

## DISCOVERY METALS AMENDS TERMS OF PUERTO RICO OPTION AGREEMENT AND SIGNS 30-YEAR EXPLORATION AND MINING AGREEMENT WITH EJIDO

**April 25, 2019, Toronto, Ontario - Discovery Metals Corp.** (TSX-V: DSV) (“Discovery” or the “Company”) is pleased to announce amendments to the terms of the Property Option Agreement (the “Option Agreement”) on its Puerto Rico Project (the “Project”), located in Coahuila State, Mexico while concurrently signing a 30-year exploration and mining agreement with the Boquillas del Carmen Ejido (the “Ejido”).

A summary of the key terms of the amended Option Agreement are:

- The Company may exercise the option to acquire 100% of the Puerto Rico Project from the Property Owners, with the following payments:
  - an aggregate cash payment of US\$300,000 paid by monthly instalments of US\$20,000 each, commencing 30 calendar days after receipt of the permit to conduct drilling activities on the Project (the “Drill Permit”);
  - the issuance of four tranches of 500,000 common shares on each anniversary of the closing date of the transaction (August 17, 2017) with the first issuance occurring on the second anniversary of the closing (August 17, 2019), provided that by the time the issuance becomes due, the Drill Permit is received; and
  - the issuance of additional common shares (the “Purchase Option Consideration”) to the Property Owners equivalent to the greater of 20% of the market value of the Project as determined by an independent valuation or 18,000,000 common shares, taking into account Common Shares already issued to the Property Owners.
- In order to exercise the Option, the Company is required to complete 12,000 meters of drilling within three (3) years after receipt of the Drill Permit.

A summary comparing the key terms of the original and amended agreements is shown below:

PAYMENT TYPE	ORIGINAL TERM	AMENDED TERM
<b>Drill Permit milestone</b>	- 500,000 common shares - US\$300,000 cash in lump sum payment	- US\$300,000 cash in 15 equal monthly instalments
<b>Drill Permit milestone</b>	- Four tranches of 500,000 common shares issued annually beginning August 17, 2019	- Four tranches of 500,000 common shares issued annually beginning the latter of August 17, 2019 or receipt of Drill Permit
<b>Purchase Option work required</b>	- US\$12,500,000 minimum spend over five (5) years	- 12,000 meters of drilling over three (3) years

PAYMENT TYPE	ORIGINAL TERM	AMENDED TERM
<b>Purchase Option consideration</b>	- Higher of 30% of fair market value of the Project or US\$10,000,000. - Payment in common shares and cash	- Higher of 20% of fair market value of the Project or 18,000,000 common shares. - Payment all in common shares

Mr. Taj Singh, President and CEO of the Company states, “Discovery has renegotiated terms of the Puerto Rico Option Agreement to make it more beneficial to all stakeholders. In addition to spreading the Drill Permit milestone payment over 15 months, we have reduced share dilution and changed the Purchase Option to allow us to spend more exploration dollars on what is most important: drilling. The cost of the Purchase Option is now more in line with the current markets while also allowing the Property Owners to participate in the value of the Company’s other projects through share ownership.”

In parallel with finalizing the amendments to the Option Agreement, the Company entered into a 30-year land occupation agreement (the “Land Occupation Agreement”) with the Boquillas del Carmen Ejido. The Land Occupation Agreement allows for all forms of exploration and mining (both open pit and underground) and any other mining related activity over the 4,000Ha surface area. As consideration, Discovery paid a lump sum amount of 200,000 Mexican pesos (or the equivalent of approximately CAD\$13,500) on signing and will pay 200,000 Mexican pesos annually (adjusted for inflation) over the term of the agreement.

Mr. Singh further adds, “In connection with the amendments to the Option Agreement, we are excited to add a 30-year land occupation agreement which will allow Discovery staff and contractors full access to the Property for all exploration and potential future mining activities. We made substantial technical progress on the Project during 2018 which has allowed us to develop an effective drill program for 2019, to be initiated upon finalization of the permitting for the property. We are in the final stages of the permitting process and continue to garner strong local, state and federal support for the Project (see news release dated April 3, 2019 available at [www.dsvmetals.com](http://www.dsvmetals.com)). Securing long-term access to the Property was therefore an important milestone for the Company.”

For further information contact: Discovery Metals Corp., #701 - 55 University Ave, Toronto, ON Canada M5J 2H7, [info@dsvmetals.com](mailto:info@dsvmetals.com).

On Behalf of the Board of Directors

*“Taj Singh”*

**Taj Singh, M.Eng, P.Eng, CPA**

President, Chief Executive Officer, and Director

## **ABOUT DISCOVERY METALS**

Discovery Metals is focused on discovering and advancing high-grade polymetallic deposits in a recently assembled land package of approximately 150,000 hectares over a large and historic mining district in northern Coahuila State, Mexico. The portfolio of three large-scale, drill-ready

projects and several earlier-stage prospects, all with shallow high-grade silver-zinc-lead mineralization, is situated in a world-class carbonate replacement deposit belt that stretches from southeast Arizona to central Mexico. The land holdings contain numerous historical direct-ship ore workings with several kilometers of underground development, but no modern exploration or exploration drill testing has been carried out on the properties prior to Discovery's time.

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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 the Company 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, delays in receipt of required permits, 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. We do not assume any obligation to update any forward-looking statements except as required under applicable laws.