

Discoverymetals

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2019 and 2018

Dated August 28, 2019

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") of Discovery Metals Corp. and its wholly-owned subsidiaries (together referred to as the "Company" or "Discovery Metals"), has been prepared to enable a reader to assess material changes in financial condition and results of operations as at and for the three and six months ended June 30, 2019 ("Q2 2019" and "Q2 YTD 2019", respectively). 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, 2018, the four-month period ending December 31, 2017 and the year ended August 31, 2017 and accompanying notes (the "consolidated financial statements"), prepared in accordance with International Financial Reporting Standards ("IFRS") and the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 (the "interim financial statements"), prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34"). 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 subsidiary. This discussion also covers the three and six-month comparative periods ended June 30, 2018 ("Q2 2018" and "Q2 YTD 2018", respectively) and the subsequent period up to the date of this MD&A.

All dollar amounts are presented in Canadian dollars ("CAD"), the Company's functional currency, except where otherwise noted. References to United States dollars are denoted as "USD\$" and to Mexican pesos as "MXP". Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.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, as 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 August 28, 2019.

DESCRIPTION OF BUSINESS

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

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 March 21, 2017 the Company incorporated a 100% wholly owned subsidiary in Mexico, Discovery Metals, S.A. de C.V. ("Discovery

DISCOVERY METALS CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Mexico”). The Company is listed on the TSX Venture Exchange (the “Exchange” or “TSXV”) under the symbol “DSV”. The Company's head office is located at Suite 701 - 55 University Avenue, Toronto, Ontario, M5J 2H7.

Q2 2019 HIGHLIGHTS

Puerto Rico project

During April 2019, the Company announced advances to the final stages in the land re-designation process at Puerto Rico. The Company is now awaiting the preparation of the Land Management Plan (the “Plan”) by the National Commission for Nature Protected Areas (“CONANP”) and the subsequent submission and approval at the federal level. Once complete, the Company can apply for the standard drill permits for the Project.

In addition to these advancements in the re-designation process, Discovery was granted membership and voting rights on the Board of the Maderas del Carmen Reserve (the “MDC Board”). The Board also approved the creation of a mining sub-committee which will work alongside CONANP in the review of the necessary changes to the Plan. The MDC Board will review and approve the final Plan prior to submission to the federal government.

The Company also announced amendments to the terms of the Puerto Rico option agreement (also refer to the ‘Related Party Transaction’ section of this MD&A). A comparison of the key terms in the original and amendment agreements is shown in the table below:

PAYMENT TYPE	ORIGINAL TERM	AMENDED TERM
Drill Permit milestone	- 500,000 common shares - US\$300,000 cash in lump sum payment	- US\$300,000 cash in 15 equal monthly instalments
Drill Permit milestone	- Four tranches of 500,000 common shares issued annually beginning August 17, 2019	- Four tranches of 500,000 common shares issued annually beginning the latter of August 17, 2019 or receipt of Drill Permit
Purchase Option work required	- US\$12,500,000 minimum spend over five (5) years	- 12,000 meters of drilling over three (3) years
Purchase Option consideration	- Higher of 30% of fair market value of the Project or US\$10,000,000. - Payment in common shares and cash	- Higher of 20% of fair market value of the Project or 18,000,000 common shares. - Payment all in common shares

In addition to the amendment of the Agreement, the Company signed a 30-year agreement with the Boquillas del Carmen Ejido which grants full access for all exploration and mining activities both surface and underground. Consideration of 200,000MXP (approximately \$13,500) was paid on signing with additional annual payments of 200,00MXP over the term of the agreement.

Refer to the Press Releases dated April 3, 2019 and April 25, 2019 available on SEDAR at www.sedar.com and on the Company’s website at www.dsvmetals.com.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Minerva project

During April 2019, the Company announced the results of surface samples from Minerva. Highlights include:

- Results received from 273 surface channel samples and one grab surface outcrop, all part of a detailed mapping and sampling program on three high potential areas at the Minerva project;
 - Values up to 997 g/t Ag, 30.9% Zn and 12.8% Pb
- At all three key mineralized areas, strong Ag-Zn-Pb grades of surface anomalies plus the dimensions of the corresponding areas suggest the presence of a robust carbonate replacement system; and
- At Mina Minerva, one of the key areas, the anomalous area has been increased substantially, now at 1.5km long by 300m wide.

Refer to the Press Release dated April 10, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

Monclova project

During April 2019, the Company announced the results of surface and underground samples from Monclova. Highlights include:

- Results from 41 underground channel samples include values of 1.0m breccia with 1,558 g/t AgEq, 1.2m breccia with 814 g/t AgEq and 1.0m breccia with 1,018 g/t AgEq at two of the historical workings.
- Results from 200 surface samples include channel sample values of 1.0m breccia with 248g/t AgEq, 1.5m fault breccia with 162 g/t AgEq, and dump samples of 2,645 g/t AgEq and 704 g/t AgEq.

Refer to the Press Release dated April 23, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

RECENT DEVELOPMENTS

Warrant Extension

On July 8, 2019, the Company announced it had received approval from the TSX Venture Exchange to extend the term of an aggregate 31,237,000 outstanding common share purchase warrants that were issued pursuant to a non-brokered private placement as described in the Company's news releases dated July 17, 2017, July 19, 2017 and June 17, 2019.

Each Warrant entitles its holder to acquire one common share of the Company (a "Common Share") at an exercise price of \$1.00 per Common Share. The original expiry date of each Warrant was August 17, 2019. The Company received approval from the TSXV to extend the expiry date of the Warrants by an additional 18 months, such that each Warrant will expire on February 17, 2021. The exercise price of all Warrants will remain unchanged, at the current exercise price of \$1.00 per Common Share. No Warrants under the Private Placement have been exercised to date.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Refer to the Press Release dated July 8, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

Monclova

On July 11, 2019, the Company announced it had been granted drilling permits for Monclova and that an exploration plan is currently being developed with multiple high-potential drill targets delineated for testing in 2019. This will be the first drilling ever carried out at Monclova.

Refer to the Press Release dated July 11, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

Non-brokered private placement

On July 25, 2019, the Company announced it had closed a non-brokered private placement raising \$9,004,770 through the issuance of 23,216,174 common shares at a price of \$0.23 per common share and 15,935,000 subscription receipts at a price of \$0.23 per subscription receipt. Discovery paid finders fees totalling \$17,500 to arms' length parties who introduced Discovery to investors.

The proceeds of the Private Placement will be used primarily to fund Discovery's continuing exploration program at Cordero, following the closing of the Levon Transaction, and the Coahuila projects (Puerto Rico, Minerva and Monclova). A portion of the proceeds will be used for general working capital purposes.

Refer to the Press Release dated July 25, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

Acquisition of Levon Resources Ltd.

On August 2, 2019, the Company announced the closing of the acquisition of Levon Resources Ltd ("Levon") by way of a statutory plan of arrangement, as previously announced on May 30, 2019.

Pursuant to the Acquisition, Levon shareholders exchanged all issued and outstanding common shares, warrants and options for common shares, warrants and options of Discovery at a ratio of 0.55 Discovery common share, warrant or option for one common share, warrant or option of Levon. The total transaction consideration paid to securityholders of Levon is estimated to be \$25,570,156 in aggregate value of common shares of Discovery and replacement warrants and options, based on the opening price of Discovery common shares on the Toronto Venture Stock Exchange ("TSXV") of \$0.395 on August 2, 2019.

The activity of Levon does not constitute a business, as defined by IFRS 3, and consequently, Discovery expects to account for the acquisition of Levon as an asset acquisition. As a result, the fair values of key net assets, including VAT receivable and exploration and evaluation assets, are being assessed and will be adjusted on finalization of the allocation of equity consideration which Management intends to finalize by December 31, 2019.

Refer to the Press Releases dated May 30, 2019 and August 2, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Minerva

On August 8, 2019, the Company announced results from underground sampling at the Minerva project.

Highlights include:

- First-ever documented underground channel sampling program at the Minerva.
- At the Mina Minerva area, 78 samples were taken; 53 samples (68%) returned grades greater than 500 g/t AgEq, averaging 1,804 g/t AgEq.
- Select samples include:
 - 0.4 m of 8,880 g/t Ag, 8.7% Zn, 43.2% Pb, 2.3% Cu (11,420 g/t AgEq)
 - 0.6 m of 2,429 g/t Ag, 2.5% Zn, 32.3% Pb, 0.24% Cu (3,907 g/t AgEq)
 - 1.0 m of 34 g/t Ag, 37.8% Zn, 3.0% Pb (2,438 g/t AgEq or 40.4% ZnEq)
 - 1.4 m of 131 g/t Ag, 22.2 % Zn, 2.7% Pb (1,586 g/t AgEq or 26.3% ZnEq)
 - 1.0 m of 190 g/t Ag, 10.6% Zn, 7.7% Pb, 0.11% Cu (1,150 AgEq)
 - 0.9 m of 517 g/t Ag, 5.7% Zn, 3.3% Pb, 0.07% Cu (1,000 g/t AgEq)
- Geophysics results are being finalized and preparation for the Project's first drill program ever is underway.

Refer to the Press Release dated August 8, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

Stock option grant

On August 16, 2019, the Company, pursuant to the Company's stock option plan, granted an aggregate 5,300,000 options to certain management, employees, consultants and directors. The Options have an exercise price of \$0.48 per share, have a five-year term from the date of grant, and vest according to the following schedules:

- **Management and employees:** annually in equal thirds beginning on the date of grant;
- **Consultants:** quarterly in equal eighths beginning three months after the date of grant; and
- **Directors:** immediately on 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 August 16, 2019 available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com.

2019 OUTLOOK

The Company is focused on exploring and advancing a 37,000-hectare property in Chihuahua State, Mexico, that covers an entire porphyry district that hosts numerous exploration targets for bulk tonnage diatreme-hosted, porphyry-style, and carbonate replacement deposits. In addition, the Company is focused on discovering and advancing 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

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

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, but there was no modern exploration or drill testing on the properties prior to the work carried out by Discovery.

Based on previous exploration work and drilling completed at Cordero, Management is developing an in-fill drilling program to begin in Q4 2019 in order to better define the resource. In addition, based on extensive surface exploration work (geology, geochemistry, geophysics) completed during 2018, Management has prioritized three projects in Coahuila (Puerto Rico, Minerva, Monclova) to be advanced to phase 1 drill-testing. The mineralized widths and grades in combination with the interpreted mineralization models from these three projects indicate that economically robust polymetallic mineralization potentially occurs on the projects. The company is finalizing its drill planning at Minerva and Monclova in order to begin drilling during Q4 2019. Both Minerva and Monclova are fully permitted for drilling. At Puerto Rico, the Company is in the final stages of having the land re-designated and, once completed, will submit its drill permit application.

While the Company's main focus for the remainder of 2019 will be on developing drill programs for Cordero, Minerva and Monclova to begin in Q4 2019, other activities will include testing its earlier-stage properties with surface exploration work. In addition, the Company continues to evaluate other strategic and accretive business opportunities. There are no present plans for any material capital expenditures in the next twelve months. With the addition of the \$9.0 million cash inflow from the private placement which closed on July 25 and August 2, 2019, the Company is sufficiently capitalized to support the budget forecast, including phase 1 drill-testing.

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net loss				
(a) Total	\$ (807,897)	\$ (793,684)	\$ (1,384,584)	\$ (1,983,699)
(b) basic and diluted per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Net loss and total comprehensive loss	\$ (914,483)	\$ (704,463)	\$ (1,179,158)	\$ (1,934,797)
Cash and cash equivalents	\$ 3,139,279	\$ 3,952,973	\$ 4,691,676	\$ 5,928,552
Total assets ⁽¹⁾	\$ 5,802,632	\$ 6,601,720	\$ 7,216,714	\$ 8,341,816
Total current liabilities ⁽¹⁾	\$ 220,488	\$ 142,402	\$ 230,090	\$ 254,985
Total weighted average shares outstanding	65,043,998	65,043,998	65,043,998	65,043,998

⁽¹⁾ Due to the adoption of IFRS 16 – Leases on January 1, 2019, opening balances of assets and liabilities were each increased by \$176,073 as a result of the creation of a right-of-use asset and associated liability related to the Company's office lease. Refer to the IFRS 16 transition adjustment discussion in the "Review of Quarterly Consolidated Financial Results" section and the "Changes in Accounting Policies" section of this MD&A.

	Q2 2018	Q1 2018	4-Months Dec. 31, 2017 ⁽²⁾	Q4 2017
Net loss				
(a) Total ⁽¹⁾	\$ (2,115,844)	\$ (1,546,500)	\$ (1,901,029)	\$ (2,100,859)
(b) basic and diluted per share	\$ (0.03)	\$ (0.02)	\$ (0.03)	\$ (0.05)
Net loss and total comprehensive loss	\$ (2,027,768)	\$ (1,645,433)	\$ (2,247,458)	\$ (2,100,859)
Cash and cash equivalents	\$ 8,060,078	\$ 10,317,254	\$ 12,234,811	\$ 14,643,353
Total assets	\$ 10,097,337	\$ 12,137,236	\$ 13,697,402	\$ 15,912,142
Total current liabilities	\$ 218,076	\$ 358,225	\$ 442,391	\$ 802,667
Total weighted average shares outstanding	65,043,998	65,043,998	65,043,998	38,652,150

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

⁽²⁾ As a result of the change in year-end from August 31 to December 31, the transition period was the four-month period ended December 31, 2017.

REVIEW OF QUARTERLY CONSOLIDATED FINANCIAL RESULTS

Q2 2019 vs. Q2 2018

Net loss and total comprehensive loss

The Company had a net and total comprehensive loss of \$914,483 for Q2 2019, compared to a net and total comprehensive loss of \$2,027,768 for Q2 2018 with expenses in the prior year comparative period being significantly higher as a result of the commencement of operations. The net and total comprehensive loss for Q2 2019 includes a non-cash currency translation adjustment ("CTA") loss of \$106,586 as a result of the translation of Discovery Mexico's MXP functional currency financial statements to the Company's presentation currency of CAD on consolidation (Q2 2018 – a CTA gain of \$88,076).

Share-based compensation expense

The Company incurred non-cash share-based compensation expenses of \$48,495 during Q2 2019, compared to \$128,018 during Q2 2018. This decrease is the direct result of the natural vesting of stock granted which results in a higher expense in the earlier stage of a stock option's life.

Exploration and project evaluation expense

The Company incurred exploration and project evaluation costs of \$481,528 during Q2 2019 compared to \$1,331,615 during Q2 2018. This decrease is the direct result of the majority of mapping, sampling and assay work being performed on the Company's three main properties during 2018. This work during Q2 2018 included \$906,660 spent on Puerto Rico (comprised primarily of \$520,276 for permitting, \$146,220 on salaries and benefits and \$184,420 on assays), \$237,487 spent on Monclova (comprised primarily of \$180,194 for assays and \$14,719 for salaries and benefits), \$187,468 spent on Minerva (comprised primarily of \$113,305, for assays and \$14,719 for salaries and benefits) with the remainder of \$157,762 having been spent on travel and general project expenses.

The spend during Q2 2019 primarily relates to project evaluation costs of \$235,627, surface and site access of \$28,034, and salaries and benefits and travel costs of approximately \$124,424 and \$24,250, respectively.

General office and other expenses

During Q2 2019, the Company incurred general office and other expenses of \$286,681 compared to \$379,920 during Q2 2018. This change is primarily the result of a decrease in salaries and benefits of \$95,805 related to the Company's optimization of its workforce and no short-term incentive payout in the current year, a decrease of \$8,869 in travel as a result of the stabilization of exploration operations with the hiring of a country manager and a \$6,248 decrease in business development. These decreases were partially offset by an increase of \$23,518 in depreciation expense on the property and equipment purchased subsequent to Q2 2018.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Professional fees

During Q2 2019, the Company incurred professional fees of \$76,918 compared to \$89,241 during Q2 2018. This change is primarily the result of a decrease in legal fees, partially offset by an increase in accounting and audit costs in Mexico.

Foreign exchange (gain) loss

The company incurred a foreign exchange gain of \$70,775 during Q2 2019 compared to a foreign exchange loss of \$218,712 during Q2 2018. The change is the result of a devaluation of the MXP against the CAD combined with an appreciation of the USD against the CAD during the period. The Company remains unhedged with respect to foreign currency.

Q2 YTD 2019 vs. Q2 YTD 2018

Net loss and total comprehensive loss

The Company had a net and total comprehensive loss of \$1,618,946 for Q2 YTD 2019, compared to a net and total comprehensive loss of \$3,673,201 for Q2 YTD 2018 with expenses in the prior year comparative period being significantly higher as a result of the commencement of operations. The net and total comprehensive loss for Q2 YTD 2019 includes a non-cash CTA loss of \$17,365 as a result of the translation of Discovery Mexico's MXP functional currency financial statements to the Company's presentation currency of CAD on consolidation (Q2 YTD 2018 – a CTA loss of \$10,857).

Share-based compensation expense

The Company incurred non-cash share-based compensation expenses of \$103,888 during Q2 YTD 2019, compared to \$297,451 during Q2 YTD 2018. This decrease is the direct result of the natural vesting of stock granted which results in a higher expense in the earlier stage of a stock option's life. In addition, 300,000 stock options were granted during Q2 YTD 2018 resulting in a higher share-based compensation expense during that period while no stock options were granted during Q2 YTD 2019.

Exploration and project evaluation expense

The Company incurred exploration and project evaluation costs of \$756,503 during Q2 YTD 2019 compared to \$2,518,051 during Q2 YTD 2018. This decrease is the direct result of the majority of mapping, sampling and assay work being performed on the Company's three main properties during 2018. This work during Q2 YTD 2018 included \$1,507,450 spent on Puerto Rico (comprised primarily of \$997,900 for permitting, \$227,721 on assays and \$148,347 on salaries and benefits), \$207,866 spent on La Kika (comprised primarily of \$149,862 for drilling), \$445,158 spent on Monclova (comprised primarily of \$40,518 for surface access rights, \$226,658 for assays and \$45,055 for salaries and benefits), \$356,216 spent on Minerva (comprised primarily of \$24,649 for surface access rights, \$151,619 for assays and \$45,055 for salaries and benefits) with the remainder of \$460,667 having been spent on mining duties across all properties and general project expenses.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

The spend during Q2 YTD 2019 primarily relates to project evaluation costs of \$235,627, mining duties of \$79,767, surface and site access of \$48,488, geophysics and paleontological work of \$17,998 and salaries and benefits and travel costs of approximately \$244,296 and \$51,501, respectively.

General office and other expenses

During Q2 YTD 2019, the Company incurred general office and other expenses of \$605,931 compared to \$817,431 during Q2 YTD 2018. This change is primarily the result of a decrease in salaries and benefits of \$180,858 related to the Company's optimization of its workforce and no short-term incentive payout in the current year, a decrease of \$25,840 in travel as a result of the stabilization of exploration operations with the hiring of a country manager and a \$17,658 decrease in business development. These decreases were partially offset by an increase of \$46,761 in depreciation expense on the property and equipment purchased subsequent to Q2 YTD 2018.

Professional fees

During Q2 YTD 2019, the Company incurred professional fees of \$123,207 compared to \$118,679 during Q2 YTD 2018. This change is primarily the result of increased accounting costs in Mexico, offset by a decrease in legal fees.

Foreign exchange (gain) loss

The company incurred a foreign exchange loss of \$45,446 during Q2 YTD 2019 compared to a foreign exchange gain of \$23,298 during Q2 YTD 2018. The change is the result of an appreciation of the MXP against the CAD combined with a depreciation of the USD against the CAD during the period. The Company remains unhedged with respect to foreign currency.

IFRS transition adjustments

The Company has applied IFRS 16 using the modified retrospective approach which requires the cumulative effect of the initial application to be recognized in retained earnings at January 1, 2019. The Company determined the impact to opening retained earnings to be immaterial and no adjustment was made.

On adoption of IFRS 16, the Company recognized lease liabilities for leases previously classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the applicable incremental borrowing rate as of January 1, 2019 of 3.95%. The company did not have any leases previously classified as finance leases under IAS 17.

The Company applied certain practical expedients and exemptions permitted under IFRS 16 as follows:

- The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases;
- The accounting for operating leases of low-value assets to remain as operating leases; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application and the lease liabilities in the statement of financial position at the date of initial application:

Operating lease commitments at December 31, 2018	\$	361,243
Less: short-term and low-value operating leases		(4,600)
Operating lease commitments subject to IFRS 16	\$	356,643
Discounted using the incremental borrowing rate of 3.95%		176,073
Lease liabilities recognized at January 1, 2019		176,073
Less: current portion		43,232
Non-current portion	\$	132,841

The associated ROU asset was measured at the amount equal to the lease liabilities and included in Property and equipment on the statement of financial position.

CASH FLOW

Q2 2019 vs. Q2 2018

The Company had net cash used in operating activities of \$782,867 for Q2 2019 compared to net cash used in operating activities of \$2,117,310 for Q2 2018. Minimal exploration activities occurred during Q2 2019 while a significant amount of mapping, sampling and assays occurred during Q2 2018 as the Company continued exploration activities.

The Company had net cash used in investing activities of \$1,775 for Q2 2019 compared to net cash used in investing activities of \$80,702 for Q2 2018. Investing activities for the current year include the purchase of computer equipment while investing activities for the prior period included the acquisition of the Mina Minerva claim and office and computer equipment.

The Company's cash used in financing activities of \$10,754 during Q2 2019 relates entirely to the principal repayments on the lease liability created on January 1, 2019, as a result of the adoption of the new accounting standard IFRS 16 – Leases (refer to the "Changes in Accounting Policies" section of this MD&A). The Company did not have any financing activities during Q2 2018.

Q2 YTD 2019 vs. Q2 YTD 2018

The Company had net cash used in operating activities of \$1,488,515 for Q2 YTD 2019 compared to net cash used in operating activities of \$4,020,867 for Q2 YTD 2018. Minimal exploration activities occurred during Q2 YTD 2019 while a significant amount of mapping, sampling and assays occurred during Q2 YTD 2018 as the Company continued exploration activities.

The Company had net cash used in investing activities of \$1,775 for Q2 YTD 2019 compared to net cash used in investing activities of \$143,989 for Q2 YTD 2018. Investing activities for the current period include the purchase of computer equipment while investing activities for the prior period included the acquisition of the Mina Minerva claim, a vehicle in Mexico, and office and computer equipment.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

The Company's cash used in financing activities of \$21,403 during Q2 YTD 2019 relates entirely to the principal repayments on the lease liability created on January 1, 2019, as a result of the adoption of the new accounting standard IFRS 16 – Leases (refer to the "Changes in Accounting Policies" section of this MD&A). The Company did not have any financing activities during Q2 YTD 2018.

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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at June 30, 2019, aside from the long-term portion of the lease liability (refer to "IFRS Transition Adjustment" section of this MD&A) 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 Q2 2019 or Q2 YTD 2019.

As at June 30, 2019, the Company had working capital (defined as current assets less current liabilities) of \$3,982,497 (December 31, 2018 – \$5,483,006), shareholders' equity of \$5,471,567 (December 31, 2018 – \$6,986,625) and an accumulated deficit of \$30,230,897 (December 31, 2018 – \$28,629,316). The Company is sufficiently capitalized to complete planned initial exploration programs on its properties for the current fiscal year. However, the Company will likely require additional financing to accomplish its long-term strategic objectives. 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.

SHARE CAPITAL

A summary of the shares issued and outstanding as at June 30, 2019 is as follows:

	Common Shares	Amount
As at December 31, 2018	65,043,998	\$ 23,539,388
As at June 30, 2019	65,043,998	\$ 23,539,388

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

OUTSTANDING SHARE DATA

As at August 28, 2019 the Company had the following equity securities and convertible securities outstanding:

	Authorized	Number and Type Outstanding⁽²⁾
Voting or Equity Securities Issued and Outstanding	Unlimited Common Shares	168,608,114 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 15,159,300 Common Shares
Securities convertible or exercisable into voting or equity securities-warrants ⁽¹⁾	Warrants to acquire 32,908,960 Common Shares	Warrants to acquire 31,664,500 Common Shares

⁽¹⁾ 1,244,460 private placement warrants expired unexercised on February 17, 2019.

⁽²⁾ Refer to 'Recent Developments' section of this MD&A for discussion on changes to outstanding share, option and warrant data as a result of the closing of the non-brokered private placement on July 25 and August 2, 2019 and the acquisition of Levon Resources Ltd. on August 2, 2019.

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 and six months ended June 30, 2019 totaled \$12,676 and \$18,448, respectively (three and six months ended June 30, 2018 – \$7,543 and \$26,747 respectively). The Company had \$1,576 in expenses payable to this company as at June 30, 2019 (December 31, 2018 – \$5,772). These expenses are not included in the table below.

Under similar arrangements, during the three and six months ended June 30, 2019 the Company reimbursed expenses of \$4,619 and \$5,326 (three and six months ended June 30, 2018 – \$nil and USD\$756) to other companies which have a Director in common. There was \$536 in expenses payable at June 30, 2019 (December 31, 2018 – USD\$707).

Transaction Type	Nature of Relationship	Q2 2019		Q2 2018	
Share-based payments	Directors and officers	\$	31,690	\$	57,434
Salaries and benefits	Officers		162,451		129,761
Directors fees	Directors		43,750		43,750
		\$	237,891	\$	230,945

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Transaction Type	Nature of Relationship	Q2 YTD 2019	Q2 YTD 2018
Share-based payments	Directors and officers	\$ 63,033	\$ 165,771
Salaries and benefits	Officers	324,901	265,820
Directors fees	Directors	87,500	87,500
		\$ 475,434	\$ 519,091

A summary of amounts due to related parties:

Transaction Type	Nature of Relationship	June 30, 2019	December 31, 2018
Accounts payable and accrued liabilities	A director and a company with a director/officer in common with the Company	\$ 1,554	\$ 1,554
		\$ 1,554	\$ 1,554

A director of the Company is also party to the mineral exploration and option agreements and amendments thereto, between the Company and the Vendors. Refer to the Company's management information circular dated June 5, 2019 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS

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

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

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

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

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

As at June 30, 2019 the Company had no financial instruments classified as Level 2 or 3.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

RISK FACTORS

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. For a detailed discussion of risks, refer to the Company's MD&A for the year ended December 31, 2018 dated April 26, 2019, which is incorporated by reference herein and available on SEDAR at www.sedar.com and on the Company's website at www.dsvmetals.com. For additional risks, refer to the Company's Filing Statement in Respect of a Change of Business dated August 3, 2017, available 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".

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 the following risks occur, the Company's business, financial condition and operating results could be adversely affected.

Financial Risk Factors

The Company's has exposure to certain risks resulting from its use of financial instruments.

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. As at June 30, 2019, the Company had a cash balance of \$3,139,279 (December 31, 2018 – \$4,691,676) to settle current liabilities of \$220,488 (December 31, 2018 – \$230,090). The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at June 30, 2019, the Company has no sources of revenue to fund its operating expenditures. Since inception the Company has relied solely on the gross proceeds of \$15,618,500 received through a non-brokered private placement of 31 million common shares at a price of \$0.50 per share during the year ended December 31, 2017 to fund its operating expenditures.

On July 25, 2019, the Company announced a non-brokered private placement through which gross proceeds of \$9,004,770 were raised at a price of \$0.23 per share. Refer to the 'Recent Developments' section of this MD&A for additional details.

Management believes these financings will fund the Company's initial exploration work on the properties in Coahuila and Chihuahua, Mexico as well as the existing administrative needs for the near term. However, the Company will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital, or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is currently exposed to a moderate level of liquidity risk.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

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 consolidated statements of financial position.

	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 3,139,279	\$ 4,691,676
Other receivables	7,589	12,428
Deposits	10,638	10,693
	\$ 3,157,506	\$ 4,714,797

Market Risk

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.

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. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low.

Foreign currency risk

The Company's functional currency is the Canadian dollar. At June 30, 2019, 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.

As at June 30, 2019, the Company had the following foreign currency denominated trade payables:

	June 30, 2019	December 31, 2018
United States dollar	\$ 18,695	\$ 38,077
Mexican Peso	7,033	108,625
	\$ 25,728	\$ 146,702

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

It is estimated that a 10% fluctuation in the United States Dollar and Mexican Pesos against the Canadian dollar would affect net loss at June 30 by approximately \$2,574 (December 31, 2018: \$19,035).

As at June 30, 2019, Management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

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 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.

As at June 30, 2019, Management has determined the Company's exposure to price risk to be at an acceptable level.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Puerto Rico project

On completion of the permitting for the Puerto Rico project, the Company will have to pay USD\$300,000 over 15 months, beginning 30 calendar days after the receipt of the permit (refer to note 13 of the interim financial statements).

During the year ended December 31, 2017, the Company contracted an environmental engineering consultancy firm to assist in the preparation and filing of all environmental and technical reports required by various governmental agencies with respect to the permitting process at Puerto Rico. The contract totaled USD\$1.2 million of which the remaining USD\$100 thousand will be paid upon receipt of all permits.

Monclova project

During the year ended December 31, 2018, the Company contracted an environmental engineering consultancy firm to assist in the preparation and filing of all environmental and technical reports required by various governmental agencies with respect to the permitting process at Monclova. The contract totalled USD\$90 thousand which will be paid upon receipt of all permits.

Other commitments

Effective January 1, 2019, the Company adopted IFRS 16 – Leases which brings operating leases onto the statement of financial position while allowing for certain exemptions based on duration of the lease and total dollar value of the contract. As a result of the adoption of IFRS 16, the Company determined that the office premise lease previously accounted for as an operating lease, matched the criteria under IFRS 16 for setting up a right-of-use asset and associated liability (refer to the "IFRS transition adjustments" section of this MD&A).

DISCOVERY METALS CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

The Company has operating leases for certain office equipment that fall within the IFRS exemption criteria. Total payments made during the Q2 2019 and Q2 YTD 2019 for these operating leases were \$690 and \$1,380 (Q2 2018 and Q2 YTD 2018 - \$690 and \$1,380, respectively). Total future minimum lease payments, under non-cancellable operating leases as at June 30, 2019 and December 31, 2018 are as follows:

Year		June 30, 2019	December 31, 2018
2019	\$	1,380	\$ 2,760
2020		1,840	1,840
	\$	3,220	\$ 4,600

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, except as noted in the “Changes in Accounting Policies” section below.

CHANGES IN ACCOUNTING POLICIES

Application of new and revised accounting standards effective January 1, 2019

The Company has adopted certain new IFRS standards, amendments to standards and interpretations effective for annual periods beginning January 1, 2019. The Company deemed the adoption of IFRS 16 – *Leases* (“IFRS 16”) to have a material impact on the interim financial statements.

IFRS 16

In January 2016, the IASB issued IFRS 16, replacing *IAS 17 – Leases*. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet, providing the reader with greater transparency of an entity’s lease obligations. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The transitional adjustments arising from the adoption are recognized in the opening balance sheet (refer to the “IFRS 16 Transition Adjustment” section of this MD&A).

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration. If the determination is made that the contract is, or contains, a lease, the Company recognizes a lease liability and a right-of-use asset (“ROU asset”) at the lease commencement date.

The Company has elected to apply certain exemption and does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in net earnings on a straight-line basis over the term of the lease.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

Lease liability

The lease liability is initially measured at the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Company's incremental borrowing rate which is the rate which the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset, over a similar term and in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following (if applicable):

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-of-use asset

The ROU asset is initially measured at cost, which comprises the following (if applicable):

- The amount of the initial measurement of the liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Company; and
- An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The ROU asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for property and equipment, from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

On the statement of financial position, the ROU assets are presented in 'Property and equipment' and the lease liabilities are presented in 'Lease liabilities'.

Details of other accounting standards deemed to have no impact upon adoption at January 1, 2019 are disclosed in note 4(a) of the interim financial statements.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the interim and 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, 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. During Q2 2019, there have been no changes to these critical accounting judgments and estimates.

For details on the Company's critical accounting judgments and estimates, refer to note 5 of the Company's consolidated financial statements for the year ended December 31, 2018 available on SEDAR at www.sedar.com or on the Company's website at www.dsvmetals.com.

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.

DISCOVERY METALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018
(Expressed in Canadian dollars, except where otherwise noted)

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 for the Puerto Rico Property;
- The availability of qualified employees for business operations;
- General business and economic conditions;
- 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.dsvmetals.com or on SEDAR at www.sedar.com.