



October 10, 2019

DISCOVERY METALS ANNOUNCES \$17 MILLION PRIVATE PLACEMENT INCLUDING \$5 MILLION INVESTMENT FROM ERIC SPROTT

Toronto, Ontario – Discovery Metals Corp. (“Discovery”) (TSXV: DSV) is pleased to announce that it intends to complete a non-brokered private placement (the “Private Placement”) to raise up to \$17 million through the issuance of common shares (“Common Shares”) and subscription receipts (“Subscription Receipts”) at a price of \$0.45 per security.

Arlington Group Asset Management Limited has been engaged to provide advice on the Private Placement with select European institutions and Sprott Capital Partners LP is acting as an advisor to Discovery and finder for North American investors.

Mr. Eric Sprott has agreed to invest \$5 million in the Private Placement. Mr. Sprott will purchase that number of Common Shares which will maintain his 19.9% interest in Discovery following the issuance of the Common Shares. The balance of Mr. Sprott’s investment will be completed with the purchase of Subscription Receipts, which if converted, will increase his interest in the Company to approximately 22%, assuming the Private Placement is fully subscribed.

Proceeds from the Subscription Receipts will be placed in escrow on the closing of the Private Placement, to be released to Discovery on the receipt of all necessary shareholder and regulatory approvals (“Approvals”) to the creation of a new “Control Person” (as defined in the policies of the TSX Venture Exchange). On conversion, each Subscription Receipt will automatically convert into one Common Share, for no additional consideration. In the event that the Approvals are not obtained by December 31, 2019, each Subscription Receipt will be cancelled, and the subscription funds will be returned to the subscriber.

Taj Singh, President and CEO of Discovery commented, “We are excited to have substantially expanded our European investor base as we transition into our next phase of growth. We are also very appreciative of the continued support of Mr. Sprott and are pleased that he has significantly increased his ownership in Discovery. These investments ensure we are well funded to pursue exploration plans for our Cordero silver project, and also for our Coahuila silver-zinc-lead projects. For Discovery shareholders, this private placement is a strong endorsement of our future business plans.”

In connection with the Private Placement, Discovery may pay a finder’s fee to one or more arms’ length parties who introduce Discovery to investors, in accordance with the policies of the TSX Venture Exchange (the “Exchange”). The securities issued will be subject to a four-month-and-one-day statutory hold period from the date of issuance. Closing of the Private Placement remains subject to Exchange approval.

The proceeds of the Private Placement will be used primarily to fund Discovery’s continuing exploration program at its exploration properties. A portion of the proceeds will be used for general working capital purposes.

About Discovery Metals Corp.

Discovery Metals Corp. (TSX-V: DSV) is a Canadian exploration and development company headquartered in Toronto, Canada, and focused on historic precious metal districts in Mexico. Discovery's flagship is its 100%-owned Cordero silver project in Chihuahua State, Mexico. The 37,000-hectare property covers an entire porphyry district that hosts the announced resource and numerous exploration targets for bulk tonnage diatreme-hosted, porphyry-style, and carbonate replacement deposits. In addition, Discovery is focused on discovering and advancing multiple high-grade carbonate replacement-style silver-zinc-lead projects in a land package of approximately 150,000 hectares in Coahuila State, Mexico. The land holdings contain numerous historical direct-ship ore workings and significant underground development, but no drill-testing has ever been carried out on them.

For Further Information:

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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.