
Discovery Reports Q2 2020 Operating & Financial Results

August 27, 2020, Toronto, Ontario - Discovery Metals Corp. (TSX-V: DSV, OTCQX: DSVMF) (“Discovery” or the “Company”) is pleased to announce its operating and financial results for the three months ended June 30, 2020, and to provide a summary of key events subsequent to quarter end. All amounts are presented in Canadian dollars (“C\$”) unless otherwise stated.

Discovery is focused on advancing our 100%-owned flagship Cordero project (“Cordero” or the “Project”) in Chihuahua State, Mexico. The 35,000-hectare Cordero property covers a sizeable district that hosts a very large known silver resource as well as numerous exploration targets for bulk tonnage diatreme-hosted, porphyry style deposits and also carbonate replacement deposits.

CORPORATE HIGHLIGHTS:

Our Company closed a \$25 million private placement in two tranches (May 29, 2020 – Tranche 1 and June 8, 2020 – Tranche 2) that included a \$10 million investment from Mr. Eric Sprott. The placement consisted of 45.5 million units at a price of \$0.55 per unit. Each unit was comprised of one common share of Discovery and one-half of one common share purchase warrant, with each full share purchase warrant exercisable at \$0.77 until May 29, 2022 (Tranche 1) or until June 8, 2022 (Tranche 2) (refer to the press release dated June 9, 2020, for further details).

Subsequent to quarter end, on August 7, 2020, we closed a \$35 million private placement that included an additional \$15 million investment from Mr. 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).

With the completion of this second financing now closed we have over \$80 million of cash to drive value through aggressive exploration, resource growth and future development.

EXPLORATION HIGHLIGHTS:

In June 2020 we initiated the restart of drilling activity at Cordero following the temporary shutdown of operations in March 2020 due to increased health and safety risks relating to COVID-19. We have put in place strict health and safety protocols, including mandatory testing of all onsite workers, to minimise health risks to our employees, consultants, contractors and communities. In mid-August, after expanding our camp facilities, we increased our drilling activities and we are now operating at pre-COVID 19 levels with four diamond drill rigs.

Shortly following the restart of drilling, and based on the excellent exploration results we have achieved to date, we made the decision to expand our Phase 1 drill program by 20,000 metres (“m”) to 50,000 to 55,000 m. To date we have completed 63 holes totaling approximately 23,500 m. We anticipate completing the expanded Phase 1 drill program by the end of Q1 2021.

At our bulk-tonnage targets we have thus far demonstrated excellent near-surface higher-grade potential at the Project over a strike length of approximately 1,250m. We also continued to advance high-grade sulphide veins as a separate exploration target - identifying and isolating multiple sulphide vein or sulphide related intercepts that returned kilogram per tonne silver equivalent intercepts. Drill highlights at Cordero during Q2 2020 and subsequent to quarter end from both these targets include:

Bulk-tonnage targets

- **62.8 m averaging 217 grams per tonne (“g/t”) silver-equivalent (“AgEq”)¹** in hole C20-316 from 222.3 m (79 g/t silver (“Ag”), 0.58 g/t gold (“Au”), 1.2% lead (“Pb” and 1.2% zinc (“Zn”))
- **168.8 m averaging 207 g/t AgEq¹** in hole C20-319 from 140.0 m (70 g/t Ag, 0.10 g/t Au, 1.5% Pb and 1.9% Zn)
- **51.9 m averaging 197 g/t AgEq¹** in hole C20-328 from 79.2 m (69 g/t Ag, 0.13 g/t Au, 1.1% Pb and 1.0% 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% lead Pb and 1.5% Zn)

High-grade vein targets

• 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)
- **0.5 m averaging 1,293 g/t AgEq¹** in hole C20-347 from 125.7 m (629 g/t Ag, 0.33 g/t Au, 13.0% Pb and 4.4% Zn)

• Parcionera Vein

- **1.3 m averaging 2,777 g/t AgEq¹** in hole C20-328 from 105.9 m (1,060 g/t Ag, 0.50 g/t Au, 15.9% Pb and 26.9% Zn)
- **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)

• South Corridor/Josefina Vein

- **1.3 m averaging 1,007 g/t AgEq¹** in hole C19-307 from 202.7 m (516 g/t Ag, 0.05 g/t Au, 5.7% Pb and 6.9% Zn)
- **1.2 m averaging 1,436 g/t AgEq¹** in hole C20-310 from 51.1 m (904 g/t Ag, 0.08 g/t Au, 5.4% Pb and 8.1% Zn)
- **2.0 m averaging 966 g/t AgEq¹** in hole C20-345 from 66.0 m (846 g/t Ag, 0.33 g/t Au, 2.6% Pb and 0.1% Zn)

Refer to press releases dated April 7, May 7, June 18, July 20, and August 19, 2020 for further details.

Q2 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 June 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.

	Q2 2020	Q2 2019
Net loss		
(a) Total ^(A)	\$ (1,747,677)	\$ (807,897)
(b) basic and diluted per share	\$ (0.01)	\$ (0.01)
Net loss & total comprehensive loss	\$ (1,936,075)	\$ (914,483)
Total weighted average shares outstanding	226,123,223	65,043,998

A. Net loss for Q2 2020 includes non-cash share-based compensation expense of \$599,478 (Q2 2019: and \$48,495) and a 100% provision for IVA receivable additions of \$236,934 (Q2 2019: \$nil).

	June 30, 2020	December 31, 2019
Cash, cash equivalents & short-term investments	\$ 41,913,163	\$ 23,950,737
Total assets	\$ 70,357,450	\$ 53,518,599
Total current liabilities	\$ 520,234	\$ 716,596
Total liabilities	\$ 584,944	\$ 804,466
Total Shareholders' equity	\$ 69,772,506	\$ 52,714,133

LOOKING AHEAD:

With the two financings completed we are now well funded with over \$80 million in cash. Support for these financings reflects the exceptional exposure Cordero offers to increasing silver prices and the progress we have made over the past 12-months in exploring the Project following the acquisition of Levon Resources Ltd. Moving forward we are focused on the diligent deployment of this capital in the following areas:

- Expansion of the higher-grade bulk-tonnage domain at Cordero
- Systematic assessment of the extensive vein trends flanking the Cordero deposit
- Follow up metallurgical test work based on our improved understanding the Cordero project to optimize the proposed flow sheet
- Completion of the socio-economic and sustainability assessments required to advance Cordero beyond the preliminary economic assessment stage

This work will culminate in a brand-new resource estimate and preliminary economic assessment for Cordero in the second-half of 2021. Separately, we will be advancing our property-wide exploration targets including initial drill testing of other large interpreted intrusive centres on our sizeable land package. We look forward to providing further details on all these fronts through the remainder of the year and into 2021.

On Behalf of the Board of Directors,

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

About Discovery

Discovery Metals Corp. (TSX-V: DSV, OTCQX: DSVMF) is a Canadian exploration and development company headquartered in Toronto, Canada, and focused on historic mining districts in Mexico. Discovery's flagship is its 100%-owned Cordero silver project in Chihuahua State, Mexico. The 35,000-hectare property covers a large district that hosts the announced resource as well as numerous exploration targets for bulk tonnage diatreme-hosted, porphyry-style, and carbonate replacement deposits.

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TECHNICAL NOTES & REFERENCES:

¹ All 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. Composites for this release were chosen at a 25 g/t AgEq cutoff, whereby no more than 5m of below-cutoff material is included in any composite interval. 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 note three below for metallurgical recoveries assumed in the 2018 PEA completed on Cordero.

² The most recent resource estimate for Cordero as shown in the table below was released in 2018 (technical report available on Discovery's website and the SEDAR profile of Levon Resources Ltd. ("Levon"), a wholly owned subsidiary of Discovery) and was based on a base case cutoff grade of 15 g/t AgEq (highlighted below). The table includes a sensitivity analysis that also shows tonnage and grade estimates at higher AgEq cutoff grades within the resource shell. Resource commodity prices used for the resource estimate were (USD): \$17.14/oz Ag, \$1.11/lb Zn, \$0.96/lb Pb, \$1,262/oz Au.

AgEq ³ (g/t) Cutoff	Tonnage & Grade within Mineral Resources Pit Shell							Total Contained Ag (Mozs)	Total Contained AgEq ³ (Moz)
	Class	Tonnes (M)	AgEq ³ (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)		
15	Indicated	990	32	13	0.04	0.2	0.4	408	1,022
	Inferred	282	56	21	0.04	0.3	0.8	188	513
25	Indicated	467	46	19	0.06	0.3	0.5	278	686
	Inferred	183	77	28	0.05	0.4	1.0	163	451
50	Indicated	99	95	40	0.11	0.6	1.0	128	303
	Inferred	100	112	41	0.06	0.7	1.5	131	360

³ A PEA was completed for Levon in 2018 by M3 Engineering and Technology Corp., and includes the most recent resource estimate, completed by Independent Mining Consultants (available on Discovery's website and on SEDAR under Levon's profile). Discovery acquired Cordero through the acquisition of Levon in August 2019. Resource commodity prices used in the PEA are (\$US): \$17.14/oz Ag, \$1.11/lb

Zn, \$0.96/lb Pb, \$1,262/oz Au; the mine plan in the PEA uses a subset of Indicated and Inferred Resources at 15 g/t AgEq cutoff. The PEA assumes metallurgical recoveries of 89% Ag, 84% Pb, 72% Zn, 40% 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.

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