

Discovery Metals Announces \$35 Million Private Placement with \$15 Million Investment from Eric Sprott

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TORONTO, July 24, 2020 - [Discovery Metals Corp.](#) (TSXV: DSV; OTCQX: DSVMF) is pleased to announce that it has arranged a non-brokered institutional private placement (the Private Placement) to raise C\$35,000,000 through the issuance of 25,925,925 units (Units) at a price of C\$1.35 per Unit, representing a premium to its last closing price. 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\$1.75 for a period of two years after the date of issuance.

Mr. Eric Sprott has agreed to invest C\$15,000,000 in the Private Placement, on the acquisition of 11,111,111 Units. This investment will result in Mr. Sprott holding approximately 27.1% of Discovery's issued and outstanding Common Shares, post-closing on an undiluted basis.

Mr. Eric Sprott commented, "Discovery provides unmatched leverage to a rising silver price and I am very encouraged to see the Discovery team continue to execute on their plans at the Cordero project. I have continually grown my position in the Company and it is now one of my largest investments in the silver space."

Taj Singh, Discovery's President and CEO stated: "We are very pleased with the continued support of our largest shareholders which recognizes the exceptional exposure Cordero offers to increasing silver prices. Recent drill results show that our 100%-owned Cordero project is developing all the attributes of a tier 1 project: grade, scale, significant organic growth opportunities and well located in one of Mexico's premier mining belts. The current financing, priced at a premium to market, reflects strong institutional demand, and will create an industry leading balance sheet with over C\$75 million in cash allocated for aggressive exploration, resource expansion, and future development."

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.

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., Eight Capital, Sprott Capital Partners LP are acting as finders for North American investors and Arlington Group Asset Management Limited are acting as finders for European investors on the Private Placement. 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.

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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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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