
DISCOVERY REPORTS 2019 ANNUAL FINANCIAL RESULTS & Q4 OPERATING RESULTS AND GRANTS STOCK OPTIONS

April 28, 2020, Toronto, Ontario - Discovery Metals Corp. (TSX-V: DSV, OTCQX: DSVMF) (“Discovery” or the “Company”) is pleased to announce its financial and operating results for the three and twelve months ended December 31, 2019. All amounts are presented in Canadian dollars (“CAD”) unless otherwise stated.

Discovery is focused on advancing a portfolio of silver projects in historic mining districts in northern Mexico, including its flagship Cordero project in Chihuahua State, as well as the Puerto Rico, Minerva and Monclova projects in Coahuila State.

Q4 2019 OPERATING HIGHLIGHTS:

- Mobilization for the 30,000 to 35,000-meter (“m”) Phase 1 drill program at the Cordero project (“Cordero”) commenced on September 10, 2019 with a second drill rig added on November 7, 2019. Approximately 6,000 m of drilling in total were completed.
- Completed a non-brokered private placement of common shares on November 5, 2019, raising \$19.0 million, including a \$5.0 million investment from Mr. Eric Sprott.

RECENT DEVELOPMENTS:

- Early results from the Phase 1 drill program at Cordero returned very encouraging intercepts including 105.9 m of 118 g/t AgEq¹, 34.7 m of 617 g/t AgEq¹ and 62.8 m of 217 g/t AgEq¹. Further details on the Company’s drill results can be found in the press releases dated January 8, 2020, February 12, 2020 and April 7, 2020.
- The Company was named to the TSX Venture Exchange’s 2020 Venture 50™ as announced on February 21, 2020.
- The Company announced on March 31, 2020, that it had temporarily suspended all exploration activities at its Mexican operations due to the increased health and safety risks associated with the growing number of COVID-19 cases in the country. The shutdown is expected to last until at least May 30, 2020, as per the most recent administrative order from the Federal Government of Mexico suspending all non-essential business activities until that date. The Company has put in place business continuity plans so that exploration activity can quickly ramp up once it is deemed safe to do so.

Prior to the temporary suspension of exploration drilling activities at Cordero, 48 holes totaling 17,500 m of the Phase 1 drill program had been completed. Assays from 24 holes are pending. The goal of this program is to define a high-margin project with scale that retains excellent leverage to rising metal prices.

All holes have been drilled roughly perpendicular to the northeast trend of higher-grade blocks outlined in the Levon Resources Ltd (“Levon”)² resource model.

Drilling to date has confirmed the presence of higher-grade breccia-hosted Ag-Au-Pb-Zn mineralization within the Pozo de Plata zone as well as along the north-east extension of this zone. Drilling along the southernmost vein trend also intercepted multiple sulfide veins that returned kilogram per tonne silver-equivalent intercepts. Follow-up drilling that targets expansion of higher-grade resources, is planned on both the north-east extension of Pozo de Plata and the vein targets as soon as exploration activities resume at Cordero.

Q4 2019 FINANCIAL HIGHLIGHTS:

The following selected financial data is summarized from the Company’s audited consolidated financial statements and related notes thereto (the “Financial Statements”) for the three and twelve months ended December 31, 2019.

A copy of the Financial Statements is available on the Company’s website at www.dsvmetals.com or on SEDAR at www.sedar.com.

Select financial information for the three and twelve months ended December 31, 2019 is as follows:

	Q4 2019	Q4 2018	Q4 YTD 2019	Q4 YTD 2018
Net loss				
(a) Total ^(A)	\$ (4,178,391)	\$ (1,384,584)	\$ (9,656,554)	\$ (7,030,627)
(b) basic and diluted per share	\$ (0.02)	\$ (0.02)	\$ (0.08)	\$ (0.10)
Net loss & total comprehensive loss	\$ (3,959,211)	\$ (1,179,158)	\$ (9,595,837)	\$ (6,787,156)
Total weighted average shares outstanding	193,526,170	65,043,998	114,752,935	65,043,998

A. Net loss for the three and twelve months ended December 31, 2019 includes non-cash share-based compensation expense of \$104,813 and \$1,823,318, respectively, and a non-cash impairment charge of \$382,080 and \$1,409,637, respectively on IVA receivable.

	December 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 23,950,737	\$ 4,691,676
Total assets	\$ 53,518,599	\$ 7,216,714
Total current liabilities	\$ 716,596	\$ 230,090
Total liabilities	\$ 804,466	\$ 230,090
Total Shareholders’ equity	\$ 52,714,133	\$ 6,986,625

At December 31, 2019, the Company had an aggregate Mexican value added tax (“IVA”) recoverable balance of \$3,197,997 including \$1,743,011 acquired in the Levon transaction. Due to the current political environment and changes in Mexico resulting from the government’s ongoing internal restructuring process, the Company evaluated the balance of IVA receivable for indicators of impairment. Due to the short period of operation in Mexico, the Company does not have a history of IVA collection. In addition, there is a high degree of uncertainty surrounding the timing of repayment by the Mexican government. As a result of this assessment, on acquisition of Levon, no value was allocated to the IVA receivable and at December 31, 2019, the Company recognized a provision for 100% of the outstanding IVA receivable balance of \$1,409,637.

The Company believes that the total IVA receivable balance at December 31, 2019 is legally recoverable in full.

On February 21, 2020, the Company received a partial IVA refund in the amount of 5,400,430MXP, or approximately \$360,000. Although this is positive news, the Company will continue to provide for 100% of the IVA recoverable balance until such time as there are sufficient indicators of recoverability.

STOCK OPTION GRANTS:

The Company announces that it has granted to certain officers, directors, employees and/or consultants of the Company an aggregate of 4,835,000 options to acquire common shares of the Company ("Options"). The Options have an exercise price of \$0.47 per share, have a five-year term from the date of grant, and vest according to the following schedules: 1) Management, directors and employees: annually in equal thirds beginning on the date of grant; and 2) Consultants: quarterly in equal eighths beginning three months after the date of grant. Any common shares issuable upon exercises of Options will, in accordance with applicable securities laws, be subject to a hold period expiring four months and one day from the date of grant.

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.

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On Behalf of the Board of Directors,

Taj Singh, M.Eng, P.Eng, CPA,
President, Chief Executive Officer, and Director

TECHNICAL NOTES & REFERENCES:

¹All results in this news release are rounded. Assays are uncut and undiluted. Widths are drilled widths, not true widths, as a full interpretation of the actual orientation of mineralization is not complete. Composites for this release were chosen at a 25 g/t AgEq cutoff, whereby no more than 5m of below-cutoff material is included in any composite interval. AgEq calculations for reported drill results are based on USD \$16.50/oz Ag, \$1,350/oz Au, \$0.85/lb Pb, \$1.00/lb Zn, and assume 100% metallurgical recovery. Refer to note three below for metallurgical recoveries assumed in the 2018 PEA completed on Cordero.

² The most recent resource estimate as shown in the table below was released in 2018 (technical report available on Discovery's website and Levon's SEDAR profile) and was based on a base case cutoff grade of 15 g/t AgEq (highlighted below). The table includes a sensitivity analysis that also shows tonnage and grade estimates at higher AgEq cutoff grades within the resource shell. Resource commodity prices used for the resource estimate were (USD): \$17.14/oz Ag, \$1.11/lb Zn, \$0.96/lb Pb, \$1,262/oz Au.

AgEq ³ (g/t) Cutoff	Tonnage & Grade within Mineral Resources Pit Shell							Total Contained Ag (Mozs)	Total Contained AgEq ³ (Moz)
	Class	Tonnes (M)	AgEq ³ (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)		
15	Indicated	990	32	13	0.04	0.2	0.4	408	1,022
	Inferred	282	56	21	0.04	0.3	0.8	188	513
25	Indicated	467	46	19	0.06	0.3	0.5	278	686
	Inferred	183	77	28	0.05	0.4	1.0	163	451
50	Indicated	99	95	40	0.11	0.6	1.0	128	303
	Inferred	100	112	41	0.06	0.7	1.5	131	360

³ A PEA was completed by M3 Engineering, Resource by IMC, Mar. 1, 2018 (available on Discovery's website). Resource commodity prices used (\$US): \$17.14/oz Ag, \$1.11/lb Zn, \$0.96/lb Pb, \$1,262/oz Au; Mine plan uses a subset of Indicated and Inferred Resources at 15 g/t AgEq cutoff. PEA assumes metallurgical recoveries of 89% Ag, 84% Pb, 72% Zn, 40% Au.

Sample analysis and QA/QC Program: True widths of reported drill intercepts have not been determined. Assays are uncut except where indicated. All core assays are from HQ drill core unless stated otherwise. Drill core is logged and sampled in a secure core storage facility located at the project site 40km north of the city of Parral. Core samples from the program are cut in half, using a diamond cutting saw, and are sent to ALS Geochemistry-Mexico for preparation in Chihuahua City, Mexico, and subsequently pulps are sent to ALS Vancouver, Canada, which is an accredited mineral analysis laboratory, for analysis. All samples are prepared using a method whereby the entire sample is crushed to 70% passing -2mm, a split of 250g is taken and pulverized to better than 85% passing 75 microns. Samples are analyzed for gold using standard Fire Assay-AAS techniques (Au-AA24) from a 50g pulp. Over limits are analyzed by fire assay and gravimetric finish. Samples are also analyzed using thirty three-element inductively coupled plasma method ("ME-ICP61"). Over limit sample values are re-assayed for: (1) values of zinc > 1%; (2) values of lead > 1%; and (3) values of silver > 100 g/t. Samples are re-assayed using the ME-OG62 (high-grade material ICP-AES) analytical package. For values of silver greater than 1,500 g/t, samples are re-assayed using the Ag-CON01 analytical method, a standard 30 g fire assay with gravimetric finish. Certified standards and blanks are routinely inserted into all sample shipments to ensure integrity of the assay process. Selected samples are chosen for duplicate assay from the coarse reject and pulps of the original sample. No QAQC issues were noted with the results reported herein.

Qualified Person: Gernot Wober, P.Geo, VP Exploration, Discovery Metals Corp., is the Company's designated Qualified Person for this news release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained in this news release is accurate.

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

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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.