

Discovery Metals Announces C\$25.0 Million Private Placement With C\$10.0 Million Investment From Eric Sprott

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TORONTO, May 18, 2020 - [Discovery Metals Corp.](#) (Discovery) (TSXV: DSV, OTCQX: DSVMF) is pleased to announce that it intends to complete a non-brokered private placement (the Private Placement) to raise up to C\$25,000,000 through the issuance of up to 45,454,545 units (Units) at a price of C\$0.55 per Unit. Each Unit is comprised of one common share of Discovery (Common Share) and one half of one Common Share purchase warrant, with each full warrant exercisable at C\$0.77 for a period of two years after the date of issuance.

Mr. Eric Sprott has agreed to invest C\$10,000,000 in the Private Placement, on the acquisition of 18,181,818 Units. Assuming the Private Placement is fully subscribed, this investment will result in Mr. Sprott holding approximately 24.4% of Discovery's issued and outstanding Common Shares, post-closing.

Taj Singh, President and CEO of Discovery commented, "The strong investment interest in Discovery is a clear reflection of the exposure and leverage that our Cordero project provides to a rising silver price. It is also indicative of the very favourable investment case for silver considering the current gold-silver ratio of 107:1 is markedly higher than the 50-year average of approximately 60:1. Upon completion of this financing Discovery will have over \$40 million of cash on its balance sheet - this positions Discovery as one of the best financed silver exploration companies in the industry and provides the firepower to aggressively advance Cordero and to accelerate our exploration efforts on the surrounding regional property package."

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 purposes.

Discovery anticipates that certain insiders will acquire securities in the Private Placement. To the extent such insiders participate in the Private Placement, any such participation would be considered a "related party transaction" as defined under Multilateral Instrument 61-101.

Discovery may pay a finder's fee to one or more arms-length parties who introduce Discovery to investors, in accordance with the policies of the TSX Venture Exchange. Clarus Securities Inc. and Sprott Capital Partners LP are acting as advisors to Discovery and finders for North American investors and Arlington Group Asset Management Limited has been engaged to provide advice on the Private Placement with European and Australasian institutions. The securities issued will be subject to a four-month-and-one-day statutory hold period from the date of issuance. Closing of the Private Placement remains subject to TSX Venture Exchange approval.

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. In addition, Discovery is also exploring multiple high-grade carbonate replacement-style silver-zinc-lead showings 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.

On Behalf of the Board of Directors,

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

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

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.

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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