Discoverysilver

(Formerly Discovery Metals Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2021 and 2020

Dated May 26, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") of Discovery Silver Corp. (referred to as the "Company" or "Discovery Silver"), contains information that management believes is relevant for an assessment and understanding of the Company's consolidated financial position, and results of its consolidated operations for the three months ended March 31, 2021 ("Q1 2021"). This MD&A, and the discussion of performance, financial condition and future prospects contained herein, should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2020 and accompanying notes (the "consolidated financial statements"), prepared in accordance with International Financial Reporting Standards ("IFRS") and accompanying MD&A for the year ended December 31, 2020, the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 (the "interim financial statements"), prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") and the Company's Annual Information Form ("AIF") for the year ended December 31, 2019. 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 discussion also covers the three months ended March 31, 2020 ("Q1 2020") and the subsequent period up to the date of this MD&A. The Company's common shares (the "common shares") are listed and traded on the TSX Venture Exchange (the "TSX-V") under the symbol "DSV", and on the OTCQX under the symbol "DSVSF".

All dollar amounts are presented in Canadian dollars ("CAD"), the Company's reporting currency, except where otherwise noted. References to United States dollars are denoted as "USD". Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

The Company's certifying officers, based on their knowledge and having exercised reasonable diligence, are also responsible to ensure that this MD&A and related interim financial statements do not contain any untrue statement of material fact and do not omit any required statement of material fact with respect to the periods reported. The interim financial statements, together with the other financial information included in this MD&A present fairly in all material respects the financial condition, results of operations and cash flows of the Company, at the date of and for the periods presented in this MD&A. This MD&A contains forward looking information that is subject to risk factors set out in the cautionary note herein.

The Company's Board of Directors' (the "Board") review is accomplished principally through the Company's Audit Committee, which meets periodically to review all financial reports, prior to filing. The Board has approved the interim financial statements and this MD&A, as well as ensured that the Company's management ("Management") has discharged its financial responsibilities. Information in this MD&A is prepared as at May 26, 2021.

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 is listed on the TSX Venture Exchange (the "Exchange" or "TSXV") under the symbol "DSV" and the OTCQX Market® under the symbol "DSVSF". The Company's head office is located at Suite 701 - 55 University Avenue, Toronto, Ontario, M5J 2H7.

Discovery Silver is a mineral exploration company whose main objective is to identify and successfully define and develop mineral deposits, primarily in Mexico.

The Company is focused on exploring and advancing its 100% owned Cordero Project ("Cordero" or the "Project"), a 35,000-hectare property in Chihuahua State, Mexico, that covers an entire district that hosts numerous exploration targets for bulk tonnage diatreme-hosted, vein, porphyry-style, and carbonate replacement deposits. The Company holds rights to high-grade silver-zinc-lead deposits in a land package of approximately 150,000 hectares covering a historic mining district in northern Coahuila State, Mexico. The portfolio of three large-scale, drill-ready projects and several earlier-stage prospects, all with shallow, high-grade mineralization, is situated in a world-class carbonate replacement deposit belt that stretches from southeast Arizona to central Mexico. The land holdings contain numerous historical direct-ship ore workings with several kilometers of underground development, with no modern exploration or drill testing on the properties prior to the work carried out by Discovery.

COVID-19 – DISCOVERY SILVER'S RESPONSE AND CONTINUITY PLANS

On March 19 and March 31, 2020, the Company announced that it had begun implementing business continuity plans and procedures at its Mexican operations and corporate office in Toronto as a result of the global pandemic arising from the COVID-19 virus. Health and safety protocols were implemented, and the Company restricted international travel to site. The Company then began to decelerate exploration activity at Cordero to one drill rig in order to limit the number of employees at site. This was followed by a full temporary suspension of exploration activities due to the increased health and safety risks associated with the growing number of COVID-19 cases in Mexico. The decision to suspend exploration activity was consistent with a published recommendation from the Mexican Federal Government (the "Government") on March 24, 2020, that all non-essential services be temporarily shut down until April 19, 2020, a date that was subsequently updated to May 31, 2020. The Company also took into account the closure of local exploration support businesses in response to COVID-19.

On May 13, 2020, the Government published another decree announcing that mining and several other sectors were to be considered essential services and could begin operations as early as June 1, 2020. Commencement of operations would be subject to government approval of a company's application to resume operations. The applicant must demonstrate that strict health and safety protocols are in place and will be adhered to. The Company applied and was granted permission to restart operations. On June 19, 2020, the Company began operating one drill rig at the Cordero Project ("Cordero") and had ramped back up to four drill rigs by mid-August. This temporary shutdown did not have a significant impact on the Company's operations.

As with much of Mexico this past fall, Chihuahua State saw a significant increase in the community spread of COVID-19. During the month of October, the Company isolated and quarantined several employees and contractors who had tested positive for COVID-19 during routine testing at site. These tests were followed-up with subsequent PCR testing with anyone testing positive being isolated immediately. The Company is continually enhancing its testing protocols, social-distancing measures and travel restrictions and saw a noticeable reduction in positive cases during the final months of 2020 and into 2021.

The Company continues to be proactive regarding COVID-19 and continually monitors employees and contractors and remains committed to being engaged with our local stakeholders during this uncertain period, in particular as new variants of the virus are being identified. The Company will continue to closely monitor the directives of all levels of government in both Mexico and Canada as well as the relevant health authorities.

Prior to the suspension of activities, Discovery Silver had completed 50 holes totaling approximately 18,351 metres of its recently expanded 50,000 – 55,000 metre Phase 1 drill program. Since resuming operations to March 31, 2021, the Company completed a further 111 holes totaling approximately 46,998 metres, for a project total of 65,349 metres in 161 holes.

Q1 2021 HIGHLIGHTS

PROJECTS

During Q1 2021, the Company issued several news releases announcing results from exploration activities at the Cordero Project, in addition to corporate development initiatives.

Cordero

On January 6, 2021, the Company announced results from 10 diamond drill holes targeting the Parcionera and Josefina high-grade vein trends at the Cordero project. Multiple vein trends with a combined strike extent of more than 5 km flank the higher-grade bulk-tonnage domain at Cordero; the Parcionera and Josefina vein trends currently represent approximately 2 km of this strike extent.

Highlight intercepts include:

Parcionera Vein Trend

- **Hole C20-362: 4.4 m averaging 524 grams per tonne silver equivalent ("g/t AgEq")** from 53.9 m (246 g/t Ag, 0.39 g/t gold ("Au"), 6.5% lead ("Pb") and 0.4% zinc ("Zn")) within a 37.1 m interval averaging 113 g/t AgEq (47 g/t Ag, 0.09 g/t Au, 1.1% Pb, 0.4% Zn)
- **Hole C20-360: 0.5 m averaging 1,765 g/t AgEq** from 100.9 m (665 g/t Ag, 0.58 g/t Au, 13.8% Pb and 13.7% Zn)

Josefina Vein Trend

- **Hole C20-361: 3.3 m averaging 612 g/t AgEq** from 64.2 m (196 g/t Ag, 0.17 g/t Au, 5.6% Pb and 4.9% Zn) within a 41.7 m interval averaging 131 g/t AgEq (58 g/t Ag, 0.10 g/t Au, 0.7% Pb and 1.0% Zn)
- **Hole C20-367: 1.6 m averaging 544 g/t AgEq** from 175.6 m (75 g/t Ag, 1.42 g/t Au, 1.6% Pb and 7.1% Zn) within a 53.2 m interval averaging 113 g/t AgEq (20 g/t Ag, 0.11 g/t Au, 0.3% Pb and 1.8% Zn)

Refer to the Press Release dated January 6, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

On February 2, 2021, the Company announced results from 13 diamond drill holes targeting bulk-tonnage mineralization at its Cordero Project. The holes are part of an expanded 65,000 m Phase 1 drill program that will be incorporated into a new resource estimate and revamped PEA during the second half of 2021.

Highlight intercepts include:

- **Hole C20-375: 131.6 m averaging 118 g/t AgEq** from 49.2 m (48 g/t Ag, 0.09 g/t Au, 0.5% Pb and 1.1% Zn) including 37.1 m averaging 223 g/t AgEq (119 g/t Ag, 0.22 g/t Au, 1.0% Pb, 1.2% Zn)
- **Hole C20-378: 85.6 m averaging 175 g/t AgEq** from 406.2 m (53 g/t Ag, 0.05 g/t Au, 1.4% Pb and 1.7% Zn) including 39.9 m averaging 308 g/t AgEq1 (93 g/t Ag, 0.08 g/t Au, 2.4% Pb, 3.0% Zn)

- **Hole C20-373: 126.1 m averaging 103 g/t AgEq** from 281.2 m (40 g/t Ag, 0.10 g/t Au, 0.4% Pb and 1.0% Zn)
- **Hole C20-390: 57.6 m averaging 134 g/t AgEq** from 184.4 m (41 g/t Ag, 0.11 g/t Au, 0.3% Pb and 1.8% Zn)

These drill holes were successful in confirming and expanding the higher-grade bulk-tonnage domain in the South Corridor. Drilling in the northeast extension, an area with limited historical drilling, has consistently intercepted broad zones of galena and sphalerite mineralization in disseminations, veinlets and stockworks predominately hosted in rhyodacite and sedimentary rock. Our drilling has extended the strike extent of the higher-grade bulk-tonnage domain by approximately 300 m along strike across an estimated lateral extent of approximately 400 m. Highlight intercepts from this area are demonstrating the potential for further expansion of the bulk-tonnage domain in this direction.

The Company has now expanded the higher-grade bulk-tonnage domain by more than 250 m northeast, along strike in the South Corridor. This area of the deposit had seen only limited drilling historically. The recent drilling, including highlight intercepts of 132 m at 118 g/t AgEq and 126 m at 103 g/t AgEq, has consistently delivered broad zones of near-surface mineralization. These results are a positive surprise and emphasize the sheer scale of the higher-grade mineralizing system at Cordero and show the opportunities that lie ahead for Cordero in a rising silver price environment.

On March 15, 2021, the Company announced results from 14 diamond drill holes targeting the Josefina and Todos Santos high-grade vein trends at Cordero. Multiple vein trends with a combined strike extent of more than 5 km flank the higher-grade bulk-tonnage domain at Cordero; the Josefina and Todos Santos vein trends currently represent approximately 3 km of this strike extent.

Highlight intercepts include:

Josefina Vein Trend

- **1.3 m averaging 2,166 g/t AgEq** from 95.6 m (1,581 g/t Ag, 0.15 g/t Au, 9.9% Pb and 5.4% Zn) in hole C20-381;
- **1.0 m averaging 1,826 g/t AgEq** from 41.2 m (1,280 g/t Ag, 4.24 g/t Au, 1.6% Pb and 3.4% Zn) within an 8.9 m interval averaging 410 g/t AgEq (267 g/t Ag, 0.91 g/t Au, 0.9% Pb, 0.8% Zn) in hole C20-382; and
- **1.3 m averaging 2,290 g/t AgEq** from 136.7 m (1,607 g/t Ag, 2.06 g/t Au, 5.2% Pb and 8.0% Zn) in hole C20-396.

South Corridor

- **2.9 m averaging 1,605 g/t AgEq** from 44.4 m (992 g/t Ag, 0.73 g/t Au, 12.9% Pb and 2.4% Zn) in hole C20-383.

Todos Santos Vein Trend

- **1.4 m averaging 1,107 g/t AgEq** from 135.4 m (552 g/t Ag, 0.33 g/t Au, 11.0% Pb and 3.4% Zn) within a 4.0 m interval averaging 763 g/t AgEq[1] (377 g/t Ag, 0.28 g/t Au, 7.1% Pb, 2.7% Zn) in hole C20-385
- **1.2 m averaging 875 g/t AgEq** from 186.5 m (241 g/t Ag, 0.52 g/t Au, 4.6% Pb and 10.4% Zn) in hole C20-387
- **2.8 m averaging 670 g/t AgEq** from 166.3 m (207 g/t Ag, 0.15 g/t Au, 3.7% Pb and 7.7% Zn) in hole C20-397

20 holes have now been drilled at the 1.5km Todos Santos vein trend, and all holes have intercepted the principal vein returning an average drilled width of 2.6m grading 635 AgEq.

Refer to the Press Release dated March 15, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

On April 20, 2021, the Company announced results from 13 diamond drill holes targeting bulk-tonnage mineralization at the Cordero Project. The holes were part of the Phase 1 drill program, and will be incorporated in a new resource estimate and revamped PEA to be released during the second half of 2021.

Highlight intercepts include:

- **128.2 m averaging 165 g/t AgEq** from 312.4 m *(*65 g/t Ag, 0.05 g/t Au, 1.2% Pb and 1.3% Zn) including **26.1 m averaging 263 g/t AgEq** (109 g/t Ag, 0.06 g/t Au, 2.0% Pb, 1.9% Zn) in hole C20-405
- **110.0 m averaging 110 g/t AgEq** from 137.1 m (37 g/t Ag, 0.04 g/t Au, 0.8% Pb and 1.0% Zn) and **51.8 m averaging 184 g/t AgEq** from 357.1 m (65 g/t Ag, 0.05 g/t Au, 1.6% Pb, 1.4% Zn) in hole C21-414
- **27.4 m averaging 279 g/t AgEq** from 382.0 m (78 g/t Ag, 0.08 g/t Au, 1.3% Pb and 3.6% Zn) in hole C20-407

These diamond drill holes build further higher-grade bulk-tonnage continuity in the South Corridor within northeast trending domains. These domains have been defined over a strike length of approximately 1.4 km and are open to the northeast and have been drilled to a depth of 500 m and remains open below this. Higher-grade zones of mineralization are typically flanked by medium and lower-grade mineralization pointing to the scaleability of the mineralized system at Cordero.

Refer to the Press Release dated April 20, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

<u>Puerto Rico Property</u>

The Company continues to work towards obtaining the necessary permits for exploration at the Puerto Rico Property (the "Property").

During March 2021, the Company signed a 4th amending agreement (the "Amending Agreement") to the Puerto Rico Option Agreement (the "Agreement") which replaces in their entirety, the Agreement signed in 2017and all subsequent amendments.

The new terms of the Amending Agreement are as follows:

a. The Company can determine the nature, scope, extension and other aspects of exploration work at the Property. There are no longer any minimum work requirements.

b. The Company can exercise the option to acquire 100% of the Property at any time for 6,000,000 common shares of the Company (the "Purchase Option") with a minimum and maximum value per common share of C$1.00 and C$3.00, respectively. Cash can be paid in lieu of common shares.

c. The following additional consideration will be paid on reaching certain milestones ("Milestone Consideration"):

   i. Receipt of exploration permits:
      - USD$300,000 plus Mexican value-added tax ("VAT" or "IVA") in 10 monthly installments of USD$30,000.
      - 250,000 common shares on each anniversary of the receipt of the permits, beginning one year after the receipt of the permits, and distributed in four equal instalments.

   ii. Filing of Preliminary Economic Assessment:
      - 1,500,000 common shares if the Company files a Preliminary Economic Assessment ("PEA") on the project, in compliance with NI 43-101 Standards.

   iii. Filing of Pre-Feasibility Study:
      - 1,500,000 common shares (in aggregate) if the Company files a Pre-Feasibility Study ("PFS") on the project, in compliance with NI 43-101 Standards.

   iv. Commencement of construction:
      - 3,000,000 common shares (in aggregate) if the Company begins construction to carry out exploitation.

   All common shares to be issued as Milestone Consideration will have the same minimum and maximum value per common share as under the Purchase Option and can also be paid in cash in lieu of common shares.

d. Common shares issued as consideration for the Purchase Option and Milestone Consideration are to be held in escrow and released 1/3rd every six months beginning six months after the date of issuance.

CORPORATE

Stock Option Grant

On January 13, 2021, the Company announced that it had granted to certain officers, directors, employees and/or consultants of the Company an aggregate of 5,500,000 options to acquire common shares of the Company ("Options"). The Options have an exercise price of $1.89 per share, have a five-year term from the date of grant (expiration date of January 12, 2026), and vest according to the following schedules:

- Management and employees: annually in equal thirds beginning on the date of grant;
- Directors: annually in equal halves beginning on the date of grant; and
- Consultants: quarterly in equal eighths beginning three months after the date of grant.

Any common shares issuable upon exercises of Options will, in accordance with applicable securities laws, be subject to a hold period expiring four months and one day from the date of grant.

Refer to the Press Release dated January 13, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

Company Name Change to Discovery Silver Corp.

On April 9, 2021, the Company announced that it was changing its name from Discovery Metals Corp. to Discovery Silver Corp. The Company's common shares commenced trading under the new name on the TSX Venture Exchange ("TSXV") under its previous ticker symbol "DSV" and on the OTCQX where its ticker symbol changed from "DSVMF" to "DSVSF" at the opening of trading on April 14, 2021.

In late March, the Company was added to the VanEck Vectors Junior Gold Miners ETF (NYSE: GDXJ) (with the underlying designation as a silver pure-play company) and the ETFMG Prime Junior Silver Miners ETF (NYSE: SILJ).

Exercise of Warrants

On February 22, 2021, the Company announced that an aggregate of 31,140,000 common share purchase warrants with an exercise price of C$1.00 were exercised prior to their expiry on February 17, 2021. The exercises resulted in gross proceeds of approximately $31 million, of which approximately $17.6 million was received in 2021.

Appointment of Board Member

On March 12, 2021, the Company announced the appointment of Jennifer Wagner to the Company's Board of Directors.

Ms. Wagner is a corporate securities lawyer with 15 years of experience in the mining sector. She is currently Executive Vice-President, Corporate Affairs and Sustainability at Kirkland Lake Gold Ltd. ("Kirkland Lake"). Prior to joining Kirkland Lake in 2015, she acted as legal counsel and corporate secretary to various TSX and TSXV listed mining companies. Ms. Wagner has extensive experience advising companies on a variety of corporate commercial transactions, governance, and compliance matters.

Pursuant to the Company's stock option plan, Ms. Wagner has been granted 300,000 stock options ("Options"). The Options, each exercisable for one common share of the Company at an exercise price of $2.08 per share, vest annually in two equal tranches beginning on the date of the grant of March 11, 2021. The Options will expire five years after the date of grant. Any common shares issuable upon exercises of Options will, in accordance with applicable securities laws, be subject to a hold period expiring four months from the date of grant.

Refer to the Press Release dated March 12, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

RECENT DEVELOPMENTS

PROJECTS

Cordero

On May 26, 2021, the Company announced results from 12 diamond drill holes targeting the Josefina and Todos Santos high-grade vein trends at the Cordero Project. Multiple vein trends with a combined strike extent of more than 5 km flank the higher-grade bulk-tonnage domain at Cordero; the Josefina and Todos Santos vein trends currently represent approximately 3 km of this strike extent.

Highlight intercepts include:

Josefina Vein Trend

- **4.1 m averaging 1,043 g/t AgEq** from 304.5 m (520 g/t Ag, 0.11 g/t Au, 3.0% Pb and 9.8% Zn) within **41.5 m averaging 237 g/t AgEq** (97 g/t Ag, 0.04 g/t Au, 1.0% Pb and 2.5% Zn) in hole C21-421
- **1.3 m averaging 1,041 g/t AgEq** from 402.8 m (495 g/t Ag, 0.17 g/t Au, 5.6% Pb and 8.0% Zn) in hole C21-421
- **1.2 m averaging 1,736 g/t AgEq** from 164.9 m (997 g/t Ag, 0.25 g/t Au, 8.9% Pb and 9.7% Zn) within **22.4 m averaging 322 g/t AgEq** (156 g/t Ag, 0.10 g/t Au, 1.7% Pb and 2.3% Zn) in hole C21-431

Todos Santos Vein Trend

- **2.2 m averaging 403 g/t AgEq** from 157.5 m (163 g/t Ag, 0.17 g/t Au, 2.8% Pb and 3.1% Zn) in hole C20-404
- **1.0 m averaging 589 g/t AgEq** from 258.1 m (160 g/t Ag, 0.39 g/t Au, 3.8% Pb and 6.4% Zn) in hole C21-409
- **2.1 m averaging 558 g/t AgEq** from 73.3 m (160 g/t Ag, 0.27 g/t Au, 3.3% Pb and 6.3% Zn) in hole C21-418

Appointment of Lead Consultant for Cordero PEA

On May 12, 2021, the Company announced the appointment of Ausenco Engineering Canada Inc. ("Ausenco") as the Lead Consultant for the Cordero PEA scheduled for completion in Q4 2021, which will be based on an updated mineral resource estimate scheduled for completion in Q3 2021. Ausenco is an industry leader in cost-effective process design and construction, with input from specialists across all key mining disciplines. The overarching objective is to deliver a technically robust study that outlines one of the largest producing primary silver operations in the industry with manageable upfront development capex and operating costs in the bottom half of the industry cost curve.

Refer to the Press Release dated May 12, 2021, available on SEDAR at www.sedar.com and on the Company's website at www.discoverysilver.com.

PEA OUTLINE

Study objective: The overarching objective is to deliver a technically robust study supported by a comprehensive dataset and vetted by top-tier independent consultants with third party peer review. The

Company's target for the Study is to outline one of the largest producing primary silver operations in the industry with manageable upfront development capex and operating costs in the bottom half of the industry cost curve.

Process plant: The study will incorporate staged expansions of the processing facility to reduce the upfront capex and payback period. Production trade-off studies are ongoing however based on preliminary results the initial mill throughput rate is expected to be in the 10,000 – 20,000 tonnes per day ("tpd") range and the expanded mill throughput is expected to be in the 20,000 – 40,000 tpd range.

Mine plan: The mine schedule will incorporate an elevated cut-off grade early in the mine life and the effective use of stockpiling to accelerate the payback period and maximize the NPV at the set mill throughput rates. A trade-off study comparing the use of contractor mining versus owner-operated mining is ongoing.

DRILL PROGRAM UPDATE:

Phase 1 drilling: The Company's Phase 1 drill program concluded at the end of April. The data from the approximately 75,000 m of drilling (178 holes) completed in this program will be used to support the resource update (Q3 2021) which the PEA (Q4 2021) will be based on.

Phase 2 drilling: The Company has completed approximately 5,000 m (13 holes) as part of its Phase 2 drill program which will be ongoing through the remainder of the year. Phase 2 drilling will be focused on three key areas: (1) upgrading inferred resources for inclusion in a prefeasibility study; (2) resource expansion of bulk-tonnage mineralization; and (3) testing of the width, grade and continuity of the extensive high-grade vein systems that transect the deposit. There are currently four drill rigs operating on site.

2021 OUTLOOK

The Company's Phase 1 drill program at its flagship Cordero project was successfully completed during April of this year, which included 75,000 metres of infill drilling on the bulk-tonnage mineralization aimed at resource definition for incorporation in the Q3 mineral resource update and the Q4 PEA. Additionally, the Phase 1 drilling provided encouraging results related to the initial testing of the continuity and grades of some of the high-grade vein systems on the Cordero property. The 46,000 metre Phase 2 drill program began in May and has been progressing seamlessly as the four drill rigs currently operating on site have continued uninterrupted and will focus on three key areas: (1) upgrading inferred resources to indicated for inclusion in a pre-feasibility study; (2) resource expansion of bulk-tonnage mineralization; and (3) testing of the width, grade and continuity of the extensive high-grade vein systems that transect the deposit.

The mineral resource update will also include an updated geological model of the deposit that includes the re-logging of 110,000 metres of historical drill holes, in addition to the 75,000 metres drilled during Phase 1 of Cordero's extensive drilling campaign. The updated resource model will utilize estimation domains based on structure and lithology that previous resource estimates did not incorporate. Additionally, comprehensive metallurgical testwork programs continue and are based on both lithology and mining phases which are expected to enhance and expand on previous metallurgical work performed on the project previously. Pit optimization studies are ongoing to assist with infill and step-out drill targeting, mine scheduling, mill throughput rates, as well as cut-off grade and stockpiling strategies aimed at optimizing the capital efficiency and net present value of the project. Dedicated geotechnical drilling for the open pit is expected to commence shortly, in order to assess pit wall stability, and evaluate potential tailings and waste storage locations which will be used to generate pit slope assumptions for the PEA.

The Company also plans to initiate scout drilling on additional property-wide exploration targets on the largely under-explored Cordero land package. The Company's other key project development milestones for 2021 include completion of a social baseline assessment and progressing on environmental baseline studies at the Project. The Company's robust workplan related to metallurgy, processing, geotechnical, and hydrology will go above and beyond what is typically included in a PEA study and will identify areas where pre-feasibility work could be expanded at the same time as the PEA is progressing.

Support work for the PEA is progressing well. A comprehensive metallurgical testwork program with samples based on both rock type and mining phases is ongoing with results expected in Q3 2021. Preliminary mine scheduling work has been completed by AGP Mining Consultants Inc. to evaluate the impact on project economics of different mining rates, mill throughput rates and cut-off grade and stockpiling strategies. Knight Piésold and Co. (USA) also completed a site visit to Cordero in March 2021. The site visit included a review of drill core to assess pit wall stability, an evaluation of potential tailings and waste storage locations and a preliminary review of the hydrogeological regime at Cordero.

The Company's planned work program at Cordero in 2021 is budgeted at $26 million. Expenditures for the year reflect an accelerated approach to de-risking the Project while still allocating growth capital to resource expansion and property-wide exploration. The Company's cash balance is significantly greater than the anticipated 2021 budget spend that will allow for expansion of the work program, if feasible within COVID-19 constraints, as well as to rapidly advance the Project to a construction decision beyond 2021.

KEY ECONOMIC TRENDS

The prices of silver, lead, zinc and gold impact the economic viability of the Company's mineral and exploration projects. During 2020, uncertainty surrounding tariff and trade agreements, the results of the US elections, various signals of a US economic slowdown, and rising geopolitical risk renewed interest in precious metals. The impact of measures to combat the spread of COVID-19 on global economy resulted in significant volatility in the financial markets, including the gold and silver market in Q1 2020. Gold prices increased on an anticipated global economic recession and government financial stimulus announced to aid the economic recovery. During Q1 2020, silver prices capitulated on expectations of a global recession with the expectation of reduced industrial demand, then subsequently significantly rebounded as investment demand increased due to the monetary aspects of silver. The on-going risks and uncertainties from the COVID-19 pandemic has led to further government stimulus and ultimately further investment demand for gold and silver.

The future gold and silver price is expected to continue to be impacted by the uncertainty surrounding the US dollar's direction in 2021, deriving from US treasury yield and interest rate fluctuations, inflation levels, the level of new cases of the COVID-19 virus around the globe, and the liquidity provided to the markets by Central Banks. During Q1 2021, the average price of silver was $26.26 per ounce, with silver trading between $24.00 and $29.59 per ounce based on the London Fix silver price. This compares to an average of $16.90 per ounce for Q1 2020 with a low of $12.01 and a high of $18.78 per ounce.

(Expressed in Canadian dollars, except where otherwise noted)

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

Summary of Quarterly Results

		Q1 2021		Q4 2020		Q3 2020		Q2 2020
Net loss								
(a) Total	**$**	**(10,965,302)**	$	(6,125,457)	$	(5,127,665)	$	(1,747,677)
(b) basic and diluted per share	**$**	**(0.03)**	$	(0.02)	$	(0.02)	$	(0.01)
Net loss and total comprehensive loss	**$**	**(11,058,575)**	$	(5,455,362)	$	(4,914,927)	$	(1,936,075)
Cash and cash equivalents	**$**	**79,742,626**	$	67,547,897	$	69,210,491	$	26,913,163
Total assets	**$**	**123,667,380**	$	111,564,881	$	112,664,894	$	70,357,450
Total current liabilities	**$**	**1,604,846**	$	982,260	$	1,825,541	$	520,234
Working capital	**$**	**94,000,414**	$	82,435,046	$	83,077,744	$	42,167,158
Total weighted average shares outstanding		**317,429,574**		302,368,222		282,624,020		226,123,223

		Q1 2020		Q4 2019		Q3 2019		Q2 2019
Net loss								
(a) Total	$	(4,826,135)	$	(4,178,391)	$	(3,876,582)	$	(807,897)
(b) basic and diluted per share	$	(0.02)	$	(0.02)	$	(0.03)	$	(0.01)
Net loss and total comprehensive loss	$	(5,827,330)	$	(3,959,211)	$	(4,017,681)	$	(914,483)
Cash and cash equivalents	$	20,018,474	$	23,950,737	$	9,974,045	$	3,139,279
Total assets	$	47,966,857	$	53,518,599	$	39,074,676	$	5,802,632
Total current liabilities	$	767,213	$	716,596	$	514,414	$	220,488
Working capital	$	19,455,449	$	23,860,648	$	9,722,187	$	3,982,497
Total weighted average shares outstanding		211,423,805		193,526,170		134,258,418		65,043,998

Q1 2021 Compared To Q1 2020

Net loss and total comprehensive loss

The Company had a net and total comprehensive loss of $11,058,575 during Q1 2021, compared to a net and total comprehensive loss of $5,827,330 for Q1 2020. The net and total comprehensive loss for Q1 2021 includes a non-cash currency translation adjustment ("CTA") loss of $93,274 as a result of the translation of Discovery Silver's Mexican subsidiaries MXP currency financial statements to the Company's reporting currency of CAD on consolidation (Q1 2020 – CTA loss of $1,001,195). This CTA loss is the result of the depreciation of the MXP to CAD during the first three months of the year which primarily impact the mineral property balances.

The overall increase in net loss during Q1 2021 when compared to Q1 2020 is primarily the result of increased exploration expenditures due to the Phase 1 Drill Program at Cordero (which began in September 2019 and was ramping up to four drill rigs during Q1 2020, while all four drill rigs were operational during Q1 2021, and more metres were drilled on the project. Additional costs were also incurred during Q1 2021 related to increased general and administrative expenses and share-based compensation expense compared to Q1 2020.

Share-based compensation expense

The Company incurred a non-cash share-based compensation expense of $3,494,920 during Q1 2021, compared to $157,576 during Q1 2020. The increase was due to the issuance of stock options to directors, officers, employees and service provides being granted in Q1 2021, whereas the stock option issuance for 2020 occurred during Q2 2020. Additionally, the fair value of stock options granted during 2021 was significantly higher than the stock options granted during 2020 due to the appreciation in the Company's share price over the last year and a half. Share-based compensation expense will decrease significantly over the next three quarters due to the varying vesting schedules of the stock options granted during Q1 2021.

Exploration and project evaluation expense

The Company incurred exploration and project evaluation costs of $5,888,527 during Q1 2021 compared to $4,015,210 in Q1 2020. A total of 21,000 metres were drilled during Q1 2021 vs 17,000 metres drilled during Q1 2020. A total of $5,766,111 was spent on Cordero during Q1 2021 comprised primarily of $3,649,683 in drilling costs related to follow-up vein drilling on the Todos Santos and Parcionera veins, as well as successful infill drilling at the South Corridor. Additionally, $201,120 was spent on metallurgical testing, pit optimization studies, and various other project evaluation expenditures related to the anticipated PEA to be released during Q4 2021. $272,222 was spent on mapping, assays and sampling, $213,299 on mining duties, $124,444 on surface access, and $854,985 on salaries and benefits, with the remainder having been spent on general project expenses. Work during Q1 2020 primarily related to expenditures at the Cordero project including drilling of $2,580,621, mining duties of $233,537, and salaries and benefits of approximately $770,281.

General office and other expenses

During Q1 2021, the Company incurred general office and other expenses of $837,066 compared to $518,413 during Q1 2020. This increase was related to the addition of new members of the management team being added during Q4 2020 and Q1 2021 and general compensation adjustments for management, employees and directors.

Professional fees

During Q1 2021, the Company incurred professional fees of $90,867 compared to $87,241 during Q1 2020 which related to legal, accounting and other consulting fees.

Provision for 100% of IVA receivable

At March 31, 2021, the Company had an aggregate Mexican value added tax ("IVA") recoverable balance of $6,020,006 including $1,349,033 remaining from the IVA acquired in the Levon transaction (December 31, 2020: $4,986,128 including $1,349,033 acquired in the Levon transaction). The Company does not have a consistent history of collection of IVA recoverable amounts and there is a high degree of uncertainty regarding the timing of repayment of IVA amounts by the Mexican government. As a result, the Company provides for 100% of the IVA recoverable balance and allocated no value to the IVA receivable balance on acquisition of Levon.

At March 31, 2021, the Company has established a provision in full for the IVA receivable balance of $3,410,111 (December 31, 2020: $2,633,976). The Company expects to continue to recognize a provision for 100% of the IVA recoverable balance until such time as there are sufficient indicators of recoverability.

Interest income

The Company earned interest income of $199,663 during Q1 2021 compared to $163,428 during Q1 2020. The increase over the prior year's quarter primarily relates to the accrual of interest receivable on the Company's short-term investments in redeemable GICs as a result of excess cash on hand arising from the two non-brokered private placements that closed during 2020.

Foreign exchange (gain) loss

The company incurred a foreign exchange loss of $75,797 during Q1 2021 compared to a loss of $102,906 during Q1 2020.

CASH FLOW

Q1 2021 Compared To Q1 2020

The Company had net cash used in operating activities of $6,704,777 for Q1 2021 compared to net cash used in operating activities of $4,240,184 for the same period in 2020. This increase is the direct result of the Phase 1 Drill Program at Cordero and related exploration activities at the Project during Q1 2021 being substantially higher than Q1 2020, as well as in increase in trade payables for contract drilling and sampling expenditures.

The Company had net cash used in investing activities of $146,647 for Q1 2021 compared to net cash received from investing activities of $209,895 for the same period in 2020. This relates to capital expenditures incurred during Q1 2021 for the purchase of IT infrastructure, vehicles, and equipment in Mexico while during Q1 2020, the cash spent on capital expenditures was offset by the proceeds received from the sale of investments of $228,391.

The Company had net cash provided by financing activities of $19,044,033 during Q1 2021 compared to cash provided by financing activities of $67,841 during the same period in 2020. The net cash inflow during Q1 2021 is primarily the result of cash received of $18,999,348 from the exercise of warrants.

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 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 the underlying assets and 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 to sustain the future development of the business.

(Expressed in Canadian dollars, except where otherwise noted)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. At March 31, 2021, aside from the long-term portion of the lease liability (refer to note 12 of the interim financial statements), the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the three months ended March 31, 2021.

As at March 31, 2021, the Company had working capital (defined as current assets less current liabilities) of $94,000,414 (December 31, 2020 – $82,435,046), shareholders' equity of $122,033,432 (December 31, 2020 – $110,541,531) and an accumulated deficit of $67,006,866 (December 31, 2020 – $56,041,564). Company is sufficiently capitalized to complete planned initial exploration programs on its properties, including the Phase 2 Drill Program at Cordero. If required, future funding may be obtained by means of issuing share capital, debt financing or a combination of both and will be assessed by Management at that time. The current excess funds are invested in highly liquid, interest-bearing marketable securities with no restrictions on redemption.

SHARE CAPITAL

A summary of the common shares issued and outstanding at March 31, 2021 and impact of changes to share capital is as follows:

	Note	Common Shares		Amount
At December 31, 2020		305,012,554	$	125,570,547
Shares issued on exercise of options	**13c**	**103,125**		**83,759**
Shares issued on exercise of warrants	**13e**	**18,825,079**		**18,999,348**
At March 31, 2021		**323,940,758**	**$**	**144,653,654**

OUTSTANDING SHARE DATA

At May 26, 2021 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	325,043,642 Common Shares
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 18,697,308 Common Shares
Securities convertible or exercisable into voting or equity securities-warrants(1)(2)(3)	Warrants to acquire 71,881,773 Common Shares	Warrants to acquire 33,773,236 Common Shares

(1) All 1,414,168 replacement warrants issued on acquisition of Levon Resources Ltd. on August 2, 2019 expired unexercised on February 13, 2020.

(2) 22,727,267 share purchase warrants were issued in the $25 million non-brokered private placement at an exercise price of $0.77 and an expiry date of May 29 or June 8, 2022 and 804,545 share purchase warrants were issued to certain finders at an exercise price of $0.55 and an expiry date of May 29 or June 8, 2022.

(3) 12,963,000 share purchase warrants were issued on August 7, 2020 in the $35 million non-brokered private placement at an exercise price of $1.75 and an expiry date of August 7, 2022.

(Expressed in Canadian dollars, except where otherwise noted)

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. 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.

A Company partially owned by one of the directors of the Company provides access to administrative and exploration personnel and has made certain payments on behalf of the Company on an as-needed basis. There is no fee charged to the Company, as all expenses are allocated at cost. Reimbursed expenses for the three months ended March 31, 2021 totaled $Nil (three months ended March 31, 2020 –$11,950). The Company had $nil in expenses payable to this company as at March 31, 2021 (December 31, 2020 – $Nil). These expenses are not included in the table below.

Related party transactions for the three months ended March 31, 2021 and 2020 are as follows:

		Three Months Ended March 31,	
Transaction Type	**Nature of Relationship**	**2021**	2020
Share-based payments	Directors and officers	**$ 2,912,616**	$ 77,388
Salaries and benefits	Officers	**217,500**	175,670
Consulting fees	Director	**-**	25,000
Director's fees	Directors	**91,250**	50,000
		$ 3,221,366	$ 328,058

A summary of amounts due to related parties:

Transaction Type	**Nature of Relationship**	**March 31, 2021**	December 31, 2020
Salaries and benefits payable	Directors, officers, and employees	**$ -**	$ 598,000
		$ -	$ 598,000

Exploration and Option agreements

A director of the Company is also party to the mineral exploration and option agreements and amendments thereto, entered into between the Company and the Vendors.

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.

(Expressed in Canadian dollars, except where otherwise noted)

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, 2021 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, 2021, the Company had a cash and cash equivalents balance of $79,742,626 (December 31, 2020 – $67,547,897) to settle current liabilities of $1,604,846 (December 31, 2020 – $982,260). The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

At March 31, 2021, the Company has no sources of revenue to fund its operating expenditures. Since inception the Company has relied solely on private placements to fund its operations. Such private placements include gross proceeds of $103,624,720 received through multiple non-brokered private placements – of which $60,001,450 was during the year ended December 31, 2020 (note 13b).

Management believes these financings will fund the Company's initial exploration work on the properties in both Coahuila and Chihuahua, Mexico 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 issuing share capital, or debt financing. At March 31, 2021, the Company is currently exposed to a low level of liquidity risk.

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, accounts receivable and prepaids and deposits are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated Canadian financial institutions. Management deems the credit risk associated with other receivables and deposits to be at an acceptable level.

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 condensed interim consolidated statements of financial position.

	March 31, 2021	December 31, 2020
Cash and cash equivalents	**$ 79,742,626**	$ 67,547,897
Short-term investments	**15,000,000**	15,000,000
Other receivables	**421,317**	300,545
Deposits	**69,834**	65,683
	$ 95,233,777	$ 82,914,125

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. Management has determined interest rate risk to be low.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar. At March 31, 2021, cash balances were held primarily in Canadian 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 use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of trade payables) denominated in USD and MXP. At March 31, 2021 and December 31, 2020, the Company had the following foreign currency denominated trade payables:

		March 31, 2021		December 31, 2020
United States dollar	**$**	**147,550**	$	149,806
Mexican Peso		**1,069,605**		109,853
	$	**1,217,155**	$	259,659

It is estimated that a 10% fluctuation in the United States Dollar and Mexican Pesos against the Canadian dollar would affect net loss at March 31, 2021 by approximately $121,126 (December 31, 2020: $25,467).

At March 31, 2021, management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

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 movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, and movement in the price of individual equity securities movements and the stock market generally, to determine the appropriate course of action to be taken by the Company.

At March 31, 2021, Management has determined the Company's exposure to price risk to be at an acceptable level.

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, primarily in Mexico. 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.

For a detailed discussion of risks refer to the Company's MD&A for the year ended December 31, 2020 available on the Company's website at www.discoverysilver.com or on SEDAR at www.sedar.com.

This MD&A also contains forward-looking information that involve 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".

Impact of COVID-19 and other health epidemics on Health and Safety

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

In particular, the continued spread of the coronavirus globally could materially and adversely impact the Company's operating activities including but not limited to: employee health; workforce productivity; increased insurance premiums; limitations on travel; the availability of industry experts and personnel; restrictions to its drill program and/or the timing to process drill and other metallurgical testing; and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Company's future prospects.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

There have been no material changes to the Company's commitments and contractual obligations during Q1 2021 and to the date of this MD&A.

SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial statements were prepared using the same accounting policies and methods of application as those disclosed in note 3 of the consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

There were no changes to accounting policies during Q1 2021.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS 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.

Critical accounting judgments and estimates include but are not limited to the Company's determination of: functional currency; the economic recoverability and probability of future economic benefits of exploration;

evaluation and development costs; determination of useful lives; impairment charges; recoverability of sales tax receivable; income taxes; and share-based payments. The estimates of non-cash share-based payments expense involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Actual results could differ from those estimates.

OFF-BALANCE SHEET ARRANGEMENTS

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

QUALIFIED PERSON

The technical information in this MD&A was reviewed and approved by Gernot Wober, P. Geo., Vice President Exploration of the Company, who is recognized as a Qualified Person ("QP") under the guidelines of NI 43-101.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results could differ materially from any estimates, forecasts, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

These forward-looking statements may include but are not limited to statements concerning:

- The Company's success at completing future financings;
- The Company's strategies and objectives;
- The Company's receipt of permits;
- The timeline for the execution and completion of drill programs;
- The timeline and anticipated results to be included in a Resource update
- The timeline and anticipated results to be included in a Preliminary Economic Analysis
- The availability of qualified employees for business operations;
- General business and economic conditions;
- General political climate;
- The Company's ability to meet its financial obligations as they become due; and
- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied, by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the Company's website at www.discoverysilver.com or on SEDAR at www.sedar.com.