

# Discovery Ventures and Roca Mines Announce Entry into Agreement for Discovery to Acquire Max Mine and Mill from Roca

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VANCOUVER, Nov 6, 2013 - [Discovery Ventures Inc.](#) (TSX VENTURE:DVN) ("Discovery") and [Roca Mines Inc.](#) ("Roca") are pleased to jointly announce they have entered into a binding letter agreement dated November 4, 2013 (the "Agreement") with each other and FortyTwo Metals Inc., a wholly-owned subsidiary of Roca ("FortyTwo"), whereby Roca granted an exclusive option to Discovery to acquire all of the issued and outstanding common shares of FortyTwo. FortyTwo holds, among other assets, the Max Mine which includes an underground molybdenum mine, crushing, milling and concentrating facilities, tailings storage facilities, mineral claims, mining leases, licenses and other holdings located near Trout Lake in the Revelstoke mining division of the Province of British Columbia. The Max Mine is located approximately 135 kilometres from Discovery's Willa Project and is a formerly producing molybdenum mine that operated from 2007 until November 2011 when depressed metal prices led to its closure. The Agreement and the transactions contemplated therein are subject to approval from the TSX Venture Exchange (the "Exchange")

Akash Patel, President of Discovery, stated, "We are very excited about the proposed acquisition of the Max Mine and mill complex and the strategic synergies that may result by combining Discovery's existing Willa Project with the Max Mine processing facility."

## Summary of the Transaction

Discovery may exercise the option and acquire all of the shares of FortyTwo for a total purchase price of \$5.675 million, consisting of cash payments of \$5,050,000 and the issuance of 2,500,000 shares of Discovery at a deemed price of \$0.25 per share in accordance with the following schedule:

- \$50,000 paid to Roca as a non-refundable deposit upon entry into the Agreement;
- \$750,000 payable to Roca within 10 days of receipt of conditional approval from the Exchange (the "**Approval Date**"), following which the first stage of the option will be deemed exercised and Roca will transfer 16% of the share capital of FortyTwo to Discovery;
- \$950,000 payable to Roca within 60 days of the Approval Date, following which the second stage of the option will be deemed exercised and Roca will transfer 19% of the share capital of FortyTwo to Discovery (35% in the aggregate); and
- \$3.3 million payable to Roca and the issuance of 2.5 million shares of Discovery to Roca within 150 days of the Approval Date, following which the third and final stage of the option will be deemed exercised and Roca will transfer the remaining share capital of FortyTwo to Discovery.

The majority of the purchase price will be used by Roca to maintain the Max Mine in good standing over the next few months until exercise of the option and to retire approximately \$3.1 million in secured and unsecured liabilities of FortyTwo. Upon the exercise of the third stage of the option and the transfer of the remaining shares of FortyTwo to Discovery, FortyTwo will have no material liabilities or encumbrances.

In addition to the Max Mine, FortyTwo also holds tax pools accumulated to date of approximately \$50 million and the Max Project which consists of 59 mineral claims totalling approximately 5,489 hectares and certain undersurface rights located in Revelstoke mining division of the Province of British Columbia. Due to management's decision to focus on development of the Willa Project and current economic factors, Discovery takes the position that the Max Project is incidental to the proposed acquisition of FortyTwo and, once acquired, will not constitute a material property of Discovery. As a result, Discovery is not required under applicable securities law or policies of the Exchange to prepare a technical report on the Max Project in accordance with National Instrument 43-101 at this time. The Max Project is subject to a 2.5% NSR in favour of a third party, 60% of which (1.5%) may be repurchased at the price of \$1 million for each 30% of the NSR (or 0.75%).

Discovery intends to finance the acquisition of FortyTwo through one or more private placements on terms to

be determined. In the event the first stage or the second stage of the option is exercised and subsequent stages are not exercised by Discovery for any reason, the parties have agreed to enter into a shareholders' agreement on terms as set out in the Agreement. Under such circumstances, the provisions of the shareholders' agreement are intended to protect Discovery's investment in FortyTwo by restricting certain corporate transactions and share transfers and to ensure that Discovery's investment in FortyTwo is protected in the event of a business combination involving FortyTwo.

### **Summary of Discovery's Willa Project**

It is the strategy of Discovery to utilize the Max Mill to process minerals from Discovery's Willa Project. The Willa Project consists of 5,328 hectares and is located 8 kilometers south of the town of Silverton, British Columbia and is strategically located 135 highway kilometers from the Max Mill.

Underground mine workings consist of two adit levels, an internal level with two declines and two raises connecting the levels. The main track haulage level (1,025 meters) is completed for 900 meters to the core of the mineralized zones.

The Willa Project has been developed over time, with historic expenditures of approximately \$18 million to develop it to its present status. Geological mapping, as well as Geochemical and geophysical surveys have led to 596 diamond drill holes totalling approximately 189,000 feet (57,250 meters) of core drilling and approximately 8,500 feet (2,575 meters) of underground workings. With the exception of a bulk metallurgical sample of 545 tonnes, no production mining has been commenced at the Willa Project.

Discovery has a current NI 43-101 report for the Willa Project titled, "Technical Report on the Willa Deposit Slocan Mining District, British Columbia, Canada" dated November 23, 2012. At a cut-off grade of 3.5 grams Au/tonne (3.5 g/t), the Measured Mineral Resource category of the Mineral Resource is 495,784 tonnes with an average grade of 7.18 g Au/t, 0.94% Cu and 12.16 g Ag/t. The Indicated Mineral Resource category at the same cut-off grade is 262,415 tonnes with an average grade of 5.71 g Au/t, 0.67% Cu, and 13.26 g Ag/t, for a total Mineral Resource of the Measured and Indicated categories of 758,199 tonnes grading 6.77 g Au/t, 0.86% Cu, and 12.54 g Ag/t.

Bench-scale metallurgical test-work was conducted by three companies including Lakefield Research, Gary Hawthorn (Northair Group) and PRA Labs between 1985 and 2005. The results of locked-cycle tests indicated recoveries of 81% Au and 93% Cu. A concentrate grading 24% Cu was projected from a mineral head grade in the order of 7.0 g Au/t and 0.9% Cu.

If you would like to be added to Discovery's news distribution list, please send your email address to [info@discoveryventuresinc.com](mailto:info@discoveryventuresinc.com) or visit our website located at [www.discoveryventuresinc.com](http://www.discoveryventuresinc.com).

Wayne Ash, P.Eng., is the Qualified Person for Discovery and has approved the technical disclosure in this news release.

Akash Patel  
President and Director Discovery Ventures Inc.

*This press release contains forward-looking information that involves various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Discovery, such as the statement that: (i) strategic synergies may result by combining Discovery's Willa Project with the Max Mine processing facility; (ii) Discovery may exercise the option, or any stage of the option and acquire any portion or all of the shares of FortyTwo; (iii) Discovery's intention to finance the acquisition of the FortyTwo shares through one or more private placement financings; (iv) Discovery's strategy to utilize the Max Mill to process minerals from the Willa Project; and (iv) the intention that the shareholders' agreement will protect Discovery's investment in FortyTwo. There are numerous risks and uncertainties that could cause actual results and Discovery's plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) risks inherent in the mineral exploration industry in general; (iii) the ability of Discovery to exercise one or more stages of the option; (iv) the ability of Discovery to raise sufficient funds to exercise one or more stages of the option; (v) the risk in Roca receiving an offer to sell the shares of FortyTwo that it is willing to accept in substitution of Discovery's option under the Agreement; (vi) the risk in one or more creditors of Roca or FortyTwo placing either entity into bankruptcy; (vii) inability to acquire permits or First Nation support for mining operations with respect to the Willa Project or the Max Mine; and (viii) latent environmental liabilities*

*with respect to the Willa Project or the Max Project. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, Discovery does not intend to update these forward-looking statements.*

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

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