

Discovery Metals Closes \$35 Million Private Placement Including \$15 Million Investment from Eric Sprott

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TORONTO, Aug. 11, 2020 - [Discovery Metals Corp.](#) (TSXV: DSV; OTCQX: DSVMF) is pleased to announce that it has closed the non-brokered private placement (the "Private Placement"), consisting of 25,927,000 units (the "Units") at a price of C\$1.35 per Unit for aggregate proceeds of C\$35,001,450. Each Unit is comprised of one common share of Discovery (the "Common Share") and one half of one Common Share purchase warrant, with each full warrant (a "Warrant") exercisable at C\$1.75 for a period of two years after the date of issuance, expiring on August 7, 2022. Discovery announced the Private Placement on July 24, 2020.

Mr. Eric Sprott, through 2176423 Ontario Ltd. (a corporation which is beneficially owned by him), acquired 11,111,000 Units (composed of 11,111,000 Common Shares and 5,555,500 Warrants) in the Private Placement, for a total investment of C\$14,999,850. Prior to the closing of the Private Placement, Mr. Sprott owned 66,025,611 Common shares of Discovery representing approximately 24.8% of the interest of Discovery on a non-diluted basis or 27.2% on a partially diluted basis, assuming the exercise of all Warrants held by Mr. Sprott. Through the purchase of Common Shares and Warrants in the Private Placement, Mr. Sprott will own approximately 26.4% interest in Discovery on a non-diluted basis or 29.9% on a partially diluted basis assuming the exercise of Warrants held by Mr. Sprott.

Taj Singh, President and CEO of Discovery commented: "With over \$80 million of cash on our balance sheet we are in a formidable position to continue to drive value through aggressive exploration, resource growth and future development, and to solidify our position as one of the premier names in the silver space."

Discovery has paid finders' and advisory fees of C\$1,763,848 in cash, in accordance with the policies of the TSX Venture Exchange. The securities issued on closing of the Private Placement are subject to a statutory hold period expiring on December 8, 2020.

Including the subscription by 2176423 Ontario Ltd., certain insiders of Discovery have acquired an aggregate of 14,611,000 Common Shares and 7,305,500 Warrants in the Private Placement, and as such the Private Placement is considered a "related party transaction" as defined under Multilateral Instrument 61-101. Discovery has relied on exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the insiders' participation in the Private Placement, as the Private Placement does not exceed 25% of the Company's market capitalization.

The Common Shares and Warrants were acquired by Mr. Sprott through 2176423 Ontario Ltd. for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of 2176423 Ontario Ltd.'s early warning report will appear on Discovery's profile on SEDAR and may also be obtained by calling (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario, M5J 2J1).

The proceeds of the Private Placement will be used primarily to fund Discovery's continuing exploration program at its Cordero project and its Coahuila projects. A portion of the proceeds will be used for general working capital and business development purposes.

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.

On Behalf of the Board of Directors,

Taj Singh, M.Eng, P.Eng, CPA
President, CEO and Director

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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.

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