Discovery Reports Q3 2021 Financial Results and Update

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TORONTO, Nov. 25, 2021 - Discovery Silver Corp. (TSX-V: DSV, OTCQX: DSVSF) ("Discovery" or the "Company") is pleased to announce its financial results for the three months ended September 30, 2021 ("Q3 2021"), and to provide a summary of key events for the quarter and subsequent to quarter-end. All amounts are presented in Canadian dollars ("C$") unless otherwise stated.

Discovery's flagship project is our 100%-owned Cordero silver project ("Cordero" or the "Project") located in Chihuahua State, Mexico. We are aggressively advancing the Project through drilling (+120,000 meters in past two years), and metallurgical testing and engineering studies, with a focus on delineating a high-margin project with size and scaleability.

HIGHLIGHTS:

- The Company's cash position as of the date of this release is approximately $73.1 million
- Subsequent to quarter end we released our first-ever Environmental, Social and Governance ("ESG") report and launched a brand-new Sustainability section on our website. These materials set out the Company's current practices and priorities going forward, including in the Company's Vision, Mission and Values that form the foundation on which we advance our flagship Cordero Project.
- We completed detailed and comprehensive metallurgical testing program for Cordero which delivered several significantly positive outcomes related to processing and process design.
- We released an updated Mineral Resource Estimate ("Resource") for Cordero which not only confirmed Cordero's status as one of the world's largest silver deposits and but also showed how advanced the Project has become with 87% of the Resource in the Measured and Indicated category. The release also outlined various subsets of the resource at higher cut-offs, clearly illustrating the high-margin potential of the Project.
- The Cordero Preliminary Economic Assessment ("PEA") remains on schedule for later this quarter.
- Our Phase 2 drilling is on-going with four drill rigs on site, focusing on reserve definition, resource expansion and high-grade vein delineation.

SUMMARY OF Q3 2021 & SUBSEQUENT EVENTS:

Financial & Corporate:

Balance Sheet

As at September 30, 2021, we had a cash and cash equivalents and short term investment balance of $72.6 million (approximately $73.1 million as of the date of this release).

Inaugural ESG Report / Sustainability website launch

Subsequent to quarter end we released our first Environmental, Social and Governance ("ESG") report and launched a brand-new Sustainability section of our website. Report highlights include:

- Over $1.7 million in goods and services purchased from local Mexican businesses;
- Over $1.3 million in salaries and benefits paid to local employees;
- Total workforce of 124 includes 58 employees (89% Mexican) and 66 contractors (98% Mexican);
- Total GHG emissions of 167 tonnes of CO_2 equivalent;
- Total water withdrawal of 36,017 m^3 and total water discharged of 36,007 m^3; and
- Zero fatalities and only 5 first-aid incidents

The full ESG Report is available for download at: www.discoverysilver.com/sustainability

Projects:

Metallurgical Test Work

Our metallurgical test program tested samples of all of the four major rock types at Cordero. The samples were sourced from locations spatially throughout the entire deposit, including the Pozo de Plata and NE Extension zones in the North Corridor and from along the central and southwest parts of the South Corridor. Tests were completed at the Blue Coast Research Ltd. ("Blue Coast") laboratory located in Parksville, BC, Canada. Highlights from the test work include:

Sulphide flotation test work

- Silver recoveries of 80-89%, lead recoveries of 83-91% and zinc recoveries of 81-90% from locked cycle tests.
- Higher recoveries were achieved at coarser grind sizes (~200 microns).
- Saleable concentrate grades confirmed and levels of penalty elements for concentrates were immaterial.

Oxide & transition cyanidation test work

- Silver recoveries of 54-80% & gold recoveries of 61-75% at coarse crush / grind sizes from coarse bottle roll testing.
- Results indicate that a heap leach on the oxide & transition material at Cordero may be economic and follow-up column leach test work is currently underway.

Further details on our metallurgical test results can be found in our news release dated September 7, 2021.

Resource (Phase 1) drilling

On August 25, 2021, the Company announced results from the final drill holes that were used to support the new resource estimate. The final drill holes were from multiple zones in both the North and South Corridors. Drilling in the South Corridor along the Josefina vein trend intercepted high-grade veins within broader zones of disseminated mineralization. Infill drilling within the central part of the South Corridor was also successful in confirming continuity of mineralization within the higher-grade bulk-tonnage domain.

Highlight intercepts include:

- 217.3 m averaging 194 g/t AgEq from 39.3 m (75 g/t Ag, 0.45 g/t Au, 1.1% Pb and 1.0% Zn) in hole C21-481 including:
- 25.5 m averaging 404 g/t AgEq from 147.2 m (236 g/t Ag, 0.55 g/t Au, 1.2% Pb and 1.9% Zn) in hole C21-482 including:
- 56.8 m averaging 139 g/t AgEq from 358.7 m (40 g/t Ag, 0.05 g/t Au, 0.7% Pb and 1.7% Zn) in hole C21-442
- 52.5 m averaging 128 g/t AgEq from 214.8 m (42 g/t Ag, 0.08 g/t Au, 0.7% Pb and 1.3% Zn) and 54.9 m averaging 133 g/t AgEq from 392.8 m (39 g/t Ag, 0.06 g/t Au, 0.9% Pb and 1.3% Zn) in hole C21-493

Updated Mineral Resource Estimate

Subsequent to quarter end we announced our updated Resource. The Resource is pit-constrained with an estimated waste-to-ore ratio of 1.1 and is supported by 224,000 m of drilling in 517 drill holes and reinterpreted structural and geological models of the deposit. 87% of the contained metal is in the Measured and Indicated category. The Resource will be used to support an updated PEA scheduled for completion later in Q4 2021. The size of the Resource positions Cordero as one of the largest silver projects globally. Highlights include:

Sulphide Resource (assumed to be processed via mill/flotation)

- Measured & Indicated Resource of 837 Moz AgEq[1] at an average grade of 48 g/t AgEq[1] (541 Mt grading 20 g/t Ag, 0.06 g/t Au, 0.29% Pb and 0.51% Zn)
- Inferred Resource of 119 Moz AgEq[1] at an average grade of 34 g/t AgEq[1] (108 Mt grading 14 g/t Ag, 0.03 g/t Au, 0.19% Pb and 0.38% Zn)
- High-grade subset - at a $25/t NSR cut-off a Measured & Indicated Resource of 509 Moz AgEq[1] at an average grade of 101 g/t AgEq[1] (42 g/t Ag, 0.11 g/t Au, 0.64% Pb and 1.04% Zn)

Oxide/Transition Resource (assumed to be processed by heap leaching)

- Measured & Indicated resource of 74 Moz AgEq[1] at an average grade of 23 g/t AgEq[1] (98 Mt grading 19 g/t Ag and 0.05 g/t Au)
- Inferred Resource of 22 Moz AgEq[1] at an average grade of 20 g/t AgEq[1] (35Mt grading 16 g/t Ag and 0.04 g/t Au)
- High-grade subset - at a $15/t NSR cut-off, a Measured & Indicated Resource of 26 Moz AgEq[1] at an average grade of 60 g/t AgEq[1] (52 g/t Ag and 0.09 g/t Au)

Further details on our Resource can be found in our news release dated October 20, 2021. Supporting Technical Disclosure and underlying assumptions for the Resource can be found at the end of this release.

Phase 2 drilling

At the end of the quarter, we announced results from the first 13 holes from our Phase 2 drill program. The holes were predominantly focused on the South Corridor and in the Northeast Extension of the North Corridor and were targeting improved definition of high-grade zones within the bulk-tonnage domain and will be included in a prefeasibility study on the Project planned for 2022.

Highlight intercepts include:

- 73.1 m averaging 241 g/t AgEq[1] from 75.0 m (104 g/t Ag, 0.06 g/t Au, 0.8% Pb and 2.5% Zn) in hole C21-510
- 133.8 m averaging 103 g/t AgEq[1] from 69.0 m (39 g/t Ag, 0.07 g/t Au, 0.8% Pb and 0.7% Zn) in hole C21-523
- 28.6 m averaging 300 g/t AgEq[1] from 265.5 m (101 g/t Ag, 0.12 g/t Au, 1.6% Pb and 3.2% Zn) including 9.4 m averaging 759 g/t AgEq[1] (257 g/t Ag, 0.26 g/t Au, 4.1% Pb & 8.1% Zn) in hole C21-519
- 38.0 m averaging 229 g/t AgEq[1] from 687.0 m (54 g/t Ag, 0.07 g/t Au, 1.3% Pb and 2.9% Zn) in hole C21-517

Phase 2 drilling will continue through the remainder of the year and will be focused on three key areas: (1) upgrading inferred resources for inclusion in a prefeasibility study planned for 2022; (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.

For further details on the drill results noted above refer to our news releases dated August 25 and September 30, 2021.

LOOKING AHEAD:

We are looking forward to releasing our PEA, a landmark milestone for the Company, later this quarter. 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. The study will incorporate staged expansions to reduce initial capex and an elevated cut-off grade strategy and effective use of stockpiling to accelerate the payback period. The study will be vetted by industry leading consultants and supported by our recently released Mineral Resource Estimate and three rounds of metallurgical testwork.

Our drill planning for next year is currently being finalized. our ongoing Phase 2 drill program focused on

reserve definition for an expected pre-feasibility study on the project for 2022. Alongside this infill drilling we will remain focused on potential resource expansion of bulk-tonnage mineralization as well as ongoing testing of the grade and continuity of the high-grade veins that transect the deposit. Our property wide mapping and sampling program also continues to progress well with targets expected to be finalized through the remainder of the year ahead of initial drill testing early next year.

We are also eager to advance and expand our ESG efforts following the recent publication of our inaugural ESG report. During 2021, we have added key positions to our management team in Mexico in the areas of environment, community relations and human resources to help develop and implement our ESG strategy across the organization. We anticipate publishing our 2021 ESG Report in Q2 2022 and look forward to sharing our progress.

SELECTED FINANCIAL DATA:

The following selected financial data is summarized from the Company's condensed interim consolidated financial statements and related notes thereto (the "Financial Statements") for the three months ended September 30, 2021.

A copy of the Financial Statements and MD&A is available at www.discoverysilver.com or on SEDAR at www.sedar.com.

Net loss	Q3 2021	Q3 2020
(a) Total	$ (8,752,766)	$ (5,127,665)
(b) basic and diluted per share	$ (0.03)	$ (0.02)
Net loss & total comprehensive loss	$ (8,739,307)	$ (4,914,927)
Total weighted average shares outstanding	325,155,725	282,624,020

	September 30, 2021	December 31, 2020
Cash, cash equivalents & short-term investments	$ 72,637,485	$ 82,547,897
Total assets	$ 109,227,233	$ 111,564,881
Total current liabilities	$ 1,753,280	$ 982,260
Total liabilities	$ 1,758,054	$ 1,023,349
Working capital	$ 71,594,510	$ 82,435,046
Total Shareholders' equity	$ 107,469,179	$ 110,541,532

About Discovery

Discovery's focus is on advancing its flagship 100%-owned Cordero project, one of the world's largest silver projects. Cordero is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico, and is supported by an industry leading balance sheet with more than C$70 million available for aggressive exploration, resource expansion, engineering and development. Discovery was a recipient of the 2020 TSX Venture 50 award and the 2021 OTCQX Best 50 award.

On Behalf of the Board of Directors,
Taj Singh, M.Eng, P.Eng, CPA,
President, Chief Executive Officer and Director

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TECHNICAL NOTES & REFERENCES:

Drill results [1]: all drill results in this news release are rounded. Assays are uncut and undiluted. Widths are drilled widths, not true widths, as a full interpretation of the actual orientation of mineralization is not complete. Intervals were chosen based on a 20 g/t AgEq cutoff with no more than 10 m of dilution. AgEq calculations are used as the basis for total metal content calculations given Ag is the dominant metal constituent as a percentage of AgEq value in approximately 70% of the Company's mineralized intercepts. AgEq calculations for reported drill results are based on USD $16.50/oz Ag, $1,350/oz Au, $0.85/lb Pb, $1.00/lb Zn. The calculations assume 100% metallurgical recovery and are indicative of gross in-situ metal value at the indicated metal prices. Refer to notes below for metallurgical recoveries assumed in the 2018 PEA completed on Cordero.

Sample analysis and QA/QC Program: True widths of reported drill intercepts have not been determined. Assays are uncut except where indicated. All core assays are from HQ drill core unless stated otherwise. Drill core is logged and sampled in a secure core storage facility located at the project site 40km north of the city of Parral. Core samples from the program are cut in half, using a diamond cutting saw, and are sent to ALS Geochemistry-Mexico for preparation in Chihuahua City, Mexico, and subsequently pulps are sent to ALS Vancouver, Canada, which is an accredited mineral analysis laboratory, for analysis. All samples are prepared using a method whereby the entire sample is crushed to 70% passing -2mm, a split of 250g is taken and pulverized to better than 85% passing 75 microns. Samples are analyzed for gold using standard Fire Assay-AAS techniques (Au-AA24) from a 50g pulp. Over limits are analyzed by fire assay and gravimetric finish. Samples are also analyzed using thirty three-element inductively coupled plasma method ("ME-ICP61"). Over limit sample values are re-assayed for: (1) values of zinc > 1%; (2) values of lead > 1%; and (3) values of silver > 100 g/t. Samples are re-assayed using the ME-OG62 (high-grade material ICP-AES) analytical package. For values of silver greater than 1,500 g/t, samples are re-assayed using the Ag-CON01 analytical method, a standard 30 g fire assay with gravimetric finish. Certified standards and blanks are routinely inserted into all sample shipments to ensure integrity of the assay process. Selected samples are chosen for duplicate assay from the coarse reject and pulps of the original sample. No QAQC issues were noted with the results reported herein.

Mineral Resource Estimate:

Sulphide Resource (assumed to be processed via mill/flotation)

NSR $/t cut-off	Class	Tonnes	Grade					Contained Metal				
			Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
		(Mt)	*(g/t)*	*(g/t)*	*(%)*	*(%)*	*(g/t)*	*(Moz)*	*(koz)*	*(Mlb)*	*(Mlb)*	*(Moz)*
$7.25/t	Measured	128	22	0.08	0.31	0.52	52	89	328	881	1,470	212
	Indicated	413	19	0.05	0.28	0.51	47	255	707	2,543	4,663	625
	M&I	541	20	0.06	0.29	0.51	48	344	1,035	3,424	6,132	837
	Inferred	108	14	0.03	0.19	0.38	34	49	99	451	909	119

Oxide/Transition Resource (assumed to be processed by heap leaching)

NSR $/t cut-off	Class	Tonnes	Grade			Contained Metal			% Oxide / % Trans
			Ag	Au	AgEq	Ag	Au	AgEq	
		(Mt)	*(g/t)*	*(g/t)*	*(g/t)*	*(Moz)*	*(koz)*	*(Moz)*	
$4.78/t	Measured	23	20	0.06	25	15	43	19	92% / 8%
	Indicated	75	19	0.05	23	45	125	56	87% / 13%
	M&I	98	19	0.05	23	60	168	74	88% / 12%
	Inferred	35	16	0.04	20	18	44	22	63% / 37%

Supporting Technical Disclosure for Resource:

- Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- AgEq for the Sulphide Resource is calculated as Ag + (Au x 16.07) + (Pb x 32.55) + (Zn x 35.10); these factors are based on commodity prices of Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb and assumed recoveries of Ag - 84%, Au - 18%, Pb - 87% and Zn - 88%.

- AgEq for the Oxide/Transition Resource is calculated as Ag + (Au x 87.5); this factor is based on commodity prices of Ag - $24.00/oz and Au - $1,800/oz and assumed recoveries of Ag - 60% and Au - 70%.
- The Resource is constrained by a pit optimisation based on the following commodity prices: Ag - $24.00/oz, Au - $1,800/oz, Pb - $1.10/lb, Zn - $1.20/lb. Additional parameters for the pit constraint are provided in the October 20, 2021, press release.
- Individual metals are reported at 100% of in-situ grade.
- The effective date of the Resource is October 20, 2021, and is based on drilling through July 2021.
- There are no known legal, political, environmental or other risks that could materially affect the potential development of the Resource.
- A full technical report will be prepared in accordance with NI 43-101 and will be filed on SEDAR within 45 days of the October 20, 2021, Resource press release.

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 scientific and technical content related to the updated Mineral Resource Estimate was reviewed and approved by R. Mohan Srivastava who is a "Qualified Person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Srivastava is a consultant to Red Dot 3D, a geological consulting company specializing in mineral resource estimation, and is considered to be "independent" of Discovery for purposes of section 1.5 of NI 43-101.

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Cautionary Note Regarding Forward-Looking Statements

This news release may include forward-looking statements that are subject to inherent risks and uncertainties. All statements within this news release, other than statements of historical fact, are to be considered forward looking. Although Discovery believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those described in forward-looking statements. Such statements include but are not limited to: the timeline for the execution and completion of the Phase 2 drill program including the impacts and benefits; the timeline and anticipated results to be included in the Resource update including the impact and benefits; the timeline and anticipated results to be included in the Preliminary Economic Assessment including the impact and benefits; Factors that could cause actual results to differ materially from those described in forward-looking statements include fluctuations in market prices, including metal prices, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Discovery does not assume any obligation to update any forward-looking statements except as required under applicable laws. For a detailed discussion on the risks faced by the Company, refer to the documents incorporated by reference herein, the Company's MD&A for the year ended December 31, 2020 and the Company's 2019 Annual Information Form available on the Company's website at www.discoverysilver.com or under Discovery's profile on SEDAR at www.sedar.com.

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