

Discovery Metals Reports Q3 2019 Financial and Operating Results

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TORONTO, Nov. 28, 2019 - [Discovery Metals Corp.](#) (TSX-V: DSV, OTCQX: DSVMF) (”Discovery” or the ”Company”) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2019. All amounts are presented in Canadian dollars (”CAD”) unless otherwise stated.

Discovery is focused on advancing a portfolio of silver projects in historic mining districts in northern Mexico, including the Cordero project in Chihuahua state, and the Puerto Rico, Minerva and Monclova projects in Coahuila state.

Q3 2019 OPERATING HIGHLIGHTS:

- Announced an arrangement agreement (”the Transaction”) with Levon Resources Ltd. (”Levon”) on May 30, 2019 and completed the Transaction on August 2, 2019, acquiring all of the issued and outstanding common shares of Levon. Levon’s flagship asset was the Cordero project.
- Completed a non-brokered private placement of common shares raising \$9.0 million, including a \$7.7 million investment from Mr. Eric Sprott, on July 25, 2019.

RECENT DEVELOPMENTS:

- On November 5, 2019, subsequent to the end of the third quarter, Discovery completed a non-brokered private placement of common shares raising \$19.0 million. Several new European and U.S. institutional investors participated in this private placement. Mr. Sprott also committed to invest an additional \$5.0 million in the Company. A portion of Mr. Sprott’s investment remains subject to approval at a special meeting of shareholders scheduled for December 11, 2019. The meeting materials, including the proxy form, are available on the Company’s website.
- The \$28.0 million in aggregate gross proceeds from both non-brokered private placements leave the Company well-funded to complete its 2020 exploration and development plans.
- On November 18, 2019, Discovery’s common shares commenced trading on the OTCQX® Best Market (”OTCQX”) in the United States under the symbol DSVMF. This listing provides the Company with significant additional market exposure. Companies on the OTCQX must meet high financial standards, follow best practice corporate governance and demonstrate compliance with U.S. securities laws.

Cordero project:

Cordero is an advanced stage exploration project located in one of Mexico’s premier mining districts. Prior to the Transaction, Levon had completed a Preliminary Economic Assessment on Cordero (issued April 18, 2018 and available on Levon’s SEDAR profile and Discovery’s website)¹. Based on more than 132,000 meters of drilling, Levon estimated an Indicated Mineral Resource of 990 million tonnes grading 32 g/t AgEq¹ (13 g/t Ag, 0.37% Zn, 0.17% Pb, and 0.04 g/t gold (”Au”)) and an Inferred Mineral Resource of 282 million tonnes grading 56 g/t AgEq¹ (21 g/t Ag, 0.75% Zn, 0.30% Pb and 0.04 g/t Au).¹ With the completion of the Transaction, advancing Cordero has become the main focus of the Discovery’s exploration and development spending.

Since completion of the Transaction, Discovery has:

- Begun re-logging and re-interpretation of the geology of the 132,000 metres of historic drill core in August 2019. This program is currently approximately 50% complete.

- Mobilized for a Phase 1 diamond drilling program on September 10, 2019, five weeks ahead of the originally anticipated start date. The Company plans to drill approximately 30,000 to 35,000 metres by the end of 2020. The program is focused on delineating and discovering higher-grade areas of mineralization within the known deposit and testing new high priority targets near the deposit.
- Added a second drill rig on November 7. To-date 3,600 metres have been completed in 11 drill holes.
- Began a 5,100 line-kilometre airborne magnetic and electromagnetic survey at the start of November. This is the first time the 35,000-hectare property will be covered by geophysics. Discovery's aim is to define new and compelling targets based on the geophysical signature of known mineralization from the current resource area.

Coahuila projects:

- At Minerva, the Company announced channel sample results of 112 underground samples². This was the first documented underground channel sampling program at Minerva, an historic artisanal operation. At the key target area, a 2.5 kilometre by 300 metre corridor, 78 channel samples were taken and 53 returned grades greater than 500 g/t AgEq², averaging 1,804 g/t AgEq² (710 g/t Ag, 13.1% Zn, 8.8% Pb, 0.2% Cu) over 0.6 meters. Minerva is drill-permitted and geophysics results are being finalized in preparation for a maiden drill program.
- At Monclova, the Company received drilling permits from SEMARNAT (Secretariat of Environment and Natural Resources)³. The Real Viejo area is the key near-term target and it hosts five historic shallow underground mines along a strike of 1.5 kilometres at a contact between limestone and intrusive rocks. Discovery's channel sampling program at Real Viejo consistently returned high grades. The 50 highest-grade channel samples had an average grade of 677 g/t AgEq³ (358 g/t Ag, 4.4% Zn, 1.9% Pb, 0.1% Cu) over 1.0 meters. Drill planning is being finalized in preparation for a maiden drill program.
- At Puerto Rico, the Company is in the final stages of having the land re-designated and, once completed, will submit its drill permit application. Phase 1 drill targets have been defined at Puerto Rico.

Q3 2019 FINANCIAL HIGHLIGHTS:

The following selected financial data is summarized from our unaudited condensed interim financial statements and related notes thereto (the "Interim Financial Statements") for the three and nine months ended September 30, 2019.

A copy of the Interim Financial Statements is available on the Company's website at www.dsvmetals.com or on SEDAR at www.sedar.com.

Select financial information for the period ended September 30, 2019 is as follows:

	Q3 2019	Q3 2018	Q3 YTD 2019	Q3 YTD 2018
Net loss				
(a) Total ^(A)	\$ (3,876,582)	\$ (1,983,699)	\$ (5,478,163)	\$ (5,646,043)
(b) basic and diluted per share	\$ (0.03)	\$ (0.03)	\$ (0.06)	\$ (0.09)
Net loss & total comprehensive loss	\$ (4,017,681)	\$ (1,934,797)	\$ (5,636,627)	\$ (5,607,998)
Total weighted average shares outstanding	134,258,418	65,043,998	88,200,293	65,043,998

A. Net loss for the three and nine months ended September 30, 2019 includes non-cash share-based compensation expense of \$1,614,616 and \$1,718,504, respectively, and a non-cash impairment charge of \$1,000,710 on IVA receivable.

	September 30, 2019	December 31, 2018
Cash and cash equivalents ⁽²⁾	\$ 9,974,045	\$ 4,691,676
Total assets	\$ 39,074,676	\$ 7,216,714
Total current liabilities	\$ 514,414	\$ 230,090
Total liabilities	\$ 613,693	\$ 230,090
Total Shareholders' equity	\$ 38,460,983	\$ 6,986,625

B. Cash and cash equivalents balance does not include the \$19,000,000 gross proceeds from the non-brokered private placement that closed on November 5, 2019.

At September 30, 2019, the Company had an aggregate Mexican value added tax ("IVA")

recoverable balance of \$2,743,721 including \$1,743,011 acquired in the Levon transaction. Due to the current political environment and changes in Mexico resulting from the government's ongoing internal restructuring process, the Company evaluated the balance of IVA receivable for indicators of impairment. Due to the short period of operation in Mexico, the Company does not have a history of IVA collection. In addition, there is a high degree of uncertainty surrounding the timing of repayment by the Mexican government. As a result of this assessment, on acquisition of Levon, no value was allocated to the IVA receivable. Additionally, at September 30, 2019, the Company recognized a provision for 100% of its remaining outstanding IVA receivable balance of \$1,000,710.

The Company believes that the total IVA receivable balance at September 30, 2019 is legally recoverable in full and is therefore currently assessing options for collection. The Company will continue to provide for 100% of the balance until such time that there are sufficient indicators of collectability.

About Discovery

[Discovery Metals Corp.](#) (TSX-V: DSV, OTCQX: DSVMF) is a Canadian exploration and development company headquartered in Toronto, Canada focused on historic mining districts in Mexico. Discovery's flagship project is its 100%-owned Cordero silver project in Chihuahua State, Mexico. The 35,000-hectare property covers an entire porphyry district that hosts the Cordero deposit and numerous exploration targets for bulk tonnage diatreme-hosted, porphyry-style, and carbonate replacement deposits. In addition, Discovery holds a 150,000-hectare land package containing numerous high-grade carbonate replacement-style silver-zinc-lead exploration projects in Coahuila State, Mexico. The Coahuila project land holdings contain numerous historical direct-ship ore workings and significant underground development.

For further information:

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REFERENCES:

¹ Cordero Project: NI 43-101 Technical Report: Preliminary Economic Assessment Update, Chihuahua, Mexico, dated March 1, 2018 and issued April 18, 2018, and prepared for Levon. The Cordero Project Indicated and Inferred Mineral Resources use a cutoff grade of 15 g/t AgEq, using metal prices (USD) of \$20/oz Ag, \$1.20/lb Zn, \$1.00 /lb Pb , and \$1,250/oz Au. This document is available on Levon's SEDAR profile and on Discovery's website.

² See Company's news release dated August 8, 2019

³ See Company's news release dated July 11, 2019.

For References 2 and 3 above, metal equivalents ("Eq") are calculated using (all USD): \$16/oz Ag, \$1.15/lb Zn, \$0.85/lb Pb, \$1,250/oz Au, and do not consider metallurgical or smelting recoveries.

News releases are available at www.dsvmetals.com or under our company profile at SEDAR at www.sedar.com.

TECHNICAL NOTES:

Qualified Person: Gernot Wober, P.Geo, V.P. 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.

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