

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

Discovery Silver Corp. (the “Company”)
701-55 University Avenue
Toronto, ON
M5J 2H7

Item 2. Dates of Material Change

April 12 and April 19, 2023

Item 3. Press Release

News releases in respect of the material changes referred to in this report were disseminated through the facilities of Globe Newswire on April 12 and April 19, 2023. The news releases were subsequently filed on SEDAR.

Item 4. Summary of Material Change

On April 12, 2023, the Company entered into an agreement with Clarus Securities Inc. and Cormark Securities Inc. (collectively, the “**Co-Lead Agents**”), on behalf of a syndicate of Agents (as defined below) pursuant to which the Company intended to issue, on a “best efforts” marketed basis, up to 37,500,000 common shares in the capital of the Company (the “**Shares**”) at a price of C\$1.20 per Share (the “**Offering Price**”) for aggregate gross proceeds to the Company of up to C\$45,000,000 (the “**Offering**”). In addition, the Company granted the Agents an option (the “**Agents’ Option**”) to purchase up to an additional 5,625,000 Shares at the Offering Price, exercisable at any time, in whole or in part, until the date that is 30 days following the closing of the Offering. On April 14, 2023, the Company entered into an agency agreement (the “**Agency Agreement**”) with the Co-Lead Agents, and BMO Capital Markets, Eight Capital and PI Financial Corp. (collectively, the “**Agents**”) with respect to the Offering. On April 19, 2023, the Company completed the Offering which included the full exercise of the Agents’ Option.

Item 5. Full Description of Material Change

On April 12, 2023 the Company entered into an agreement with the Co-Lead Agents, and on April 14, 2023, the Company and the Agents entered into the Agency Agreement, pursuant to which the Agents agreed to conduct the Offering on a “best-efforts” marketed basis, to sell up to 37,500,000 Shares the Offering Price for aggregate gross proceeds to the Company of C\$45,000,000. In addition, the Company granted to the Agents the Agents’ Option.

On April 14, 2023, the Company completed the Offering, which included the full exercise of the Agents’ Option, for aggregate gross proceeds to Company of C\$51,750,000.

The net proceeds from the Offering are expected to be used to fund the continued advancement and de-risking of the Cordero Project and for working capital and general corporate purposes, as more fully described in the prospectus supplement (the “**Prospectus Supplement**”) of the Company dated April 14, 2023.

The securities issued pursuant to the Offering were qualified for distribution pursuant to the Prospectus Supplement and a short form base shelf prospectus (the “**Base Shelf Prospectus**”) dated March 23, 2023, filed in each of the provinces and territories of Canada, other than Quebec, and offered and sold elsewhere outside of Canada on a private placement basis. The Prospectus Supplement, Base Shelf Prospectus, and the documents incorporated by reference therein, are available on the Company’s issuer profile on SEDAR at www.sedar.com.

Tony Makuch, the Chief Executive Officer of the Company, acquired 1,000,000 Shares in connection with the Offering. Participation by Mr. Makuch in the Offering was considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with Mr. Makuch’s participation in the Offering in reliance of sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Shares acquired by Mr. Makuch was not more than 25% of the Company’s market capitalization. The Company did not file a material change report 21 days in advance of the closing of the Offering as the participation by Mr. Makuch had not been confirmed at that time.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information, contact:

Forbes Gemmill, CFA
VP Corporate Development
Phone: 416-613-9410

Item 9.**Date of Report**

April 19, 2023.

Cautionary Note Regarding Forward Looking Information

This material change report contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian and U.S. securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this material change report. Any statement that involves discussion with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always using phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this material change report, forward-looking statements relate, among other things, to: the anticipated use of the net proceeds from the Offering; anticipated advancement of mineral properties or programs; future operations; future growth potential of Discovery; and future development plans.

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. Management believes that these assumptions are reasonable. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others: risks related to the speculative nature of the Company’s business; the Company’s formative stage of development; the impact of COVID19 on the timing of exploration and development work; the Company’s financial position; possible variations in mineralization, grade or recovery rates; actual results of current exploration activities; conclusions of future economic evaluations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold, precious and base metals or certain other commodities; fluctuations in currency markets; change in national and local government, legislation, taxation, controls regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formation pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties. Such factors are described in detail in the Prospectus Supplement and the documents incorporated by reference therein.

Forward-looking statements contained herein are made as of the date of this material change report and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and there may be other factors that cause results not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information.