Discoverysilver

NEWS RELEASE

Discovery Announces 2022 Work Program & Budget for Cordero

February 1, 2022, Toronto, Ontario - Discovery Silver Corp. (TSX-V: DSV, OTCQX: DSVSF) ("Discovery" or the "Company") is pleased to outline its 2022 work program and budget for its Cordero project ("Cordero" or "the Project") located in Chihuahua State, Mexico. All amounts are presented in Canadian dollars unless otherwise stated.

Taj Singh, President and CEO, states: *"We look forward to completing our Pre-Feasibility Study in 2022 as we continue to systematically advance Cordero towards a construction decision. The Pre-Feasibility Study framework will incorporate supplementary metallurgical testwork, reserve definition drilling and dedicated Pre-Feasibility Study engineering drilling and will continue to incorporate staged expansions of the processing facility to ensure capital efficiency. We also remain committed to the growth potential of Cordero with more than 30,000 m of drilling planned on resource expansion targets and our first ever drilling of five highly prospective property targets within 10 km of Cordero. In parallel to these work plans our ESG program continues to be an important area of focus with key government and international accreditation certifications planned for completion in 2022.*

Our balance sheet remains exceptionally strong with a cash balance of approximately $70 million at the end of 2021 and no debt. This puts us in a very strong position to fund all our activities at Cordero in 2022, budgeted at $25 million, as well all necessary work to advance Cordero to a construction decision through the completion of a Definitive Feasibility Study in 2023."

2022 DRILL PLANS

Details on the allocation of the 55,000 metre 2022 drill program are provided below.

Item	Details	Drill Metres
Pre-Feasibility Study (PFS)	Reserve definition – upgrade resource for PFS mine plan	17,000 m
	PFS engineering drilling – metallurgy, geotechnical, hydrogeology & condemnation	8,000 m
Resource Growth	Target resource growth to the northeast, at depth & testing of vein extensions	14,000 m
Property-wide Targets	Initial drill testing of five property-wide targets	16,000 m
Total		55,000 m

BALANCE SHEET

We ended 2021 with a cash balance of approximately $70 million and no debt. Our planned work program at Cordero in 2022 is budgeted at $25 million. Expenditures for the year reflect a two-pronged approach with capital allocated to further de-risking of the Project with the delivery of our Pre-Feasibility Study ("PFS"), plus an allocation to growth capital for resource expansion and property-wide exploration. Looking beyond the PFS we anticipate we have sufficient cash to advance the Project to a construction decision through the completion of a Definitive Feasibility Study in the second half of 2023.

PRE-FEASIBILITY STUDY

We expect to complete the PFS on Cordero in the fourth quarter of 2022. The Study is expected to utilize a similar approach to the 2021 Preliminary Economic Assessment ("PEA") including staged expansions of the processing facility and the effective use of stockpiling to accelerate the payback period. The PFS will look to optimize the mining rates early in the mine life as well as the timing and size of the oxides/heap leach project in order to maximise capital efficiency. The PFS will also incorporate results from a trade-off study comparing the use of dry-stacked versus conventional tailings. Further details on additional technical work supporting the Study include:

- **Reserve definition** – 17,000 m of drilling is planned in and around the PEA pit for upgrading resources for inclusion in the PFS mine plan. This drilling will largely be focused on oxide and sulphide mineralization processed in the early years of the mine schedule.
- **Metallurgical testwork**
  - Oxides: additional column leach testwork to supplement the column leach tests completed in 2021.
  - Sulphides: additional comminution and flotation testwork to supplement the detailed metallurgical test program completed in 2021. The testwork will be predominantly focused on testing high grade samples ranging from 100 – 200 g/t AgEq to confirm grade versus recovery variability.
- **Geotechnical** – three additional geotechnical drill holes are planned for pit slope evaluation. This drilling supplements the two holes completed last year and will cover all five sectors of the open pit.
- **Hydrogeology** – four holes are planned within the PEA open pit for installation of piezometers to perform well pumping tests. This will allow for an assessment of pit dewatering requirements and will form part of an updated site water balance. A site wide hydrogeological investigation for the local aquifer will also be carried out through a subsurface resistivity-conductivity survey.

RESOURCE GROWTH

The highest priority target for resource growth is La Ceniza, in the northeast of the Cordero deposit. Historic drilling at La Ceniza demonstrated mineralization continues northeast of the Mega Fault and outlined low to medium-grade resources in this area in the Company's 2021 updated Mineral Resource Estimate. Mineralization consists of skarn and replacement styles associated with a rhyodacite intrusion as well as high-grade veins as evidenced by a number of historic underground workings in the area. 14,000 m of drilling are planned at La Ceniza to test mineralized extensions at depth and further to the northeast as well as the potential extensions of the Josefina and Todos Santos vein trends to the northeast of the Mega Fault.

A supporting map that outlines the Ceniza target can be found at the following link:

https://discoverysilver.com/site/assets/files/5847/20220201-pr-figure-a.pdf

PROPERTY-WIDE EXPLORATION

In 2021 we advanced five property-wide targets to drill ready status through a systematic mapping and sampling program alongside a detailed review of previously completed geophysical surveys. We plan on drilling 16,000 m across the five targets through the course of the year. This drill program may be expanded depending on the results from this initial drilling. Key highlights of the five targets include:

- **Sanson** – large, strong magnetic high located on the Cordero belt directly northeast of the Cordero resource area. Breccias and igneous rocks mapped at surface are coincident with intense silica alteration, jasperoid veining and high-grade silver from rock sampling.
- **Dos Mil Diez** – mapped intrusives, veining and alteration directly to the southwest of the Cordero resource area and within a large alteration footprint.
- **Molina de Viento** – high-grade silver from rock sampling within a very large alteration footprint and a high chargeability / low resistivity anomaly.
- **Porfido Norte** – prominent silver-in-soil anomaly and surface alteration coincident with a possible intrusion based on a chargeability high and surface morphology consisting of annular features.
- **La Perla** – chargeability high with an alteration footprint, historic underground workings and silver rock geochemistry.

A supporting map that outlines the location and size of these property-wide targets can be found at the following link:

https://discoverysilver.com/site/assets/files/5847/20220201-pr-figure-b.pdf

ENVIRONMENT, SOCIAL & GOVERNANCE

The publication of our inaugural Environmental, Social and Governance (“ESG”) report in 2021 reflects our strong commitment to manage ESG issues responsibly and transparently. Moving forward we will build on this strong platform to ensure we deliver long-term value and business resiliency as we move towards a production decision. Specifically, our key ESG deliverables in 2022 include:

- **ESR Distinction** – the ‘Empresa Socialmente Responsable’ is a brand created by the Mexican Center for Philanthropy (CEMEFI) that recognizes companies in Mexico that have committed to integrate the guidelines of Corporate Social Responsibility as part of their business operations. We anticipate obtaining this designation in 4Q 2022.
- **Clean Energy Certification** – this voluntary certification is an environmental audit program of the Mexican federal government based on compliance with environmental laws and the implementation of good environmental practices. We anticipate obtaining the certification in 4Q 2022.
- **Safe Industry** – this certification was created by the Ministry of Labor of the Government of Mexico and is granted to companies that establish and adhere to health and safety management systems that meet national and international standards. We expect to achieve compliance to the minimum of 30% of labor regulations in 2Q 2022 and be fully compliant in 2023.

- **IASE Certification -** The International Association for Sustainable Economy aims to be the main international certification body for all professionals in the field of ESG and thus promote the confidence of professionals and consumers in knowledge, skills, lifelong learning, behaviour and ethics. The IASE is recognized by the UNFCC's Green Climate Fund. We have six management and executive management employees who have recently completed the Level 1 certification for ESG in "International Sustainable Business" and intend to have all key employees certified to at least Level 1 under the IASE program by the end of 2022 with some completing Level 2 and subsequently the final Level 3 certification. This will provide over 1,300 hours of ESG training to our employees, stressing the importance of ESG to Discovery for all stakeholders.

About Discovery

Discovery's flagship project is its 100%-owned Cordero project, one of the world's largest silver deposits. The PEA completed in November 2021 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. Continued exploration and project development at Cordero is supported by a strong balance sheet with cash of approximately C$70 million.

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

TECHNICAL NOTES & FORWARD-LOOKING STATEMENTS:

The most recent technical report for the Cordero Project is the 2021 Preliminary Economic Assessment (PEA). The PEA was completed by Ausenco Engineering Canada Inc. with support from AGP Mining Consultants Inc. and Knight Piésold and Co. (USA). The full technical report supporting the PEA is available on Discovery's website and on SEDAR under Discovery Silver Corp.

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