash share-based compensation expense for the three months ended March 31, 2025, was $1,673,645 (three months ended March 31, 2024 - $881,496).

OUTSTANDING SHARE DATA

At May 13, 2025 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	801,405,615 Common Shares (1)

(Expressed in Canadian dollars, except where otherwise noted)

Securities convertible or exercisable into voting or equity securities - stock options	Stock Options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 11,200,000 Common Shares
Securities convertible or exercisable into voting or equity securities - RSU's & DSU's	RSU's and DSU's to acquire up to 10% of outstanding Common Shares	RSU's and DSU's to acquire 12,750,725 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 C$0.95 for a term of three years [(1)]

(2) Refer to the Porcupine Acquisition section. As a result of the closing of the Transaction on April 15, 2025, the 275,000,000 subscription receipts were converted to common shares and an additional 119,716,667 in common shares were issued to Newmont for the Transaction consideration and financing package. As part of the financing package, the Share Purchase Warrants were issued to Franco Nevada.

RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as well as those personnel with responsibility for the oversight of the Company's activities. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Related party transactions for the years ended March 31, 2025 and 2024 are as follows:

		Three Months Ended March 31,	
Transaction Type	**Nature of Relationship**	**2025**	2024
Non-cash share-based payments	Directors and officers	**$ 881,496**	$ 818,418
Salaries and benefits	Officers	**727,297**	670,666
Director fees	Directors	**87,500**	87,500
		$ 1,696,293	$ 1,576,584

A summary of amounts due to related parties:

Transaction Type	**Nature of Relationship**	**March 31, 2025**	December 31, 2024
Salaries and benefits payable	Directors, officers, and employees	**$ 1,865,133**	$ 3,243,111
		$ 1,865,133	$ 3,243,111

Salaries and benefits payable include certain salaries and benefits or fees earned by directors, officers and employees during 2024 and short-term non-equity incentives earned by officers and employees during 2024 and paid in 2025.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The Company's financial instruments consist of cash, accounts receivable and deposits, and accounts payable and accrued liabilities.

Accounts receivable and deposits are classified as receivables and are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost. These financial instruments approximate their fair value due to their short-term nature.

The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments are classified into one of three levels in the fair value hierarchy according to the degree to which the inputs used in the fair value measurement are observable.

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

At March 31, 2025 the Company had no financial instruments classified as Level 2 or 3.

Financial Risk Factors

The Company is exposed to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk. The aim of the Company's overall risk management strategy is to reduce the potential adverse effect that these risks may have on the Company's financial position and results. The Company's Board of Directors has overall responsibility and oversight of management's risk management practices. Risk management is carried out by the Board through the Nominating and Corporate Governance Committee with the policies being recommended for approval by the Board of Directors at least annually or when changes are required.

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2025, the Company had a cash and cash equivalents balance of $15,115,274 (December 31, 2024 – $29,310,579) to settle current liabilities of $7,977,528 (December 31, 2024 – $8,607,312). The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

At March 31, 2025, the Company has no sources of revenue to fund its operating and development expenditures and has historically relied solely on non-brokered private placements to fund its operations. The Company's cash balance at March 31, 2025 is sufficient to fund the 2025 work program related to current operations as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives. Future funding may be obtained by means of an equity or debt financing (refer to note 22 "Events after the reporting period" for an update on equity and debt financing).

(Expressed in Canadian dollars, except where otherwise noted)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and cash equivalents, short-term investments, accounts receivable and prepaids and deposits are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents and short-term investments as low as its funds are held in several highly rated Canadian financial institutions.

The Company's maximum exposure to credit risk related to certain financial instruments as identified below, approximates the carrying value of these assets on the Company's consolidated statements of financial position.

		March 31, 2025		December 31, 2024
Cash and cash equivalents	**$**	**15,115,274**	$	29,310,579
Other receivables		**55,148**		82,896
Deposits		**96,756**		114,501
	$	**15,267,178**	**$**	29,507,976

c) Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Interest rate risk

The Company has significant cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high-yield savings accounts or other highly liquid interest-bearing short-term investments. The Company regularly monitors its cash management policy.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar. At March 31, 2025, cash balances were held primarily in Canadian and US dollars. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian dollar could have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Company's exploration expenses are paid in USD, and over the past two years the Company converted a portion of its CAD cash balances into USD to reduce its currency risk exposure related to the CAD.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of trade payables) denominated in USD and MXP. At March 31, 2025 and December 31, 2024, the Company had the following foreign currency denominated trade payables:

		March 31, 2025		December 31, 2024
United States dollar	**$**	**3,795,463**	$	3,798,895
Mexican Peso		**912,658**		898,268
	$	**4,708,121**	$	4,697,163

It is estimated that a 10% fluctuation in the United States Dollar and Mexican Peso against the Canadian Dollar would affect net loss at March 31, 2025 by approximately $470,812 (December 31, 2024 - $469,716).

iii. Price risk

The Company is exposed to price risk with respect to commodity prices and prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movement and volatility. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, and movements in the price of individual equity securities, and movements in the stock market generally, to assist in determining the appropriate course of action to be taken by the Company.

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 and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems 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 MD&A and Annual Information Form ("AIF") for the year ended December 31, 2024 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".

Risks Relating to the Porcupine Complex Acquisition

Potential Dispute with First Nations Community Could Have Adverse Consequences Following the Porcupine Acquisition Closing

In November 2024, the Taykwa Tagmou Nation ("TTN") filed a Statement of Claim against His Majesty the King in Right of Ontario represented by the Ministry of Northern Development, Mines, Natural Resources ("Ministry of Mines") and the Ministry of Environment, Conservation and Parks (the "Ministry of the Environment"), GCL, and Newmont Corporation, claiming the Crown failed to protect TTN's lands and way of life from the impacts of mining in the Treaty No. 9 area, particularly, the Ministry of Mines and Ministry of Environment issued ten authorizations (the "Authorizations") enabling GCL to resume open pit mining at the Pamour mine after 15 years of closure without consulting TTN or considering the impacts to TTN's Treaty rights (the "TTN Litigation"). Further, the Ministry of Mines accepted the GDC's Closure Plan Amendment for filing, allowing the Pamour mine to reopen without consulting TTN, which TTN alleges breached the Mining Act and section 35 of the *Constitution Act*. In the Statement of Claim, TTN sought certain relief including staying activities under the Authorizations issued to GDC until the Action in the Statement of Claim is heard, a declaration the Crown breached its constitutional duty to meaningful consult and accommodate TTN respecting the Authorizations and the Crown violated Treaty No. 9 by issuing the Authorizations, quashing certain of the Authorizations, requiring the Crown to cooperate with TTN on various matters and seeking certain damages. TTN had previously brought an application for Judicial Review in July 2023 requesting relief respecting three of the mining exploration permits issued to the Seller. In January 2025, Newmont Corporation and the Seller filed a Notice of Intent to Defend with respect to this Action. His Majesty the King in Right of Ontario also filed a Notice of Intent to Defend in November 2024. The Company believes this claim is without merit.

The outcome of this claim is uncertain and could result in delays, additional costs, or modifications to the Pamour mine, difficulty in obtaining financing and permits and difficulty in community relations. This claim, depending upon its pendency and resolution, may give rise to material adverse effects on the Company's financial condition, operations, and prospects following the Porcupine Acquisition Closing.

Unexpected Liabilities Related to the Porcupine Acquisition

In connection with the Porcupine Acquisition, there may be liabilities including environmental liabilities associated with the Porcupine Complex that the Company failed to discover or was unable to quantify in the due diligence which it conducted in connection with the Porcupine Acquisition and the Company may not be indemnified for some or all of these liabilities. Following the Porcupine Acquisition Closing, the Company may discover that it has acquired substantial undisclosed liabilities. The discovery of any material liabilities, or the inability to obtain full indemnification for such liabilities, could have a material adverse effect on the Company's business, financial condition or future prospects. While the Company has estimated these potential liabilities for the purposes of making its decision to enter into the Porcupine Acquisition Agreement, there can be no assurance that any resulting liability including environmental liabilities will not exceed the Company's estimates. In addition, the Company may be unable to retain Porcupine's employees following the Porcupine Acquisition. The continuing and collaborative efforts of the Porcupine Complex's employees are important to its success and its business would be harmed if it were to lose their services.

The existence of undisclosed liabilities and the Company's inability to retain the Porcupine Complex's employees could have an adverse impact on the Company's business, financial condition and results of operations.

Nature of Acquisitions

Acquisitions of mineral properties are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as operational performance, status of and impact of policy, legislation and regulations and effective tax rates. Many of these factors are subject to change and are beyond Discovery's control. All such assessments involve a measure of engineering, environmental and regulatory uncertainty that could result in lower revenue or higher operating or capital expenditures than anticipated.

Information Provided by GCL

Information related to the Porcupine Complex in this MD&A is based on information provided by GCL. Although the Company has conducted what it believes to be a prudent and thorough level of investigation with respect to the Porcupine Complex in connection with the Porcupine Acquisition, a certain degree of risk remains regarding the accuracy and completeness of such information. While the Company has no reason to believe the information obtained from GCL is misleading, untrue or incomplete, the Company cannot assure the accuracy or completeness of such information, nor can the Company compel GCL to disclose events which may have occurred or may affect the completeness or accuracy of such information, but which are unknown to the Company.

Failure to Realize Porcupine Acquisition Benefits

There is a risk that some or all of the expected benefits of the Porcupine Acquisition may fail to materialize or may not occur within the time periods that Discovery anticipates. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company.

Moreover, a variety of factors, including those risk factors set forth in this AIF, may adversely affect the Company's ability to achieve the anticipated benefits of the Porcupine Acquisition.

Integration of the Porcupine Complex

Although the Company expects to realize certain benefits as a result of the Porcupine Acquisition, there is a possibility that, following the Porcupine Acquisition, the Company is unable to successfully integrate the Porcupine Complex into its operations in order to realize the anticipated benefits of the Porcupine Acquisition or may be unable to do so within the anticipated timeframe.

The Company expects to implement certain operational improvements and cost-savings initiatives following the completion of the Porcupine Acquisition. Any cost-savings that the Company realizes from such efforts may differ materially from the Company's estimates. In addition, any cost-savings that the Company realizes may be offset, in whole or in part, by reductions in revenues or through increases in other expenses. The Company's operational improvements and cost-savings plans are subject to numerous risks and uncertainties that may change at any time.

To effectively integrate the Porcupine Complex into its current operations, Discovery must establish appropriate operational, administrative, finance, and management systems and controls functions relating to the Porcupine Complex. These efforts, together with the ongoing integration following the Porcupine Acquisition, will require substantial attention from Discovery's management. This diversion of management attention, as well as any other difficulties which Discovery may encounter in completing the Acquisition and integration process, could have an adverse effect on Discovery's business, financial condition, results of operations and cash flows. There can be no assurance that Discovery will be successful in integrating the Porcupine Complex or that the expected benefits of the Porcupine Acquisition will be realized.

Discovery Will Rely on GCL Following Completion of the Porcupine Acquisition for Certain Services

In connection with the Porcupine Acquisition, Discovery and GCL agreed to enter into the Transition Services Agreement upon the closing of the Porcupine Acquisition pursuant to which GCL has agreed to provide, or cause its affiliates to provide, certain services to Discovery that are required for the operation of the Porcupine Complex in a similar manner as the Porcupine Complex was operated immediately prior to the Porcupine Acquisition Closing. As a result, Discovery will be reliant on GCL's personnel, good faith, contractual compliance, expertise and judgment in providing the services under the Transition Services Agreement, where the Company's ability to manage operational risks may be limited. Accordingly, Discovery may be exposed to adverse developments in the business and affairs of GCL, its management and to its financial strength.

There can be no assurance that the services provided by GCL pursuant to the Transition Services Agreement will be adequate for the Company to operate the Porcupine Complex and facilitate the efficient and effective transition of business operations as currently contemplated, or at all. If GCL does not perform the services under the Transition Services Agreement as currently contemplated, the operations and financial performance of the Porcupine Complex may be negatively affected, which could have a material adverse effect on the business, financial condition and future performance of the Company. If, after the expiration of the Transition Services Agreement, the Company is unable to perform these services or replace them in a timely manner or on terms and conditions as favorable as those under the Transition Services Agreement, the Company may experience operational problems and an increase in its costs.

Failure by the Seller to meet its obligations under the Transition Services Agreement could have a material adverse effect on the operation of the Porcupine Complex, which could in turn have a material adverse effect on the business, financial condition and future performance of the Company.

Litigation and Public Attitude towards the Porcupine Acquisition

The Company may be exposed to increased litigation from shareholders or other third-parties in connection with the Porcupine Acquisition. Such litigation may have an adverse impact on the Company's business and results of operations or may cause disruptions to the Company's operations. Even if any such claims are without merit, defending against these claims can result in substantial costs and divert the time and resources of management.

Furthermore, public attitudes towards the Porcupine Acquisition could result in negative press coverage and other adverse public statements affecting the Company. Adverse press coverage and other adverse statements could negatively impact the ability of the Company to achieve the benefits of the Porcupine Acquisition or take advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Porcupine Acquisition and Related Costs

The Company incurred significant costs associated with completing the Porcupine Acquisition and will continue to incur significant costs through integrating the operations of Discovery and the Porcupine Complex. The substantial majority of such costs are non-recurring expenses resulting from the Porcupine Acquisition and consist primarily of transaction costs related to the Porcupine Acquisition. Additional unanticipated costs may be incurred through the integration of the Porcupine Complex into Discovery's existing business and such costs, if incurred, may have a negative effect on the Company's business, operations and financial performance and cash flows.

Increased Indebtedness

In financing the Porcupine Acquisition, Discovery may incur additional debt under the Credit Facility. Such borrowing, to the extent incurred, would increase Discovery's consolidated indebtedness. Such additional indebtedness will increase Discovery's interest expense and debt service obligations and may have a negative effect on Discovery's results of operations and/or credit ratings. Such increased indebtedness may also make Discovery's results more sensitive to increases in interest rates. Discovery's degree of leverage could have other important consequences for purchasers, including: (i) having a negative effect on Discovery's issuer debt rating; (ii) it may limit Discovery's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; (iii) it may limit Discovery's ability to declare dividends on the Common Shares; (iv) Discovery may be vulnerable in a downturn in general economic conditions; and (v) Discovery may be unable to make capital expenditures that are important to its growth and strategies.

Risk of Default in the Repayment of Borrowing under the Franco-Nevada Financing Package

The Company has secured the Franco-Nevada Financing Package which includes debt financing pursuant to the Credit Facility. In the event Discovery draws on the Credit Facility, Discovery may repay all or a portion of such borrowings using proceeds from the issuance of additional securities. If Discovery is unable to raise sufficient proceeds from such intended sale of such securities on terms acceptable to Discovery, its ability to repay borrowings under the Credit Facility could be adversely affected. In the event Discovery is unable to refinance borrowings it may incur under the Credit Facility in the manner Discovery intends, Discovery may be required to utilize other sources of liquidity including cash on hand, cash from operating activities or other borrowings. Discovery may also be required to seek extensions to or modifications of the terms of the Credit Facility in order to defer the maturity dates of any borrowings incurred thereunder. Depending upon credit market conditions at the time when borrowings, if any, are due for repayment, and Discovery's own financial performance at that time, Discovery may be unable to obtain extensions or modifications of the terms of the Credit Facility on terms satisfactory to Discovery, or at all, which could result in Discovery defaulting on its repayment obligations under the Credit Facility and being subject to various remedies available to Franco-Nevada thereunder including remedies available under applicable bankruptcy and insolvency legislation.

Drawdowns Under the Term Loan Agreement are Subject to a Number of Conditions

The ability of Discovery to borrow and obtain an advance under the Term Loan Agreement is subject to the satisfaction of conditions precedent by Dome Mine Ltd and Discovery which may be outside of control of Discovery to satisfy. For the initial advance, such conditions include, but are not limited to, the lender under the Term Loan Agreement being satisfied with a mine plan, financial model, including demonstrating compliance with financial covenants, and technical reports for the Porcupine Complex, review and due diligence on disclosure schedules to the Term Loan Agreement, provision by Discovery and Dome Mine Ltd of the required security and opinions, including title opinions on the Porcupine Complex, no events having occurred that would individually or in the aggregate have had or could reasonably have a material adverse effect, no default or event of default occurring, among other conditions. For all advances, in addition to the conditions for the initial advance, certain additional customary conditions precedent must be satisfied. The ability for Dome Mine Ltd to receive and access funds under the Term Loan Agreement is contingent on its ability to satisfy the required conditions to advance.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

There have been no material changes to the Company's commitments and contractual obligations during the three months ended March 31, 2025, and to the date of this MD&A. Refer to "Recent Developments" section of this MD&A for details on the acquisition of Porcupine.

MATERIAL ACCOUNTING POLICIES

For a full description of the Company's material accounting policies, please see note 3 of the consolidated financial statements for the year ended December 31, 2024.

CHANGES IN ACCOUNTING POLICIES

Future Accounting Standards and Interpretations

Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)

The amendments clarify that financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for a new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance ESG linked features. Additionally, these amendments introduce new disclosure requirements and update others.

This amendment is effective for annual periods beginning on or after January 1, 2026. The impact of these amendments on the Company's financial statements has not yet been evaluated.

Presentation and Disclosure in Financial Statements ("IFRS 18")

IFRS 18 replaces IAS 1 – Presentation of Financial Statements, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures ("MPMs") and eliminates classification options for interest and dividends in the statement of cash flows. Non-GAAP measures that meet the definition of MPMs will be subject to the disclosure requirements

This amendment is effective for annual periods beginning on or after January 1, 2027. The impact of these amendments on the Company's financial statements has not yet been evaluated.

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.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements for the three months ended March 31, 2025, are consistent with those applied and disclosed in note 5 of the annual Consolidated Financial Statements for the year ended December 31, 2024. The Company's interim results are not necessarily indicative of its results for a full year.

OFF-BALANCE SHEET ARRANGEMENTS

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

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical Information in this Circular 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 Circular 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 Gernot Wober, P. Geo., 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").

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, 2025.

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 Commission 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 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, 2025 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, 2025 and have concluded that the ICFR are effective.

CAUTIONARY STATEMENT REGARDING 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; intended infrastructure investments in, method of funding for, and timing of completion of the development and construction of the

Cordero Project, planned continuation of negotiation of formal agreements with land owners and Mexican authorities with respect to 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 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 First Nations Communities in relation to the Porcupine Complex (as defined herein); risks related to unexpected liabilities arising after the Porcupine Acquisition Closing; risks related to the nature of acquisitions; reliance on information about the Porcupine Complex provided by third parties; regulatory risks associated with the Porcupine Acquisition; the risk that the Company will not realize the anticipated benefits of the Porcupine Acquisition; 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; the risk of default under the Franco-Nevada Financing Package; risks that conditions to drawdown under the Term Loan Agreement (as defined herein) will not be satisfied; 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; the Company's ability to integrate the Porcupine Operations; statements regarding the Porcupine 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; 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 history of net losses and negative operating cash flow; 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; risks associated with having multiple shareholders holding over 10% of the common shares; 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; 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 us 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 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.

FINANCIAL INFORMATION AND NON-GAAP MEASURES

Discovery has prepared its consolidated financial statements, incorporated herein by reference, in accordance with IFRS Accounting Standards. As a result, they may not be comparable to financial statements prepared in accordance with other financial reporting frameworks, including generally accepted accounting principles used in the US ("GAAP").

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 Accounting Standards 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 silver equivalent ("AgEq") payable 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.

The Company calculated total cash costs per gold payable ounce as the sum of the mining, processing and general and administrative operating costs, change in inventory, royalty payments and treatment and refining costs. 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 and All-in Sustaining Costs per Metal Payable Ounce

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.

AISC per Silver Equivalent Payable Ounce 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.

AISC per Gold Payable Ounce is calculated as: [Operating costs (mining, processing and G&A) + Royalties + Concentrate Transportation + Treatment & Refining Charges + change in inventory + reclamation accretion + exploration expenses + Sustaining Capital] / Payable gold ounces.

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.

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.