



UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024

(expressed in thousands of United States dollars)

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited - (Expressed in thousands of United States dollars, except where otherwise noted)

As at	Notes	September 30, 2025	December 31, 2024 Restated – note 3(b)	January 1, 2024 Restated – note 3(b)
ASSETS				
Current				
Cash and cash equivalents	7	\$ 341,451	\$ 20,370	44,567
Accounts receivable	8	45,338	2,225	1,829
Inventories	9	51,828	—	—
Other current assets		789	342	375
		439,406	22,937	46,771
Non-current				
Mining interests, plant and equipment	10	1,175,842	60,967	61,929
Accounts receivable	8	4,488	1,497	1,739
Inventories	9	42,045	—	—
Restricted cash	7	8,332	—	—
Other non-current assets	7	46,597	—	—
TOTAL ASSETS		\$ 1,716,710	\$ 85,401	\$ 110,439
LIABILITIES				
Current				
Accounts payable and accrued liabilities	11	\$ 80,445	\$ 3,818	8,598
Current tax payable		58,200	—	—
Employee-related benefits	12	19,827	1,994	519
Reclamation liabilities	13	32,676	—	—
Deferred revenue	14(a)	23,932	—	—
Other current liabilities		101	172	84
		215,181	5,984	9,201
Non-current				
Deferred consideration	16	97,996	—	—
Reclamation liabilities	13	466,890	—	—
Deferred income tax liabilities		89,894	—	—
Employee-related benefits	12	3,424	—	—
Deferred revenue	14(a)	277,531	—	—
Other non-current liabilities		2,355	1,589	3,385
TOTAL LIABILITIES		\$ 1,153,271	7,573	12,586
SHAREHOLDERS' EQUITY				
Share capital	17	\$ 581,810	\$ 166,409	163,461
Contributed surplus		33,770	33,793	32,255
Warrants		18,985	13,250	13,250
Accumulated other comprehensive income (loss)		14,690	(8,287)	1,057
Accumulated deficit		(85,816)	(127,337)	(112,170)
TOTAL EQUITY		\$ 563,439	77,828	97,853
TOTAL LIABILITIES AND SHAREHOLDERS'		\$ 1,716,710	\$ 85,401	\$ 110,439

Approved on Behalf of the Board on November 12, 2025:

"Jeff Parr"	"Murray John"
Jeff Parr - Director	Murray John - Director

DISCOVERY SILVER CORP.
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND TOTAL COMPREHENSIVE
INCOME (LOSS)**

Unaudited - (Expressed in thousands of United States dollars, except per share and share information)

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2025	September 30, 2024 Restated – note 3(b)	September 30, 2025	September 30, 2024 Restated – note 3(b)
Revenue	19	\$ 236,961	\$ —	\$ 378,971	\$ —
Production costs		106,807	—	161,726	—
Depreciation and amortization		35,826	—	52,210	—
Royalties		3,619	—	5,535	—
Earnings from mining operations		90,709	—	159,500	—
Expenses					
General and administration	20	6,661	2,017	35,012	5,658
Exploration		5,972	158	6,827	375
Impairment		2,140	—	2,140	—
Share-based compensation	17	1,398	676	4,518	2,022
Earnings (loss) from operations		\$ 74,538	\$ (2,851)	\$ 111,003	\$ (8,055)
Other					
Other income (loss)	21	9,301	(1,327)	2,611	(2,778)
Finance items					
Finance (expense) income, net	22	(12,725)	318	(24,442)	1,330
Income (loss) before taxes		71,114	(3,860)	89,172	(9,503)
Income taxes expense		32,462	—	58,833	—
Deferred income tax expense (recovery)		(3,787)	—	(11,182)	—
Net income (loss)		\$ 42,439	\$ (3,860)	\$ 41,521	\$ (9,503)
Items that may in future be reclassified to profit or loss:					
Foreign currency translation differences		12,157	(1,265)	21,696	(4,425)
Change in pension benefits, net of tax	12	621	—	1,281	—
Total comprehensive income (loss)		\$ 55,217	\$ (5,125)	\$ 64,498	\$ (13,928)
Weighted average shares outstanding (000's)					
Basic		802,837	397,696	647,997	399,538
Diluted		825,798	397,696	670,958	399,538
Net earnings (loss) per share					
Basic	18	\$ 0.05	\$ (0.01)	\$ 0.06	\$ (0.02)
Diluted	18	\$ 0.05	\$ (0.01)	\$ 0.06	\$ (0.02)

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited - (Expressed in thousands of United States dollars, except where otherwise noted)

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2025	September 30, 2024 Restated – note 3(b)	September 30, 2025	September 30, 2024 Restated – note 3(b)
Operating Activities					
Net income (loss)		\$ 42,439	\$ (3,860)	\$ 41,521	\$ (9,503)
Items not affecting cash:					
Depreciation and amortization		35,783	58	52,210	192
Accretion	13,16	8,002	147	15,769	198
Deferred income taxes		(3,787)	—	(11,182)	—
Current taxes		32,462	—	58,833	—
Share-based compensation	17	1,398	676	4,518	2,022
Pension expense		502	—	845	—
Interest expense on net smelter return	14(a)	6,724	—	12,367	—
Deferred revenue on net smelter return	14(a)	(5,968)	—	(5,968)	—
Other income		(7,054)	1,985	(736)	2,961
Other non-cash adjustments		3,928	—	7,297	—
Changes in non-cash operating working capital:					
Trade and other receivables	8	(18,498)	190	(37,165)	(689)
Inventories	9	53,022	—	53,906	—
Accounts payable and accrued liabilities	11	4,535	(388)	22,277	(7,387)
Net cash from/(used in) operating activities		\$ 153,488	\$ (1,192)	\$ 214,492	\$ (12,206)
Investing Activities					
Additions of mineral interests, plant and equipment	10	(66,675)	(2,280)	(110,208)	(7,728)
Disposals of mineral interests, plant and equipment	10	—	—	—	5
Increase in restricted cash	7	—	—	(51,551)	—
Cash paid on acquisition of Porcupine	6	—	—	(200,631)	—
Net cash used in investing activities		\$ (66,675)	\$ (2,280)	\$ (362,390)	\$ (7,723)
Financing Activities					
Equity Financing, net of share issue costs		—	—	168,713	—
Proceeds on exercise of options	17(c)	1,361	572	5,517	1,175
Net Smelter Return proceeds	14(a)	—	—	300,000	—
Net Smelter Return payments	14(a)	(4,250)	—	(6,595)	—
Principal payment on lease liability		(177)	(18)	(306)	(53)
Net cash from/(used in) financing activities		\$ (3,066)	\$ 554	\$ 467,329	\$ 1,122
Effect of exchange rates on cash and cash equivalents		5,251	624	1,650	(986)
Increase (decrease) in cash and cash equivalents		\$ 88,998	\$ (2,294)	\$ 321,081	\$ (19,793)
Cash and cash equivalents, beginning of period		252,453	27,068	20,370	44,567
Cash and cash equivalents, end of period		\$ 341,451	\$ 24,774	\$ 341,451	\$ 24,774
Supplemental Cash Flow Information:					
Income tax expense paid		—	—	—	—
Interest paid		(438)	(3)	(1,461)	(8)
Interest received		2,263	320	4,334	1,455

DISCOVERY SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Unaudited - (Expressed in thousands of United States dollars, except where otherwise noted)

	Notes	Number of Common Shares (000's)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Equity
January 1, 2025		400,461	\$ 166,409	\$ 13,250	\$ 33,793	\$ (8,287)	\$ (127,337)	\$ 77,828
Share-based compensation	17	—	—	—	4,518	—	—	4,518
Shares issued on exercise of options	17(c)	6,192	8,732	—	(3,215)	—	—	5,517
Shares issued on exercise of RSU's	17(d)	2,185	1,783	—	(1,783)	—	—	—
Warrants issued under term debt facility	14(b)	—	—	5,735	—	—	—	5,735
Equity financing, net of share issue costs	17(b)	275,000	172,188	—	—	—	—	172,188
Acquisition of Porcupine Operations, net of share issue costs	17(b)	119,717	232,698	—	457	—	—	233,155
Net income (loss) and total comprehensive income (loss) for the period		—	—	—	—	22,977	41,521	64,498
September 30, 2025		803,555	\$ 581,810	\$ 18,985	\$ 33,770	\$ 14,690	\$ (85,816)	\$ 563,439

	Notes	Number of Common Shares (000's)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Equity
January 1, 2024		395,862	\$ 163,461	\$ 13,250	\$ 32,255	\$ 1,057	\$ (112,170)	\$ 97,853
Share-based compensation	17	—	—	—	2,022	—	—	2,022
Shares issued on exercise of options	17(c)	3,298	1,794	—	(619)	—	—	1,175
Shares issued on redemption of RSUs	17(d)	1,066	996	—	(996)	—	—	—
Net income (loss) and total comprehensive income (loss) for the period		—	—	—	—	(4,425)	(9,503)	(13,928)
September 30, 2024		400,226	\$ 166,251	\$ 13,250	\$ 32,662	\$ (3,368)	\$ (121,673)	\$ 87,122

DISCOVERY SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited - (Expressed in thousands of United States dollars, except where otherwise noted)
For the three and nine months ended September 30, 2025 and 2024

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Discovery Silver Corp. (“Discovery Silver” or the “Company”) is a Canadian-based precious metals company primarily engaged in mineral exploration, development, mining, and processing of gold in Canada, and is also advancing silver exploration projects in Mexico. The Company is listed on the Toronto Stock Exchange (the “Exchange” or “TSX”) under the symbol “DSV”, and on the Frankfurt Stock Exchange under the symbol “1CU0”. The Company's head office is located at Suite 2410 - 79 Wellington St W, Toronto, Ontario, M5K 1E7.

On April 15, 2025, the Company acquired Dome Mine Ltd. from Goldcorp Canada Ltd., a wholly owned subsidiary of Newmont Corporation (note 6). Dome Mine Ltd. is the holder of mining assets in and around Timmins and Chapleau, Ontario, which consists of the Hoyle Pond, Pamour and Hollinger mine properties, the Dome Mine property and milling facility (collectively “Dome”), numerous near-mine and regional exploration targets in and around Timmins, and the Borden mine in Chapleau (collectively, the “Porcupine Complex”). In addition to the approximately 1,400 km² of land in and around Timmins, the Borden mining operation also includes a large, land position near Chapleau, Ontario. Hoyle Pond and Borden are both underground mining operations. Pamour is an open-pit operation that has recently commenced production and is ramping up towards meeting the criteria to declare commercial production.

The Company's Board of Directors authorized the issuance of these unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2025 and 2024 (the “Interim Financial Statements”) on November 12, 2025.

2. BASIS OF PREPARATION

The Interim Financial Statements for the three and nine months ended September 30, 2025 and 2024, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements under International Accounting Standard 34, Interim Financial Reporting. As such, certain disclosures required by IFRS have been condensed or omitted. These Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto as at and for the years ended December 31, 2024 and 2023 (the “Consolidated Financial Statements”). The Company's interim results are not necessarily indicative of its results for a full year.

The April 15, 2025 acquisition of the Porcupine Complex is considered a business combination under IFRS 3 (note 6). As such the interim financial statements for the period ended September 30, 2025 include the assets and liabilities and results of operations of the Porcupine Complex since April 15, 2025 (the “acquisition date”).

3. MATERIAL ACCOUNTING POLICIES

These Interim Financial Statements have been prepared using the same accounting policies and methods of application as those disclosed in note 3 to the Company's Consolidated Financial Statements for the years ended December 31, 2024 and 2023 with the addition of policies adopted as disclosed below.

a) Basis of Consolidation

The Interim Financial Statements include the Financial Statements of the Company and its subsidiaries. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The interim financial

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statements include all the assets, liabilities, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions.

The Company's principal subsidiaries and its geographic locations are as follows:

Direct Parent Company	Location	Ownership Percentage	Properties
Minera Titán S.A. de C.V.	Mexico	100%	Cordero
Dome Mine Ltd. ⁽¹⁾	Canada	100%	Porcupine Complex

⁽¹⁾ Acquisition effective April 15, 2025 (Note 6)

b) Currency of Presentation

The interim financial statements are presented in U.S. dollars ("US\$"). The functional currency for the entities through which the Company conducts its operations is determined depending upon the primary economic environment in which they operate. The functional currency of the Mexican subsidiaries is the Mexican Peso ("MXP"), Dome Mine Ltd. is US\$ and Discovery Silver Corp. is the Canadian Dollar ("C\$").

During the nine months ended September 30, 2025, the Company elected to change its presentation currency from Canadian dollars to U.S. dollars to align with the functional currency of Dome Mine Ltd. In accordance with *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors*, this change in presentation currency was applied retrospectively as if the new currency had always been the Company's presentation currency. As a result, prior period comparative figures have been restated in US\$ (including in the notes to the consolidated financial statements).

In accordance with *IAS 21 - The Effects of Changes in Foreign Exchange Rates*, the method followed in restating historical financial information from Canadian dollars to U.S. dollars was:

- Assets and liabilities for each condensed interim consolidated statements of financial position presented were translated at the closing rate for the period;
- Income and expenses for each condensed interim consolidated statements of income (loss) and total comprehensive income (loss) were translated at quarterly average rates for the period (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses were translated at the rate on the dates of the respective transactions);
- Equity transactions were translated at historical exchange rates in effect on the date of the respective equity transaction; and
- All resulting exchange differences (currency translation adjustments) were recognized in equity under accumulated other comprehensive income (loss).

The exchange rates used to reflect the change in presentation currency in the accompanying interim financial statements were as follows:

	September 30, 2025	September 30, 2024	December 31, 2024	January 1, 2024
Average rate (C\$/US\$) – three months	1.3773	1.3641	1.3982	N/A
Closing exchange rate (C\$/US\$)	1.3921	1.3499	1.4389	1.3226

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c) Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and accounts for the combination using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date, the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are recognized as an expense in the condensed interim consolidated statements of comprehensive income (loss) and total comprehensive income (loss). Results of operations of the business acquired are included in the Company's interim financial statements from the date of acquisition.

Based on the facts and circumstances that existed at the acquisition date, management is in the process of performing a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company has up to one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

d) Revenue

The Company's primary source of revenue is the sale of refined gold, which is produced from gold doré generated at its mining operations. Revenue is measured at the fair value of the consideration received or receivable and is presented net of discounts and sales-related taxes, where applicable.

Revenue is recognized when the refined gold is transferred to the customer, which typically occurs upon delivery in accordance with the terms of the sales agreement and is also the date that title to the gold passes. At this point, the Company has transferred the significant risks and rewards of ownership, and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured.

Payment received by the Company from its Franco Nevada royalty agreement represents deferred revenue in accordance with IFRS 15 Revenue from Contracts with Customers. For this specific royalty, revenue is recognized when the performance obligations under the royalty agreement are satisfied by delivery of refined gold from own production. Payments received in advance of satisfying these obligations are recorded as deferred revenue and recognized as revenue when earned. When an arrangement includes variable consideration, revenue is recognized to the extent it is highly probable that a significant revenue reversal will not occur. Drawdowns of deferred revenue are limited to the portion of in-kind gold and silver ounces supported by proven and probable reserves and certain mineral resources which management is reasonably certain will be transferred to mineral reserves.

Interest expense on the total deferred revenue balance is recognized when there is a difference in the timing of the upfront consideration received and delivery of the in kind ounces. The discount rate is determined based on the rate that would be used in a separate financing transaction between the Company and its customer.

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e) Inventories

Inventories are valued at the lower of weighted average cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product. Inventories include stockpiled ore, in circuit and precious metals finished goods inventories as well as materials and supplies inventory.

For production-related inventories (including stockpiled ore, in-circuit/work-process, and finished goods), costs include:

- (i) materials, equipment, labour and contractor expenses which are directly attributable to the extraction and processing of ore;
- (ii) depletion and depreciation of mineral interest, property, plant and equipment used in the extraction and processing of ore;
- (iii) related production overheads (based on normal operating capacity); and
- (iv) refining and smelting costs incurred to process ore into saleable product.

f) Mining interests, plant and equipment

Mining interests represent capitalized expenditures related to the development of mining properties, related plant and equipment and expenditures arising from property acquisitions.

Mining properties

Purchased mining properties are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination. Drilling and related costs are capitalized for an ore body where proven and probable reserves exist and the activities are directed at obtaining additional information on the ore body or converting resources to proven and probable reserves. All other drilling and related costs are expensed as incurred. Property acquisition costs, longer term development, infrastructure and drilling and related costs are capitalized if the criteria for recognition as an asset are met.

The carrying amounts of mining properties are depleted using the unit-of-production ("UOP") method over the estimated recoverable ounces in proven and probable reserves, when the mine has met commercial production and is capable of operating at levels intended by management. Costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are amortized over the estimated proven and probable reserves of that specific ore block or area.

A mine is capable of operating at levels intended by management when: (i) operational commissioning of major mine and plant components is complete; (ii) operating results are being achieved consistently for a period of time; (iii) there are indicators that these operating results will be continued; and (iv) other factors are present, including one or more of the following:

- a significant portion of plant/mill capacity has been achieved;
- a significant portion of available funding is directed towards operating activities;
- a pre-determined, reasonable period of time has passed; or significant milestones for the development of the mining property have been achieved.

Stripping and development costs incurred prior to production are capitalized when they provide access to ore and meet asset recognition criteria. For open pit mines, pre-stripping is capitalized by pit. Production-phase stripping costs are

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included in the cost of inventory produced during the period unless the costs are expected to provide a future economic benefit to an identifiable component of the ore body, in which case the costs are capitalized as within mineral interests, plant and equipment as mineral property. For underground operations, development costs accessing future ore are capitalized and amortized over recoverable reserves. Costs supporting only current production are expensed as incurred.

Management reviews the estimated total recoverable ounces contained in depletable reserves at each financial year end, and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in depletable reserves and resources are accounted for prospectively.

Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and impairment losses or at fair value if purchased as part of a business combination. The cost of property, plant and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the estimated close down and restoration costs associated with the asset and borrowing costs incurred that are attributable to qualifying assets as noted in note 3(g).

Depreciation is recorded on a straight-line or units of production ("UOP"), over the shorter of the useful life of the asset or the remaining life of the mine ("LOM"); the life of mine is based on estimated recoverable ounces contained in proven and probable reserves.

The significant classes of depreciable plant and equipment and their estimated useful lives are as follows:

Depreciation Assets	Estimated Useful Life
Mill and related infrastructure	LOM and/or UOP
Vehicles and mobile equipment	4-15 years
Office equipment	3-10 years
Computer equipment	3 years
Buildings and improvements	5-20 years

g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction, or development of a qualifying asset are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Management applies judgment on a case-by-case basis to determine whether an asset is a qualifying asset, which is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as finance expense in the period in which they are incurred.

h) Reclamation Obligations

Reclamation obligations are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. A reclamation obligation is measured at the present value of the expected expenditures required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and a weighted average risk-free rate. The liability is accreted over time through periodic charges to earnings. In addition, the

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reclamation obligation is capitalized as part of the asset's carrying value and amortized over the life of the related asset. Reclamation costs are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of reclamation costs. Changes in reclamation estimates at mines that are not currently operating, as the mine or portion of the mine site has entered the closure phase and has no substantive future economic value, are reflected in earnings in the period an estimate is revised. The estimated reclamation obligation is based on when spending for an existing disturbance is expected to occur.

i) Employee-related benefits

Defined benefit pension plan

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognized immediately in the consolidated statements of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognized when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are split into three categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The Company recognizes net interest expense or income within the consolidated statements of income (loss) and total comprehensive income (loss). Any past service cost (or the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling, that may arise when the defined benefit plan is in a surplus position. The Company uses the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest for the period post-plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured with the discount rate used in the remeasurement, also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset). The retirement benefit obligation recognized in the consolidated statements of financial position represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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4. ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

There were no new standards, or amendments to standards and interpretations adopted by the Company, effective January 1, 2025.

New Accounting Standards Not Yet Adopted

Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)

In May 2024, IASB issued amendments clarifying that financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for a new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

This amendment is effective for annual periods beginning on or after January 1, 2026. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, IASB issued IFRS 18 replacing IAS 1 – Presentation of Financial Statements, which sets out presentation and disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (“MPMs”) and eliminates classification options for interest and dividends in the statement of cash flows.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 and is to be applied retrospectively. The Company is currently assessing the impact of the standard on its consolidated financial statements.

5. CRITICAL JUDGMENTS AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, contingent 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 applied prospectively.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements for the three and nine months ended September 30, 2025, are consistent with those applied and disclosed in note 5 of the Consolidated Financial Statements for the years ended December 31, 2024 and 2023 with the addition of those disclosed below. The Company's interim results are not necessarily indicative of its results for a full year.

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Functional currency

Determining the functional currency of the Company and its subsidiaries is a matter of significant judgment. Management considers the currency that most faithfully represents the economic effects of the underlying transactions, events, and conditions relevant to the Company. In making this assessment, management evaluates the following primary and secondary factors in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates:

- The currency that mainly influences sales prices and labor/material costs (primary indicators);
- The currency of financing activities and cash flows from operating activities (secondary indicators);
- The degree of autonomy of foreign operations and the nature of their transactions with the reporting entity.

Changes in these factors or in the economic environment may result in a reassessment of the Company's functional currency. Judgment is particularly significant where entities operate in multi-currency environments or when indicators are mixed.

Business combinations

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to mineral properties and asset retirement obligations. Mineral properties are initially measured at fair value using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Asset retirement obligations are initially measured at fair value using appropriate valuation techniques which are generally based on a forecast of the total estimated future cash flows required to settle the obligation. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets, costs to fulfil the obligations and any changes in the discount rate applied. Changes to the preliminary measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date.

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of Dome Mine Ltd. (note 6) was determined to constitute a business combination. To date, the combination has taken into account known facts and circumstances and will continue to be adjusted for a period of up to 12 months from the date of acquisition if new information arises.

Mining interests, plant and equipment

Significant management judgment is required to determine the point at which a mining project transitions from the development phase to the production phase. This judgment affects the timing, and classification of project-related expenditures as described in note 3(f) - Mining interests, plant and equipment, including the cessation of capitalization of development costs, the commencement of depreciation of mining assets, and the recognition of operating costs in the consolidated statements of income (loss) and comprehensive income (loss).

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In assessing whether commercial production has commenced, management considers factors specific to the operation, including:

- Completion of commissioning activities and the readiness of processing facilities for intended use;
- Achievement of a sustained level of throughput or production volume;
- Consistent production of a salable product meeting commercial specifications;
- The ability to operate the asset in a manner intended by management.

The timing of this transition is critical as it directly impacts the capitalization of development costs, depreciation expense, and the presentation of cash flows. Any changes in operating plans, technical challenges, or market conditions could result in a reassessment of the production status and impact the Company's financial results.

Reclamation costs

The Company makes estimates and assumptions in determining the provisions for reclamation costs. The estimates and assumptions include determining the amount and timing of future cash flows, inflation rates and discount rates. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including judgments of the extent of rehabilitation activities, technological changes, and regulatory changes. Consequently, there could be significant adjustments to the provisions established, which would affect future financial position, results of operations, and changes in financial position. The provision is management's best estimate of the present value of the reclamation costs. Actual future expenditures may differ from the amounts currently provided.

Franco Nevada net smelter return royalty

Selection of an appropriate accounting model for the royalty arrangement requires significant judgment. In particular, the assessment of meeting the 'own use' scope exception in IFRS 9, Financial instruments, and the remote likelihood of exercising the early repayment option. Significant estimates are applied in recognizing revenue and measuring deferred revenue, primarily relating to future production levels, commodity prices, and timing of performance obligations.

Current estimates include proven and probable mineral reserves and certain mineral resources which management is reasonably certain will be transferred to mineral reserves. This estimate does not include inferred resources as the likelihood of converting these into eventual reserves involves too much uncertainty. As mine plans are updated, management reflects these updates in the total amount of in-kind gold and silver credits to be delivered and will adjust for changes in the current period with appropriate disclosures.

Payments received in advance are recorded as deferred revenue and recognized as revenue as production and sales occur. The recorded liability reflects management's best estimate of future royalty obligations, however due to uncertainties in mine plans and market conditions, actual quantities and timing of deliveries under the royalty arrangement may differ from the initial estimates, potentially resulting in adjustments to deferred revenue and revenue recognized to date.

6. ACQUISITION OF PORCUPINE COMPLEX

On April 15, 2025, the Company and Goldcorp Canada Ltd., a wholly owned subsidiary of Newmont Corporation ("Newmont"), entered into a Share Purchase Agreement ("SPA"), under which, the Company acquired 100% share ownership interest Dome Mine Ltd., which held all title and interests in the Porcupine Complex (the "Transaction").

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As consideration for the Transaction, the Company paid Newmont \$200 million of cash and issued 119.7 million Discovery common shares, valued at \$232.7 million, resulting in Newmont owning an approximate 15% equity interest in the Company as at acquisition date. In addition, the Company will pay Newmont \$150 million in deferred cash consideration, payable in four annual payments of \$37.5 million commencing on December 31, 2027. The transaction has been accounted for as a business combination under IFRS 3 using the acquisition method which requires all identifiable assets acquired and liabilities assumed to be recorded at their fair values as at the date of acquisition. The following table summarizes the fair value of the consideration paid and the preliminary estimates of the fair values of identified assets acquired and liabilities assumed from Newmont. Final valuations of assets and liabilities are not yet complete due to the timing of the acquisition and the inherent complexity associated with the valuations. The values assigned are, therefore, preliminary and subject to change. The Company expects to finalize the determination of the fair values of the assets and liabilities acquired and deferred taxes within 12 months of the acquisition date, which could result in material differences from the preliminary values presented in these financial statements.

Purchase Price

Cash paid upon closing	\$	200,000
Common shares issued		232,698
Deferred cash consideration ⁽¹⁾		92,927
Fair value of replacement restricted share units		457
Cash paid on land transfer taxes		631
Estimated working capital adjustment		(2,925)
Total consideration	\$	523,788

⁽¹⁾ An aggregate of \$150.0 million is payable in equal installments of \$37.5 million on each of December 31, 2027 through 2030, resulting in deferred cash consideration over the period specified in the share purchase agreement and has been discounted to present value as of acquisition date.

The fair value of the identifiable net assets acquired includes the following:

Assets acquired		
Accounts receivable	\$	1,113
Inventories		74,194
Other current assets		1,719
Total current assets	\$	77,026
Mining Interest		464,473
Plant and Equipment		464,001
Stockpile		49,930
Other non-current assets		4,233
Total assets	\$	1,059,663
Liabilities assumed		
Accounts payable, accrued, and other liabilities	\$	25,729
Employee-related benefits		7,753
Other current liabilities		20,641
Total current liabilities	\$	54,123
Reclamation liabilities		373,641
Deferred income tax liability		104,552
Employee-related liabilities		3,559
Total liabilities	\$	535,875
Net assets acquired	\$	523,788

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During the quarter, as management continues to finalize the provisional fair value allocation of the assets acquired and liabilities assumed, adjustments were made to the purchase price allocation. These adjustments resulted in an increase of \$150.1 million in property, plant and equipment, an increase of \$22.9 million in reclamation liabilities, an increase of \$28.7 million in deferred tax liabilities, a net decrease of \$98.4 million in mineral interests, and a reclassification of \$30.7 million of stockpile inventory from current to non-current.

In connection with the Transaction, the Company:

- Granted to Franco-Nevada Corporation (“Franco”) a 4.25% net smelter royalty in exchange for cash consideration of \$300.0 million to be used for the Transaction and general working capital purposes (note 14(a)).
- Completed a bought deal public offering of 275.0 million subscription receipts for gross proceeds of \$175.0 million (C\$247.5 million) (note 17(b)).
- Entered into a debt commitment letter to obtain financing through a non-revolving multiple-draw term loan facility for a maximum principal amount of \$100.0 million (note 14(b)).

From the date of acquisition through September 30, 2025, the Porcupine Complex contributed \$379.0 million to revenue, \$159.5 million to earnings from mine operations, and \$73.9 million to net income after taxes.

7. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	September 30, 2025	December 31, 2024
Current	\$	\$
Cash and cash equivalents	341,451	20,370
Non-current		
Restricted Cash	\$ 8,332	\$ —

Restricted cash

Restricted cash of \$8.3 million as at September 30, 2025 relates to letters of credit and cash collateral for government required financial assurances for the closure plans at the Porcupine Complex, for which are still undergoing ownership changes. During the period, certain letters of credit and cash collateral for the closure plans at the Porcupine Complex were transferred into the Company’s name and placed under the custody of the underwriters. As a result \$43.2 million of previously recognized restricted cash was reclassified to other non-current assets.

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8. ACCOUNTS RECEIVABLE

	September 30, 2025	December 31, 2024
Trade and other receivables	\$ 23,597	\$ 58
Sales and value-added tax receivables	19,809	3,664
Supplier advances and other prepaids	6,420	—
Total trade and other receivables	\$ 49,826	\$ 3,722
Less: current portion	45,338	2,225
Non-current portion	\$ 4,488	\$ 1,497

9. INVENTORIES

	September 30, 2025	December 31, 2024
Stockpiles	\$ 55,019	\$ —
In-circuit inventory	7,928	—
Precious metals inventory	1,590	—
Materials and supplies	29,336	—
Total Inventories	\$ 93,873	\$ —
Less: current portion	51,828	—
Non-current portion - Stockpiles	\$ 42,045	\$ —

Included in production costs for the nine months ended September 30, 2025 of \$161.7 million, is a net increase of \$33.8 million related to changes in metal inventories (stockpiles, in-process, and precious metals), which includes a reduction of \$3.6 million related to depreciation of inventory. There were no write downs or reversals of write downs of inventory to net realizable value during the nine months ended September 30, 2025 and 2024.

Included within inventory at September 30, 2025 is \$7.5 million of depreciation and depletion (December 31, 2024 - \$nil). Non-current inventory consists of stockpiles that are not expected to be processed within 12 months.

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10. MINING INTERESTS, PLANT AND EQUIPMENT

Nine Months Ended September 30, 2025	Depletable		Non depletable		Total Mining Interest		Plant and equipment		Total	
Cost										
At January 1, 2025	\$	—	\$	59,038	\$	59,038	\$	3,045	\$	62,083
Additions, including transfer from construction in progress		50,711		4,924		55,635		11,929		67,564
Construction in progress net of transfer to Plant and Equipment		—		—		—		49,224		49,224
Impairment		—		—		—		(2,140)		(2,140)
Change in reclamation liability (note 13)		120,224		—		120,224		—		120,224
Porcupine acquisition (note 6)		464,473		—		464,473		464,001		928,474
Currency translation adjustment		—		6,406		6,406		403		6,809
Cost at September 30, 2025	\$	635,408	\$	70,368	\$	705,776	\$	526,462	\$	1,232,238
Accumulated Depreciation and Depletion										
At January 1, 2025	\$	—	\$	—	\$	—	\$	1,116	\$	1,116
Depreciation		—		—		—		24,521		24,521
Depletion		30,621		—		30,621		—		30,621
Currency translation adjustment		—		—		—		138		138
Accumulated depreciation and depletion at September 30, 2025	\$	30,621	\$	—	\$	30,621	\$	25,775	\$	56,396
Carrying value at September 30, 2025	\$	604,787	\$	70,368	\$	675,155	\$	500,687	\$	1,175,842

During Q3 2025, the Company recognized an impairment charge of \$2.1 million related to the write-down of software.

Year ended December 31, 2024	Depletable		Non depletable		Total Mining Interest		Plant and equipment		Total	
Cost										
At January 1, 2024	\$	—	\$	60,786	\$	60,786	\$	2,118	\$	62,904
Additions, including transfer from construction in progress		—		8,204		8,204		1,353		9,557
Disposals		—		—		—		(5)		(5)
Currency translation adjustment		—		(9,952)		(9,952)		(421)		(10,373)
Cost at December 31, 2024	\$	—	\$	59,038	\$	59,038	\$	3,045	\$	62,083
Accumulated Depreciation and Depletion										
At January 1, 2024	\$	—	\$	—	\$	—	\$	975	\$	975
Depreciation		—		—		—		277		277
Currency translation adjustment		—		—		—		(136)		(136)
Accumulated depreciation and depletion at December 31, 2024	\$	—	\$	—	\$	—	\$	1,116	\$	1,116
Carrying value at December 31, 2024	\$	—	\$	59,038	\$	59,038	\$	1,929	\$	60,967

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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2025	December 31, 2024
Trade and other payables	\$ 42,599	\$ 3,602
Accrued liabilities	37,846	216
	\$ 80,445	\$ 3,818

12. EMPLOYEE-RELATED BENEFITS

	September 30, 2025	December 31, 2024
Accrued payroll and withholding taxes	\$ 17,622	\$ 1,994
Employee pension benefits	3,424	—
Other employee-related payables	2,205	—
Total employee-related benefits	\$ 23,251	\$ 1,994
Less: current portion	19,827	1,994
Non-current portion	\$ 3,424	\$ —

Defined Contribution and Other Benefit Plans

In connection with the Transaction (note 6), the Company received, continuation of defined contribution pension plans and other benefit plans (collectively, the “Benefit Plans”) for the eligible employees of the Porcupine Complex. The amount charged to costs applicable to sales in the Condensed Interim Consolidated Statements of Income (Loss) and Total Comprehensive Income (Loss) was \$0.8 million and \$1.3 million for the nine months ended September 30, 2025, respectively (nine months ended September 30, 2024 – \$nil).

13. RECLAMATION LIABILITY

The reclamation liability has been estimated using a discount rate of 4.71% over the period from 2025 to 2068. Projected cash flows have been adjusted for inflation using the Consumer Price Index and include a risk premium of 5% to account for uncertainty.

Reclamation liabilities are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in current and non-current reclamation liabilities in the period estimates are revised.

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The following are reconciliations of reclamation liabilities:

	2025	2024
Balance at January 1,	\$ —	\$ —
Porcupine acquisition (note 6)	373,641	—
Post acquisition change in estimate	117,836	—
Additions, changes in estimates and other	2,388	—
Reclamation expenditure	(4,977)	—
Accretion expense	10,678	—
Total reclamation liability	\$ 499,566	\$ —
Less: current portion	32,676	—
Non-current portion	\$ 466,890	\$ —

The reclamation liability was initially recognized at fair value on the acquisition date using a market-based discount rate, as required by IFRS 3 Business Combinations. The subsequent remeasurement under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets resulted in a \$117.8 million increase in the provision and a corresponding increase in mineral interest (note 10), solely attributable to the change in discount rate methodology between the two accounting standards. There were no changes to the underlying estimated reclamation and closure costs.

As at September 30, 2025, the undiscounted future cost for reclamation liability before inflation was estimated to be \$752.6 million.

14. FRANCO NEVADA AGREEMENT

a) Deferred Revenue

At April 15, 2025	\$ —
Additions	300,000
Initial repayments	(6,595)
Deferred revenue recognized	(5,968)
Interest expense	12,367
Currency translation adjustment	1,659
At September 30, 2025	\$ 301,463
Less: current portion	23,932
Non-current portion	\$ 277,531

As part of the Transaction (note 6), Discovery entered into an agreement with Franco, whereby the Company granted Franco a 4.25% two - tranche net smelter return royalty on all minerals produced from the Porcupine Complex (the "NSR") for proceeds to the Company of \$300.0 million. The royalty is payable in in-kind metals produced or cash at the election of Franco.

The two-tranche royalty consists of:

- 2.25% NSR in perpetuity on all minerals produced from the Porcupine Complex;
- 2.00% NSR on all minerals produced until the earlier of i) royalty payments equivalent to 72,000 gold ounces (attributable solely to the 2.00% net smelter return royalty) or ii) a cash payment equal to a pre-tax annual internal rate of return of 12.00% in reference to a \$100.0 million attributable purchase price.

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For the nine months ended September 30, 2025, the Company received proceeds of \$300.0 million under the royalty agreement and made initial repayments totaling \$6.6 million before the obligation to deliver in-kind refined metal credits became effective. In accordance with IFRS 15 Revenue from Contracts with Customers, the Company recognized deferred revenue of \$6.0 million and interest expense of \$12.4 million.

b) Term Loan Facility

As part of the Transaction (note 6), the Company entered into a \$100.0 million senior secured term loan (the “Term Facility” or the “Loan”) with Franco, available to be drawn by Discovery within two years of closing. The Term Facility bears annual interest at the three month Secured Overnight Financing Rate (“SOFR”) plus 450 basis points.

The Company issued 3.9 million common share purchase warrants to Franco, each exercisable into one common share at an exercise price of C\$0.95. The warrants have a term of three years from the date of issuance. The fair value of the warrants was calculated using the Black Scholes model, with the following assumptions: volatility of 80%, no dividends, risk free rate of 2.59% and expected term to maturity of 3 years.

During the period, the Company terminated its \$100 million Term Facility upon execution of the revolving credit facility agreement (note 15). The Term Facility was undrawn at the time of termination.

15. REVOLVING CREDIT FACILITY

On September 15, 2025, the Company announced and entered into a revolving credit facility agreement (the “Facility”) provided by a syndicate of lenders which matures on September 15, 2028. The Facility is subject to customary covenants and is secured by all assets of the Company and its material subsidiaries. The Company is permitted to borrow up to US\$250 million, with an accordion feature for an additional US\$100 million, upon completion and subject to certain conditions. The facility bears interest on drawn funds by way of (i) Term Secured Overnight Financing Rate (“Term SOFR”) plus a credit spread adjustment of 0.10%, per annum plus an applicable margin ranging from 2.50% to 3.50% per annum based on the Company’s consolidated net leverage, (ii) US dollar base rate loans, with interest accruing at BMO’s US dollar base rate plus an applicable margin ranging from 1.50% to 2.50% per annum, based on the Company’s consolidated net leverage ratio.

As at September 30, 2025, Discovery was in compliance with all financial covenants and \$nil was drawn. The Company expects to satisfy the conditions required to draw down on the facility, including but not limited to the perfection of certain security registrations in the near term.

Upon entering into the facility, the Company terminated its \$100 million senior secured term loan with Franco. The Franco facility was undrawn at the time of termination.

16. DEFERRED CONSIDERATION

At April 15, 2025	\$	—
Additions		92,927
Accretion		5,091
Currency translation adjustment		(22)
At September 30, 2025	\$	97,996
Less: current portion		—
Non-current portion	\$	97,996

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17. SHARE CAPITAL

a) Authorized

- i. Unlimited common shares with no par value; and
- ii. Unlimited preferred voting shares with no par value.

b) Equity financing and Porcupine acquisition

As part of the Transaction described in note 6, the Company completed a bought deal public offering of 275.0 million subscription receipts for gross proceeds of \$175.0 million (C\$247.5 million). Each subscription receipt entitled the holder to receive one common share of the Company upon closing of the Transaction. As part of the bought deal, share issuance costs of \$2.8 million, net of tax, were incurred. On the closing of the Transaction, a total of 275.0 million common shares were issued pursuant to the exchange of subscription receipts.

As consideration for the Transaction, the Company issued 119.7 million common shares to an affiliate of Newmont, valued at \$232.7 million, net of share issue costs of \$2.6 million.

c) Stock Options

The Company has adopted a rolling stock option plan (the "Option Plan") which provides that the Company's Board of Directors and/or Compensation Committee (the "Board") may grant options to purchase common shares of the Company to directors, officers, employees and service providers.

The maximum number of common shares that may be reserved for issuance upon the exercise of the options, together with the common shares which may be issuable under any other security-based compensation plan, is limited to 10% of the issued and outstanding common shares of the Company at the time of grant (note 17(d)).

The Board, may, in its sole discretion determine any vesting provisions for options. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Option Plan. The expiry date for an option shall not be more than ten years from the grant date.

There were no options granted during the three and nine months ended September 30, 2025 or 2024. Option transactions and the number of options outstanding are summarized as follows:

	Outstanding (000's)	Weighted Average Exercise Price (C\$)
At January 1, 2024	19,994 \$	1.44
Options exercised	(3,468)	0.49
Options forfeited	(674)	1.93
At December 31, 2024	15,852 \$	1.63
Options exercised	(6,192)	1.24
At September 30, 2025	9,660 \$	1.88

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At September 30, 2025, the options outstanding and exercisable are as follows:

Exercise Price (C\$)	Options Outstanding			Options Exercisable		
	Number (000's)	Weighted average remaining life	Weighted average exercise price(C\$)	Number (000's)	Weighted average remaining life	Weighted average exercise price (C\$)
\$1.89	2,800	0.28	\$ 1.89	2,800	0.28	\$ 1.89
\$2.08	300	0.44	\$ 2.08	300	0.44	\$ 2.08
\$1.77	200	1.09	\$ 1.77	200	1.09	\$ 1.77
\$2.05	4,275	1.27	\$ 2.05	4,275	1.27	\$ 2.05
\$1.76	400	1.53	\$ 1.76	400	1.53	\$ 1.76
\$1.38	85	1.65	\$ 1.38	85	1.65	\$ 1.38
\$1.42	1,600	2.32	\$ 1.42	1,067	2.32	\$ 1.42
	9,660	0.58	\$ 1.88	9,127	0.48	\$ 1.90

d) Deferred Share Units, Restricted Share Units and Performance Share Units

The Company has adopted a Deferred Share Unit Plan (“DSU Plan”) and Long-Term Incentive Plan (“LTI Plan”). The maximum number of shares which may be reserved for issuance shall not exceed 10% of the issued and outstanding common shares of the Company when combined with all common shares issuable under the DSU Plan, the LTI Plan, the Option Plan and the Company’s former restricted share unit plan (the “Old RSU Plan”). Effective June 25, 2025, the LTI Plan replaces the Old RSU Plan and no further awards will be granted under the Old RSU Plan. All current outstanding awards granted under the Old RSU Plan will continue to vest in accordance with the terms of the original grant. Once all existing awards are either exercised or cancelled, the Old RSU Plan will be terminated.

The DSU Plan provides that the Board may grant deferred share units (“DSUs”) to non-executive directors of the Company, to be settled in cash or common shares of the Company, at the discretion of the Board. The LTI Plan provides that the Board may grant restricted share units (“RSUs”) and/or performance share units (“PSUs”) (collectively, the “Share Units”) to eligible employees, officers and eligible contractors, to be settled in cash or common shares of the Company, at the discretion of the Board. The Board in its sole discretion may determine any vesting provisions for DSUs, RSUs or Share Units.

The following tables reflect the continuity of RSUs and DSUs granted and redeemed during the three and nine months ended September 30, 2025 granted under the LTI Plan and the Old RSU Plan.

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	Number of RSU's	Weighted average market price on redemption (C\$)
At January 1, 2024	3,492	\$ —
RSUs granted	3,240	—
RSUs redeemed	(1,131)	0.82
At December 31, 2024	5,601	\$ —
RSUs granted	3,458	—
Performance RSUs granted	2,621	—
Replacement RSUs granted⁽¹⁾	1,072	—
RSUs redeemed	(2,185)	1.13
RSUs cancelled	(906)	—
At September 30, 2025	9,661	\$ —

⁽¹⁾ As part of the terms of the Transaction, existing restricted share units ("Replacement RSU's") of Newmont were settled with equivalent RSU's of the Company (note 6).

RSUs are each redeemable for one common share of the Company and vest annually in three equal tranches beginning on the first anniversary of each grant date. Performance RSUs are each redeemable for one common share of the Company and vest 100% on December 31, 2027.

	Number of DSU's
At January 1, 2024	1,476
DSUs granted	900
At December 31, 2024	2,376
DSUs granted	877
At September 30, 2025	3,253

The DSUs vest on the first anniversary of each grant date but may only be redeemed on the termination date of a director, in accordance with the DSU Plan.

Share-based compensation expense for the three and nine months ended September 30, 2025, was \$1.4 million and \$4.5 million, respectively (three and nine months ended September 30, 2024 - \$0.7 million and \$2.0 million, respectively).

18. EARNINGS PER SHARE

Earnings per share has been calculated using the weighted average number of common shares outstanding for the three and nine months ended September 30, 2025 and 2024 as follows:

Basic earnings per share

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Income (loss) for the period	\$ 42,439	\$ (3,860)	\$ 41,521	\$ (9,503)
Weighted average number of common shares	802,837	397,696	647,997	399,538
Basic earnings (loss) per share	\$ 0.05	\$ (0.01)	\$ 0.06	\$ (0.02)

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Diluted earnings per share

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Income (loss) for the period	\$ 42,439	\$ (3,860)	\$ 41,521	\$ (9,503)
Weighted average number of common shares	802,837	397,696	647,997	399,538
Dilutive potential ordinary shares				
<i>Warrants</i>	3,900	—	3,900	—
<i>Options</i>	6,147	—	6,147	—
<i>RSUs</i>	9,661	—	9,661	—
<i>DSUs</i>	3,253	—	3,253	—
Weighted average number of ordinary shares	825,798	397,696	670,958	399,538
Diluted earnings (loss) per share	\$ 0.05	\$ (0.01)	\$ 0.06	\$ (0.02)

19. REVENUE

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Sales Refined Gold	\$ 230,993	\$ —	\$ 373,003	\$ —
Deferred Revenue	5,968	—	5,968	—
Revenue	\$ 236,961	\$ —	\$ 378,971	\$ —

The Company sells refined gold to banks and market traders. The Company is not dependent on a limited number of customers for the sale of its products, as refined gold is a widely traded commodity that can be sold through numerous markets worldwide.

20. GENERAL OFFICE AND ADMINISTRATION

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Salaries and benefits	\$ 3,560	\$ 949	\$ 8,830	\$ 2,582
Professional fees	12	274	898	876
General office and other	1,092	444	1,985	1,301
Shareholder communication and investor relations	195	53	611	258
Travel	142	32	456	161
Filing and transfer agent fees	22	10	440	146
Business development ⁽¹⁾	1,638	255	21,792	334
	\$ 6,661	\$ 2,017	\$ 35,012	\$ 5,658

⁽¹⁾Costs include legal, consulting, advisory and other expenses primarily related to the evaluation and acquisition of the Porcupine Complex

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21. OTHER INCOME (LOSS)

Other income (loss) for the three and nine months ended September 30, 2025 and 2024 includes the following:

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Gain (loss) on fair value remeasurement of investments	\$ 139	\$ (58)	\$ 142	\$ (23)
Foreign exchange gain (loss)	9,162	(1,269)	2,469	(2,755)
Other income (loss)	\$ 9,301	\$ (1,327)	\$ 2,611	\$ (2,778)

22. FINANCE (EXPENSE) INCOME, NET

	Three Months Ended 30 September,		Nine Months Ended 30 September,	
	2025	2024	2025	2024
Finance income - Interest income on bank deposits	\$ 2,445	\$ 321	\$ 5,161	\$ 1,339
Finance Expense				
Interest expense	(7,168)	(3)	(13,834)	(9)
Accretion expense	(8,002)	—	(15,769)	—
Finance income (expenses), net	\$ (12,725)	\$ 318	\$ (24,442)	\$ 1,330

23. CAPITAL MANAGEMENT

The Company defines capital as its shareholder's equity comprised of issued share capital, contributed surplus and accumulated earnings (deficit). 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's objectives when managing capital are to fund and support the Company's exploration, evaluation, development and operating activities, with the goal of creating shareholder value, as well ensuring that the Company will be able to meet its financial obligations as they become due.

There was no change to the Company's approach to capital management during the three and nine months ended September 30, 2025.

24. FINANCIAL INSTRUMENTS

a) Financial assets and liabilities measured at amortized cost

Cash and cash equivalents, trade receivables, other receivables and deposits are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, lease liabilities, and deferred consideration payable are classified as other financial liabilities and are measured at amortized cost. These financial instruments approximate their fair value due to their short-term maturities and/or the market interest rate being charged thereon.

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b) Financial assets and liabilities measured at fair value

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.

Financial assets and liabilities measured at fair value include:

As at	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in marketable securities	\$ 289	\$ —	\$ 500	\$ 789

As at	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in marketable securities	\$ 148	\$ —	\$ —	\$ 148

25. COMMITMENTS AND CONTINGENCIES

Commitments

As at September 30, 2025, the Company had future purchase commitments of approximately \$101.7 million of which \$47.2 million relates to commitments for capital expenditures.

As part of its ongoing business and operations, the Company is required to provide surety bonds and bank letters of credit as financial support for various purposes, including environmental reclamation, exploration permitting, and other general corporate purposes. At September 30, 2025, there were \$51.6 million of outstanding letters of credit and surety bonds for the newly acquired Porcupine Complex assets, which are undergoing routine ownership changes that occur at the time of a business combination.

Certain of these arrangements are supported by cash collateral held by third-party underwriters. The cash collateral, which is refundable upon release of the bonds or letters of credit, is recognized as an asset and included within other non-current assets on the consolidated statement of Financial Position (note 7). The Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements through existing or alternative means, as they arise.

Contingencies

On November 20, 2024, Taykwa Tagamou Nation (“TTN”) filed a Statement of Claim in the Ontario Superior Court of Justice against the Government of Ontario, as well as Newmont Corporation and Goldcorp Canada Ltd. (collectively “Newmont”), in connection with the resumption of open pit mining activities at the Pamour mine located in Timmins, Ontario, Canada. TTN alleges that the issuance of environmental permits by the Government of Ontario related to the Pamour mine occurred without adequate consultation or consideration of cumulative impacts on TTN’s traditional

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territory and Aboriginal rights. The claim seeks, among other remedies: (i) a stay of all activities authorized under the permits until the matter is resolved, (ii) a declaration that Ontario breached its duty to consult and violated Treaty No. 9 and section 35 of the Constitution Act (Canada) 1982, and (iii) general and aggravated damages. Following the completion of the business combination on April 15, 2025 (note 6), the claim has been transferred to Discovery Silver Corp. in replacement of Newmont as defendant. Subsequent to the period ended September 30, 2025, Discovery and TTN entered into a resource development agreement as of October 20, 2025 in order to develop a framework for ongoing consultation and communication (the "RDA"). In connection with the entering into of the RDA, TTN filed a notice of discontinuance with respect to the Statement of Claim filed in the Ontario Superior Court of Justice.

The Company is from time to time involved in various legal proceedings related to its business. Except in the above-described environmental permit matter, management does not believe that adverse decisions in any pending or threatened proceeding or that amounts that may be required to be paid by reason thereof will have a material adverse effect on the Company's financial condition or results of operations.

26. SEGMENTED INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has one operating segment: Porcupine Complex (comprising of the operating mines and mill). This segment is organized predominantly by the products and services provided to customers and geography of the businesses.

The Corporate and Other segment (comprising of Mexico and the Corporate Office) includes corporate, exploration and evaluation and other income and expenses that do not pertain directly to an operating segment.

Income (loss) for the period by segment

	Three Months Ended September 30, 2025		
	Porcupine Complex	Corporate and Other	Total
Revenue	\$ 236,961	\$ —	\$ 236,961
Production costs	(106,807)	—	(106,807)
Depreciation and amortization	(35,826)	—	(35,826)
Royalties	(3,619)	—	(3,619)
Earnings from mining operations	\$ 90,709	\$ —	\$ 90,709
General and administration	—	(6,661)	(6,661)
Exploration	(5,920)	(52)	(5,972)
Impairment	—	(2,140)	(2,140)
Share-based compensation	—	(1,398)	(1,398)
Other income (loss)	8,536	765	9,301
Finance income (expense), net	(12,095)	(630)	(12,725)
Income (loss) before taxes	\$ 81,230	\$ (10,116)	\$ 71,114

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	Nine Months Ended September 30, 2025		
	Porcupine Complex	Corporate and Other	Total
Revenue	\$ 378,971	\$ —	\$ 378,971
Production costs	(161,726)	—	(161,726)
Depreciation and amortization	(52,210)	—	(52,210)
Royalties	(5,535)	—	(5,535)
Earnings from mining operations	\$ 159,500	\$ —	\$ 159,500
General and administration	—	(35,012)	(35,012)
Exploration	(6,660)	(167)	(6,827)
Impairment	—	(2,140)	(2,140)
Share-based compensation	—	(4,518)	(4,518)
Other income (loss)	1,995	616	2,611
Finance income (expense), net	(23,274)	(1,168)	(24,442)
Income (loss) before taxes	\$ 131,561	\$ (42,389)	\$ 89,172

	Three Months Ended September 30, 2024		
	Corporate and Other	Total	
General and administration	\$ (2,017)	\$ (2,017)	
Exploration	(158)	(158)	
Share-based compensation	(676)	(676)	
Other income (loss)	(1,327)	(1,327)	
Finance income (expense), net	318	318	
Income (loss) before taxes	\$ (3,860)	\$ (3,860)	

	Nine Months Ended September 30, 2024		
	Corporate and Other	Total	
General and administration	\$ (5,658)	\$ (5,658)	
Exploration	(375)	(375)	
Share-based compensation	(2,022)	(2,022)	
Other income (loss)	(2,778)	(2,778)	
Finance income (expense), net	1,330	1,330	
Income (loss) before taxes	\$ (9,503)	\$ (9,503)	

Assets by segment

As at	September 30, 2025			
	Porcupine Complex	Corporate and Other	Total	
Total Assets	\$ 1,309,740	\$ 406,970	\$ 1,716,710	

As at	December 31, 2024			
	Corporate and Other			Total
Total Assets	\$	\$ 85,401		\$ 85,401