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Discoverymetals

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DISCOVERY METALS CLOSES OVERSUBSCRIBED \$19.0 MILLION PRIVATE PLACEMENT INCLUDING \$5 MILLION INVESTMENT FROM ERIC SPROTT

Toronto, Ontario – Discovery Metals Corp. (“**Discovery**”) (TSXV: DSV) is pleased to announce that it has closed its non-brokered private placement (the “**Private Placement**”) of 38,911,108 common shares (“**Common Shares**”) at a price of \$0.45 per Common Share and 3,311,111 subscription receipts (“**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt, for aggregate proceeds of \$19,000,000. Announced on October 10, 2019, the Private Placement was oversubscribed due to investor demand.

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.

Mr. Eric Sprott, through 2176423 Ontario Ltd. (a corporation which is beneficially owned by him), acquired 7,800,000 Common Shares and 3,311,111 Subscription Receipts in the Private Placement, for a total investment of \$5,000,000. Prior to the closing of the Private Placement, Mr. Sprott owned 33,499,000 Common shares of Discovery representing 19.9% of the interest of Discovery on a non-diluted basis. Through the purchase of Common Shares in the Private Placement, Mr. Sprott maintains approximately 19.9% interest in Discovery. The Subscription Receipts, if converted and subject to the Approvals, will result in Mr. Sprott becoming a “**Control Person**” and will bring the balance of his interest in the Company to approximately 21%.

In connection with the Private Placement, Discovery will hold a special meeting of its shareholders on December 11, 2019, to approve Mr. Sprott becoming a “**Control Person**” and to address any further business that may properly come before the meeting. Details of the meeting, including its record date, location, and time, can be found in the Notice of Meeting published on Discovery’s SEDAR profile at www.sedar.com.

Taj Singh, President and CEO of Discovery commented, “We are excited to have closed this second financing of 2019 and we welcome Mr. Sprott’s continued support as our largest shareholder as well as the support from our new expanded European investor base. The increased demand for the offering demonstrates improved market sentiment and also investor confidence in our future

business plans. Discovery is now solidly financed and is well-positioned to aggressively explore and develop its district-scale silver-rich projects in a rallying precious metals price environment.”

Discovery has paid finders’ and advisory fees of \$972,450 in cash and issued 1,063,833 broker warrants with an exercise price of \$0.50 and a 24-month expiry to certain arms’ length parties who introduced Discovery to investors, 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 four months and one day after their date of issuance.

The Common Shares and Subscription Receipts 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) 362-7172 (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 exploration properties. A portion of the proceeds will be used for general working capital purposes.

About Discovery

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 does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities

have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

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.