
Discovery Reports Q3 2020 Financial Results & Update

November 25, 2020, Toronto, Ontario - Discovery Metals Corp. (TSX-V: DSV, OTCQX: DSVMF) (“Discovery” or the “Company”) is pleased to announce its financial results for the three months ended September 30, 2020, and to provide a summary of key events for the quarter and subsequent to quarter end. All amounts are presented in Canadian dollars (“C\$”) unless otherwise stated.

Discovery’s flagship project is our 100%-owned Cordero project (“Cordero” or the “Project”) located in Chihuahua State, Mexico. We are aggressively advancing the Project through a 55,000 metre (“m”) Phase 1 drill program focused on delineating a high-margin silver project with size and scalability.

CORPORATE HIGHLIGHTS:

On August 7, 2020, we closed a \$35 million private placement that included a \$15 million investment from Mr. Eric Sprott. The placement consisted of 25.9 million units at a price of \$1.35 per unit. Each unit was comprised of one common share of Discovery and one-half of one common share purchase warrant, with each full warrant exercisable at \$1.75 until August 7, 2022 (refer to the press release dated August 11, 2020, for further details).

As at September 30, 2020, and following the completion of this financing, we had a cash balance of \$84 million to drive value through aggressive exploration, resource growth and future development.

EXPLORATION HIGHLIGHTS:

We have now completed 43,640 m (111 holes) as part of our expanded 55,000 m Phase 1 drill program. There are currently four drill rigs operational on site. Additional drill rigs may be added when the Company is confident that the health and safety risks related to COVID-19 can be managed effectively. Based on our current level of activity we anticipate completing the expanded Phase 1 drill program by the end of Q1 2021.

Drilling is focused on two key concepts: (1) targeting of bulk-tonnage mineralization within and to the east and northeast of both mineralized corridors; and (2) testing of the width, grade and continuity of extensive high-grade vein systems that transect the deposit.

Bulk-tonnage targets

At our bulk-tonnage targets our recent focus has shifted to the South Corridor, an area of the deposit that has seen significantly less drilling than the North Corridor. As our drill results from the South Corridor indicate, we have been successful in intercepting broad zones of mineralization in areas where there were significant gaps in previous drilling, which indicates potential for the conversion of waste to ore in this part of the deposit.

Drill highlights during Q3 2020 and subsequent to quarter end from our bulk-tonnage targets include:

- **401.7 m averaging 134 grams per tonne silver equivalent (“g/t AgEq¹”) in hole C20-343 from 66.9 m (49 g/t Ag, 0.07 g/t Au, 1.0% Pb and 1.1% Zn) including:**
 - o **30.3 m averaging 182 g/t AgEq¹** (57 g/t Ag, 0.10 g/t Au, 0.8% Pb, 2.2% Zn) and;
 - o **112.3 m averaging 247 g/t AgEq¹** (96 g/t Ag, 0.08 g/t Au, 2.0% Pb, 1.8% Zn) and;
 - o **44.2 m averaging 241 g/t AgEq¹** (84 g/t Ag, 0.10 g/t Au, 1.8% Pb, 2.0% Zn)
- **139.1 m averaging 138 g/t AgEq¹** in hole C20-348 from 196.2 m (47 g/t Ag, 0.07 g/t Au, 0.6% Pb and 1.6% Zn) including:
 - o **19.0 m averaging 357 g/t AgEq¹** (112 g/t Ag, 0.17 g/t Au, 1.8% Pb, 4.0% Zn)
- **120.4 m averaging 114 g/t AgEq¹** in hole C20-333 from 206.8 m (30 g/t Ag, 0.11 g/t Au, 0.4% Pb and 1.5% Zn)
- **26.6 m averaging 108 g/t AgEq¹** in hole C20-353 from 99.5 m (56 g/t Ag, 0.09 g/t Au, 0.4% Pb and 0.7% Zn) and **29.6 m averaging 119 g/t AgEq¹** from 278.1 m (52 g/t Ag, 0.07 g/t Au, 0.8% Pb, 0.8% Zn)

High-grade vein targets

We continued to advance high-grade sulphide veins as a separate exploration target. At the Todos Santos Vein trend we have now demonstrated a minimum strike extent of 1.5 km based on historic underground workings and recent drilling while at the Parcionera Vein trend we have now confirmed a minimum strike extent of 350 m. These vein trends along with other known vein trends at the Project are a new and exciting component of our story that we look forward to drill testing for the remainder of the year and through 2021. Drill highlights during Q3 2020 and subsequent to quarter end from the vein targets include:

- **Todos Santos Vein**
 - **1.4 m averaging 1,907 g/t AgEq¹** in hole C20-342 from 147.0 m (700 g/t Ag, 0.74 g/t Au, 16.1% Pb and 14.0% Zn)
 - **1.9 m averaging 2,007 g/t AgEq¹** in hole C20-344 from 171.1 m (1,035 g/t Ag, 0.06 g/t Au, 20.0% Pb and 6.4% Zn)
 - **3.4 m averaging 1,150 g/t AgEq¹** in hole C20-349 from 145.6 m (412 g/t Ag, 0.42 g/t Au, 8.0% Pb and 10.0% Zn) within a **5.0 m interval averaging 962 g/t AgEq¹** (331 g/t Ag, 0.35 g/t Au, 6.3% Pb, 9.2% Zn)
 - **2.0 m averaging 1,207 g/t AgEq¹** in hole C20-351 from 224.8 m (532 g/t Ag, 0.38 g/t Au, 8.8% Pb and 8.1% Zn)
- **Parcionera Vein**
 - **1.5 m averaging 1,119 g/t AgEq¹** in hole C20-338 from 149.8 m (489 g/t Ag, 0.82 g/t Au, 2.9% Pb and 11.1% Zn)
 - **1.3 m averaging 1,073 g/t AgEq¹** in hole C20-340 from 69.6 m (587 g/t Ag, 0.67 g/t Au, 9.4% Pb and 2.4% Zn)

For all drill results refer to press releases dated July 20, August 19, September 14, October 14 and November 12, 2020, for further details.

COVID-19 UPDATE

As with much of Mexico this past fall, Chihuahua State saw a significant increase in the community spread of COVID-19. During the month of October, the Company isolated and quarantined several employees and contractors who had tested positive for COVID-19 during routine testing at site. These tests were followed-up with subsequent PCR testing with anyone testing positive being isolated immediately. The Company is continually enhancing its testing protocols, social-distancing measures and travel restrictions and saw a noticeable reduction in positive cases during the month of November.

The Company continues to be proactive regarding COVID-19 and continually monitors employees and contractors and remains committed to being engaged with our local stakeholders during this uncertain period. The Company will continue to closely monitor the directives of all levels of government in both Mexico and Canada as well as the relevant health authorities.

Q3 2020 FINANCIAL HIGHLIGHTS:

The following selected financial data is summarized from our Company's unaudited interim condensed consolidated financial statements and related notes thereto (the "Financial Statements") for the three months ended September 30, 2020. A copy of the Financial Statements and MD&A is available on our website at www.dsvmetals.com or on SEDAR at www.sedar.com.

	Q3 2020	Q3 2019
Net loss		
(a) Total ^(A)	\$ (5,127,665)	\$ (3,876,582)
(b) basic and diluted per share	\$ (0.02)	\$ (0.03)
Net loss & total comprehensive loss	\$ (4,914,927)	\$ (4,017,681)
Total weighted average shares outstanding	282,624,020	134,258,418

A. Net loss for Q3 2020 includes non-cash share-based compensation expense of \$232,528 (Q3 2019: \$1,614,616) and a 100% provision for IVA receivable additions of \$581,405 (Q3 2019: \$1,000,710).

	September 30, 2020	December 31, 2019
Cash, cash equivalents & short-term investments	\$ 84,210,491	\$ 23,950,737
Total assets	\$ 112,664,894	\$ 53,518,599
Total current liabilities	\$ 1,825,541	\$ 716,596
Total liabilities	\$ 1,878,499	\$ 804,466
Total Shareholders' equity	\$ 110,786,396	\$ 52,714,133

RSU & DSU PLAN:

Discovery also announces that its shareholders and its board of directors have approved the implementation of a restricted share unit plan (the "**RSU Plan**") and a deferred share unit plan (the "**DSU Plan**").

The RSU Plan and the DSU Plan have been implemented to further align the interests of the Company's senior management, consultants, and directors with those of Discovery's shareholders. Both plans were approved by Discovery's board of directors on May 12, 2020, and by the Company's shareholders at its

annual general meeting on June 26, 2020. The Company has received conditional approval of the TSX Venture Exchange for both the RSU Plan and the DSU Plan.

To date, no restricted share units (“**RSUs**”) or deferred share units (“**DSUs**”) have been granted by Discovery under the respective plan. Discovery’s board of directors (or its Compensation Committee, as delegated by the board) will determine the grant of RSUs and DSUs to any eligible persons, and will determine the terms of any vesting conditions for RSUs or DSUs granted.

Participation in the RSU Plan is restricted to Discovery’s employees, officers, and consultants. Upon vesting, RSUs entitle their holders to receive either the number of common shares of the Company (“**Shares**”) equal to the number of RSUs vested, or a cash payment equal to the value of such Shares, or a combination of cash and Shares, in each case at the Company’s option.

Participation in the DSU Plan is restricted to Discovery’s non-employee directors, or other directors otherwise designated by the Company’s board of directors to be eligible for participation in the DSU Plan. DSUs vest upon the date that their holder ceases to be a director of the Company and is not otherwise an employee or officer of the Company. Upon vesting, each DSU entitles their holder to receive, on a deferred payment basis and subject to adjustment, either a Share or a cash payment equal to the fair market value of a Share, at the Company’s option.

Neither RSUs nor DSUs may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the vesting period. The maximum number of Shares available for issuance upon the vesting of RSUs and DSUs, in the aggregate, is the lower of 7,000,000 Shares or 5% of the issued and outstanding Shares at the time of grant. In combination with all security-based compensation arrangements of the Company, including the Company’s stock option plan, the number of RSUs and DSUs issuable may not exceed 10% of the issued and outstanding Shares.

Further details regarding the RSU Plan and DSU Plan are set out in the management information circular of the Company dated May 12, 2020, available under Discovery’s profile on SEDAR (www.sedar.com).

LOOKING AHEAD:

Firstly, we would like to take this opportunity to thank all of our local employees and contractors for their diligent efforts and hard work through the course of 2020 under what are unprecedented and challenging circumstances as a result of the COVID-19 pandemic. As we head in to 2021, we are very excited for what we expect will be a transformative year for the Company. Since acquiring Cordero in mid-2019 we have been aggressive yet disciplined in how we have deployed capital at the Project. We are now coming to the tail end of our Phase 1 drill program which has yielded exceptional results on a consistent basis across a large number of different targets. This drill program, along with metallurgical testwork that recently commenced, will culminate in a brand-new resource estimate and completely revamped preliminary economic assessment (“PEA”) in the second half of 2021. We are confident that our original thesis at the time of acquisition, that Cordero is one of the rare deposits in the silver space that offers the combination of margin, size and scalability, will come to fruition through these major milestones.

In addition to this work we will continue to drive value and de-risk the project across other areas. Our systematic assessment of the extensive vein trends flanking the Cordero deposit will continue along with the advancement and initial drill testing of other large interpreted intrusive centres on our sizeable land package. We have recently commenced socio-economic and environmental baseline studies at

Cordero. This work will be ongoing through 2021 and will form a critical part of the feasibility level studies we envisage we will pursue following the completion of the PEA.

We look forward to providing further details on these work items, all of which are underpinned by an exceptionally strong balance sheet with a current cash balance of more than \$80 million, through the remainder of the year and on an ongoing basis through 2021.

About Discovery

Discovery's flagship project is its 100%-owned Cordero silver project in Chihuahua State, Mexico. Our drill results to date show that Cordero is developing all the attributes of a tier 1 project – grade, scale, significant organic growth opportunities and well located in one of Mexico's premier mining belts. The project is supported by an industry leading balance sheet with over C\$80 million of cash allocated for aggressive exploration, resource expansion and future development.

On Behalf of the Board of Directors,

Taj Singh, M.Eng, P.Eng, CPA,
President, Chief Executive Officer, and Director

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TECHNICAL NOTES & REFERENCES:

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

The most recent technical report for the Cordero Project is the 2018 Preliminary Economic Assessment (PEA) authored by M3 Engineering and Technology Corp and includes the most recent resource estimate, completed by Independent Mining Consultants, Inc. It is available on Discovery's website and on SEDAR under Levon Resources Ltd, a wholly owned subsidiary of Discovery. The PEA assumes metallurgical recoveries of 89% for Ag, 84% for Pb, 72% for Zn and 40% for Au.

Sample analysis and QA/QC Program: True widths of reported drill intercepts have not been determined. Assays are uncut except where indicated. All core assays are from HQ drill core unless

stated otherwise. Drill core is logged and sampled in a secure core storage facility located at the project site 40km north of the city of Parral. Core samples from the program are cut in half, using a diamond cutting saw, and are sent to ALS Geochemistry-Mexico for preparation in Chihuahua City, Mexico, and subsequently pulps are sent to ALS Vancouver, Canada, which is an accredited mineral analysis laboratory, for analysis. All samples are prepared using a method whereby the entire sample is crushed to 70% passing -2mm, a split of 250g is taken and pulverized to better than 85% passing 75 microns. Samples are analyzed for gold using standard Fire Assay-AAS techniques (Au-AA24) from a 50g pulp. Over limits are analyzed by fire assay and gravimetric finish. Samples are also analyzed using thirty three-element inductively coupled plasma method ("ME-ICP61"). Over limit sample values are re-assayed for: (1) values of zinc > 1%; (2) values of lead > 1%; and (3) values of silver > 100 g/t. Samples are re-assayed using the ME-OG62 (high-grade material ICP-AES) analytical package. For values of silver greater than 1,500 g/t, samples are re-assayed using the Ag-CON01 analytical method, a standard 30 g fire assay with gravimetric finish. Certified standards and blanks are routinely inserted into all sample shipments to ensure integrity of the assay process. Selected samples are chosen for duplicate assay from the coarse reject and pulps of the original sample. No QAQC issues were noted with the results reported herein.

Qualified Person: Gernot Wober, P.Geo, VP Exploration, Discovery Metals Corp., is the Company's designated Qualified Person for this news release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained in this news release is accurate.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Note Regarding Forward-Looking Statements

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