
Discovery Announces 2024 Work Program for Cordero

January 24, 2024, Toronto, Ontario - Discovery Silver Corp. (TSX: DSV, OTCQX: DSVSF) (“Discovery” or the “Company”) is pleased to outline its 2024 work program for its Cordero project (“Cordero” or “the Project”) located in Chihuahua State, Mexico.

Tony Makuch, President and CEO, states: *“2024 is expected to be a transformational year for the Company. Our Feasibility Study is nearing completion and is on track to be delivered later this quarter. The study will incorporate an additional 35,000 m of drilling that highlighted the potential to extend the mine life beyond the 18 years outlined in the Pre-Feasibility Study, as well as the results from recent metallurgical testwork that demonstrated higher silver payabilities and reduced reagent consumption.*

“The Feasibility Study is expected to position Cordero as the only silver development stage asset in the industry that will produce more than 30 million ounces of silver-equivalent production annually once built. This impressive scale is accompanied by a long mine life, excellent capital efficiency due to staged expansions of the process plant and operating costs in the bottom half of the cost curve, emphasizing the strategic importance of Cordero within the silver space. In 2024, we also look forward to moving our way through the permitting and project financing process with the objective of reaching a construction decision in late 2024 or early 2025. We remain well funded to deliver on our key milestones this year with a cash balance at the end of 2023 of approximately C\$60 million.”

ENGINEERING & PROJECT DEVELOPMENT

The Feasibility Study (“FS” or the “Study”) is expected to be delivered later this quarter. The FS will incorporate staged expansions of the processing facility to maximize the capital efficiency of the Project and will include an additional 35,000 m of reserve definition and expansion drilling, the results from the FS metallurgical testwork program as well as additional geotechnical and hydrogeology data collected in 2023. The Company will also provide an updated resource estimate concurrent with the results of the Study.

Following the delivery of the FS the Company plans to commence Front-End Engineering Design (“FEED”) work for the Project. This engineering work consists of early project planning and will enable the Company to place orders for long lead-time items and to award the EPC/EPCM contract for the development of the Project.

The Company plans to progress all financing options for the Project through the course of 2024. These options include equity, debt, offtake, joint ventures, partnerships, lease financing on major equipment, streams, royalties and other strategic alternatives.

PERMITTING

The two principal environmental permits required for the construction, operation and closure of Cordero are:

1. Environmental Impact Assessment (“Manifestacion de Impacto Ambiental” or “MIA”)
2. Change of Land Use (“Cambio de Uso de Suelo” or “CUS”)

Both permits are subject to review and approval by the Secretaría de Medio Ambiente y Recursos Naturales (“SEMARNAT”), Mexico’s federal agency for natural resources and the environment.

The Company formally submitted for evaluation its MIA in August 2023. The MIA incorporates extensive social and environmental work programs completed by the Company’s team in Mexico since 2020 in conjunction with multiple reviews by third-party consultants. The review process of the MIA submission by SEMARNAT is ongoing.

The CUS submission is supported by a Change of Land Use Study known as an Estudio Tecnico Justificativo (“ETJ”). Compilation of the ETJ by the Company and third-party consultants will be finalized in the coming months with formal submission of the CUS expected to be made by 3Q 2024.

KEY DE-RISKING ITEMS

Power: impact assessment and power installation studies were completed in 2023 confirming that there is sufficient capacity in the existing power grid to supply the Project with power for operations at peak throughput levels. The FS will include detailed capital cost estimates for the standard upgrades required at the Camargo II substation and for the installation of a 74-kilometre powerline from the substation to Cordero. The Company has identified three potential routes for the powerline. Work in 2024 for the powerline will consist of finalizing the powerline route, surface rights access negotiations, permitting and engineering for both the Camargo II substation upgrade and the new powerline to site. The option to use renewable energy sources at site to supplement grid power will also be evaluated.

Surface Rights: in 2023 the Company secured the surface rights that correspond with the planned open pit and key infrastructure locations at Cordero. In 2024, the Company will focus on acquiring ancillary surface rights where appropriate as well as securing long-term access and lease agreements for nearby land as required.

Hydrology: the two potential sources of water for the Project are local groundwater and water from local water treatment plants in the region. The Company has completed a hydrogeological assessment through its Mexican specialist consultant Investigacion y Desarrollo de Acuiferos y Ambiente (“IDEAS”) utilising data from hydrogeology drilling and pump test wells. Initial results indicate the potential for sufficient local groundwater for Phase 1 of the project (mill

throughput of ~25,000 tonnes per day). In addition, M3 Engineering & Technology recently completed a technical review on the scope and cost to source water from local water treatment plants. The results from this review will be incorporated in the upcoming FS.

In 2024, the Company plans to initiate the permitting process for the zoning of the groundwater rights it already owns. The Company also plans to advance engineering work for the required upgrades to the water treatment plant and accompanying water pipeline.

EXPLORATION

In 2024, the Company plans to complete mapping and sampling of new target areas along with 2,500 m of drilling. Key target areas include La Perla (10 km south of Cordero), Dos Mil Diez (immediately southwest of Cordero) and Porfido Norte (10 km north of Cordero).

- **La Perla** – targeting is focused on a zone of anomalous silver from rock sampling within a very large alteration footprint and high chargeability / low resistivity anomalies defined by the geophysics program completed in 2022. Historical mine workings are also present within a northeast trending structural corridor (parallel to the orientation of the main mineralized trends at Cordero).
- **Dos Mil Diez** – further mapping and sampling is planned to support the evaluation of chargeability anomalies identified during an IP survey completed in 2022. Dos Mill Diez is located in an area of mapped intrusives, veining and alteration, directly to the southwest of Cordero.
- **Porfido Norte** – additional mapping and sampling is planned to define targets within a northeast trending structural corridor in this area.

The planned drill program for 2024 may be expanded depending on the results of the mapping and sample program and initial drilling. A map showing the location of these target areas can be found at the following link: [Property Wide Targets](#)

About Discovery

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

On Behalf of the Board of Directors,

Tony Makuch, P.Eng

President, CEO & Director

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Qualified Person

Gernot Wober, P.Geo, VP Exploration, Discovery Silver Corp., is the Company's designated Qualified Person for this news release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained in this news release is accurate.

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

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