

Discovery Completes Acquisition of Kidd Operations

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- Acquisition supports Discovery's vision to more than double gold production in Timmins to over half a million ounces per year
- Study advancing for construction of new conventional gold processing circuit at Kidd Met Site; Future production from Hoyle Pond, Pamour, Borden and TVZ expected to be processed at the Met Site, with Dome Mill to be dedicated for processing material from Dome Mine following an anticipated resumption of operations
- Surface access at Kidd Met Site to support planned future expansion of Hoyle Pond and Pamour, and provide valuable locations for surface exploration
- Attractive potential synergies for Hoyle Pond and Pamour, including reduced haulage costs, greater efficiency in waste rock deposition and the potential use of gold tailings at the Kidd tailings management area ("Kidd TMA")
- Provides exposure to critical minerals at Kidd Creek Mine, including copper, zinc and silver (expected production for remainder of 2026 includes 10 - 15 thousand tonnes of zinc, 5 - 7 thousand tonnes of copper and approximately 0.4 million ounces of silver)
- Delivers large, high-potential exploration land position north of Timmins through acquisition of Kidd Creek Timber Ltd.

TORONTO, June 01, 2026 -- [Discovery Silver Corp.](#) (TSX: DSV, OTCQX: DSVSF) ("Discovery" or the "Company") today reported the completion of the previously announced acquisition of Glencore Canada Corporation's ("Glencore") 100% interest in the Kidd operations ("Kidd" or "Kidd Operations") in Timmins, Ontario (the "Transaction"). The Kidd Operations include the Kidd Metallurgical Site ("Kidd Met Site" or the "Met Site"), the Kidd Creek copper, zinc and silver mine ("Kidd Creek Mine" or "Kidd Creek"), and the Kidd Creek Timber Ltd. exploration land package. All amounts are in US dollars unless otherwise specified.

Tony Makuch, Discovery's President and CEO, commented: "The acquisition of the Kidd Operations is a major development for Discovery as we work to advance our extensive growth plans, including more than doubling gold production in the Timmins Camp to over half a million ounces per year. With the completion of the Transaction, we have added extremely valuable processing and other infrastructure, as well as a large land position that will support the planned future expansion Hoyle Pond and Pamour, including the development of TVZ. We also have gained highly attractive cost synergies, exposure to critical minerals and substantial exploration upside. We have also retained an experienced, highly skilled workforce.

"The Kidd Met Site is a large processing facility that will be a key component of our milling strategy going forward. Through the construction of a new conventional gold circuit, as well as other modifications and investments, we envision having an opportunity to process future tonnage from our current operations, as well as the TVZ Zone, at the Met Site, while maintaining the capacity to continue processing base metals from the Kidd Creek Mine. This approach would allow the Dome Mill to be dedicated to processing mineralization from the adjacent Dome Mine following an anticipated resumption of mining operations.

"Also extremely valuable is the land position that we have acquired. The Kidd surface rights are a key benefit of the Transaction, as they will allow for the optimal placement of potential new infrastructure for Hoyle Pond and the development of the TVZ project, and provide valuable locations for surface exploration around Hoyle Pond. We are currently evaluating the construction of new ventilation raises, and possibly a new shaft, at Hoyle Pond, which would be located on the Kidd Met Site property (see Figure 1.).

"In terms of anticipated synergies, our plans for the Kidd Met Site will result in lower haulage costs, given that the Met Site is contiguous to both Hoyle Pond and Pamour. In addition, we will gain improved options for waste rock deposition from the Pamour mine and have an opportunity to use our gold tailings at the Kidd TMA.

"Turning to the Kidd Creek Mine, we will assess the potential for a longer-term future beyond the end of this

year through the completion of technical studies and a drilling program. Based on the Kidd Operations' current business plan, production over the remainder of 2026 is estimated at 10 - 15 thousand tonnes of zinc, 5 - 7 thousand tonnes of copper, and approximately 0.4 million ounces of silver, with this production expected to generate positive cash flow and contribute favourably to our cash position at year-end 2026."

As consideration for the Transaction, the Company has paid to Glencore \$10 million through the issuance of 1,679,171 Discovery common shares. Additional consideration includes:

- The assumption of all financial assurances and environmental and rehabilitation obligations associated with the Kidd Met Site and the Kidd Creek Mine, subject to terms and conditions of the Agreement;
- Offtake arrangements related to concentrates produced from the Kidd Creek Mine;
- A 1.0% net smelter return royalty that would apply to any future mineral production from a large exploration land package held by Kidd Creek Timber Ltd., that is located outside of the existing operations; and
- The reimbursement of certain costs incurred by Glencore with respect to additional work required at the Kidd TMA up to a maximum amount of \$75 million, payable in cash or Discovery common shares at the Company's election on receipt of material permits and regulatory approvals required to deposit gold tailings at the Kidd TMA.

Conditions of closing, including the transfer of all associated property, claims, assets and the issued and outstanding shares of Kidd Creek Timber Ltd., from Glencore to the Company have all been met. Further, all regulatory approvals required, including the conditional approval of the Toronto Stock Exchange for the issuance of the Discovery common shares to Glencore, the approval required under the Competition Act (Canada) and all other customary closing conditions, have been received.

KIDD OPERATIONS

Glencore's Kidd Operations are located in Timmins, Ontario and include the Kidd Creek Mine and Kidd Met Site. The Kidd Operations opened in 1966 and over the last 60 years have produced over 772 million pounds of copper, 2.1 billion pounds of zinc and 400 million ounces of silver. In 2025, Glencore announced plans to close both the Kidd Met Site and Kidd Creek Mine at the end of 2026.

The Kidd Creek Mine is the world's deepest base metal mine, with mining operations currently at the 9,800-foot level and the shaft extending to the 9,889-foot level. All mining at the Kidd Creek Mine is performed using the sublevel longhole mining method. Ore is hoisted up the shaft and transported by rail 27 kilometres to the Kidd Met Site. Discovery plans to continue operating the Kidd Creek Mine and will assess the potential for a longer-term future beyond the end of this year through the completion of technical studies and a drilling program.

The Kidd Met Site is a large, fully permitted processing facility that provides key infrastructure, including four independent processing circuits, significant tailings capacity, 90 MW of available power, a large metallurgical lab, fresh water supply and treatment capabilities and rail access. The Met Site includes a crushing plant and concentrator with four independent circuits (A, B, C and D Divisions) consisting of rod mill, ball mill and flotation infrastructure. There are also five thickeners and gas fired concentrate dryers. Currently, two circuits (B and C) are operating to process Kidd Creek Mine copper and zinc ores, with an operating capacity of approximately 6,000 tonnes per day. The remaining two circuits (A and D) are presently idled and were previously used for processing other ores, including nickel ores from the Montcalm Mine in Timmins, as well as ores related to custom milling. The four-circuit configuration of the Met Site provides both significant scale and flexibility.

Discovery is currently evaluating the construction of a new conventional gold circuit in the area around the idled A Division. The new circuit is expected to have a capacity sufficient to process mine production from Hoyle Pond and Pamour, and will include a primary crusher, SAG and ball mills, CIL circuit, a thickener, an elution circuit and small refinery (see Figure 1). The Company also plans to assess each of the flotation circuits at the Met Site (B, C and D Divisions) for processing gold material from Borden and TVZ, while also continuing to process base metal mineralization from Kidd Creek Mine. Processing Borden material at the Kidd Met Site is expected to have favourable implications for recoveries and costs at Dome Mill and will provide the mill with approximately 2,000 tonnes per day of additional throughput availability.

FIGURE 1.

ABOUT DISCOVERY

Discovery is a growing precious metals company that is creating value for stakeholders through exposure to both gold and silver. The Company's silver exposure comes from its first asset, the 100%-owned Cordero project, one of the world's largest undeveloped silver deposits, which is located close to infrastructure in a prolific mining belt in Chihuahua State, Mexico. In April 2025, Discovery acquired the Porcupine Complex, transforming the Company into a new Canadian gold producer with multiple operations, attractive growth projects and significant exploration upside in one of the world's most renowned gold camps in and near Timmins, Ontario. The acquisition of the Kidd Operations of Glencore Canada in June 2026 further increased Discovery's land position within the camp and provided valuable infrastructure that will support the Company's efforts to more than double annual gold production.

On Behalf of the Board of Directors,

Tony Makuch, P. Eng
Chairman, President & CEO

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QUALIFIED PERSONS

The scientific and technical information included in this press release has been reviewed and approved by Mr. Eric Archibald, P.Eng., the Company's Technical Services Manager for the Kidd Operations and Mr. Benoit Drolet, P.Geo., the Company's Senior Resource Geologist for the Kidd Operations. Mr. Archibald and Mr. Drolet are both a "Qualified Person" as such term is defined in National Instrument 43-101.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking information.

When used in this press release, the words "estimate", "plan", "continue", "anticipate", "might", "expect", "project", "intend", "may", "will", "shall", "should", "could", "would", "predict", "forecast", "pursue", "potential", "believe" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information contained in this press release include, without limitation, statements with respect to: the anticipated benefits of the Transaction, including anticipated synergies and the impact of the Transaction on the Company's operations, financial condition, cash flows and overall strategy; the Company's plans for and the potential success of future production and processing activities,

including expectations with respect to any permitting, development or other work that may be required; the proposed timing and amount of estimated future production and the illustrative costs thereof; future exploration activities and the anticipated results thereof; plans with respect to new infrastructure; the timing with respect to the construction of a new conventional gold circuit at the Kidd Met Site and anticipated benefits thereof; the anticipated timing and benefits associated with the resumption of mining operations at the Dome mine; the anticipated timing and benefits associated with a new vent raise or shaft at Hoyle Pond; other statements relating to the financial and business prospects of the Company; information as to the Company's strategy, plans or future financial or operating performance; and other events or conditions that may occur in the future.

Factors that could cause actual results to vary from results anticipated by such forward-looking statements include, among others: the Company's ability to achieve the anticipated benefits from the Transaction; the accuracy of historical and forward-looking operational and financial information and estimates provided by Glencore; the Company's ability to successfully integrate the Kidd Operations into the Company's existing operations; the accuracy of financial and operational projections of the Company following completion of the Transaction, including expected production from Kidd Creek Mine for the remainder of 2026; the ability of the Company to complete the necessary work required with respect to the Kidd TMA and the anticipated benefits thereof; the continuing accuracy of statements regarding the Kidd Operations, including the results of technical studies and the anticipated capital and operations costs, sustaining costs, internal rate of return, concession or claim renewal, permitting, economic and scoping-level parameters, mineral resource and/or reserve estimates, the cost of development, mine plans and mining methods, dilution and mining recoveries, processing method and rates and production rates, projected metallurgical recovery rates, infrastructure requirements, capital, operating and sustaining cost estimates, the projected life of mine and other expected attributes of the properties, the net present value, the timing of any environmental assessment processes, changes to configuration that may be requested as a result of stakeholder or government input to the environmental assessment processes, government regulations and permitting timelines, and reclamation obligations; the future price of gold and other metals; currency exchange rates and interest rates; favourable operating conditions; political stability; timely receipt of governmental approvals, licenses, and permits (and renewals thereof); access to necessary financing; stability of labour markets and in market conditions in general; availability of equipment; the accuracy of mineral resource estimates, and of any metallurgical testing completed to date; the costs and expenditures to complete the Company's programs and goals; the speculative nature of mineral exploration and development and mining operations in general; there being no significant disruptions affecting the development and operation of the Company's properties; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions; labour and materials costs being approximately consistent with assumptions; assumptions made in mineral resource estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing factors; requirements for additional capital; environmental risks; general business and economic conditions; delays in obtaining, or the inability to obtain, third-party contracts, equipment, supplies and governmental or other approvals; changes in law, including the enactment of mining law reforms; accidents; labour disputes; unavailability of appropriate land use permits; changes to land usage agreements and other risks of the mining industry generally; the inability to obtain financing required for the completion of exploration and development activities; changes in business and economic conditions; international conflicts; other factors beyond the Company's control; and those factors included herein and elsewhere in the Company's public disclosure.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. See the section entitled "Risk Factors" in the Company's annual information form dated as of February 19, 2026 for the financial year ended December 31, 2025, for additional risk factors that could cause results to differ materially from forward-looking statements.

There can be no assurance that such information will prove to be accurate as actual developments or events could cause results to differ materially from those anticipated. These include, among others, the factors described or referred to elsewhere herein and include unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control.

The forward-looking information included in this press release is expressly qualified by the foregoing cautionary statements. Readers of this press release are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, unless required under applicable laws. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this press release.

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/6b4123bf-421b-4c9e-b90d-2d55881204c2>

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