
DISCOVERY SAMPLES MULTIPLE HIGH-GRADE MANTOS AND CHIMNEYS OVER 3 LEVELS AT THE PUERTO RICO MINE, PUERTO RICO PROJECT

Highlights

- Results were received from 206 new channel samples from the Puerto Rico Mine at the Puerto Rico Project, completing the detailed underground channel sampling program of the Puerto Rico, San Jose and Zaragoza Mines.
- A total of 13 separate manto horizons were identified in the three levels of workings, of which nine were accessible for sampling. Significant results include:

Manto 7 average – 101 g/t Ag, 9.5% Pb, 20.0% Zn (29.4% ZnEq¹), over 1.8m;

Manto 12 average – 116 g/t Ag, 6.1% Pb, 22.5% Zn (29.5% ZnEq¹), over 1.4m;

Manto 8 average – 253 g/t Ag, 10.8% Pb, 11.7% Zn (24.8% ZnEq¹), over 1.1m.

- 17 near-vertical mineralized faults and fractures (chimneys) were identified. These chimneys are interpreted to be feeder structures for the manto mineralization. Significant results include:

Chimney NW1 average – 279 g/t Ag, 27% Pb, 26.5% Zn (53.1% ZnEq¹), over 0.8m;

Chimney NE10 average – 484 g/t Ag, 22.7% Pb, 22.1% Zn (48.8% ZnEq¹) over 0.6m;

Chimney NE11 average – 701 g/t Ag, 43.5% Pb, 5.9% Zn (53.1% ZnEq¹), over 0.5m.

September 27, 2018 - Discovery Metals Corp. (TSX-V: DSV) (“Discovery” or the “Company”) is pleased to announce results from its detailed underground channel sampling program at the Puerto Rico Mine (“PRM”), one of three historic mines comprising its flagship Puerto Rico project (“Puerto Rico” or “the Project”) in northern Coahuila State, Mexico.

Taj Singh, P.Eng, President and CEO, states, “Puerto Rico is advancing quickly and systematically, with all three historic mines now completely mapped and sampled. These current results prove that robust, high-grade mineralization remains in all three historic mines. The distribution of mineralization in all of the historic mines, combined with the structural characteristics identified in our mapping and modeling work, demonstrate the continuity and significant potential of mineralization at the Project. We have gained invaluable insight into the overall system which will aid us in vectoring towards more mineralization and possibly the source. The results of the upcoming airborne mag and EM survey, scheduled for October, will provide the final inputs required for the placement of drill holes for the Project’s maiden drill program. The drill permitting process at Puerto Rico is almost complete and we estimate the receipt of permits within the next one to two months.”

Results & Discussion

The PRM hosts approximately 650m of underground drifts and stopes over three levels that span a vertical extent of 60m and cover a horizontal extent of approximately 200m (strike) by 30m (width) in a northwesterly direction. The underground workings (from bottom to top: Haulage, Stairs, and Upper Levels) are host to strongly mineralized Ag-Pb-Zn mantos and chimneys. Several mantos are well exposed in the underground workings, where they follow bedding in flat-lying to gently folded strata, and locally step across limestone beds. The mineralized vertical faults and fracture zones and are considered chimneys and extend between mine levels.

A total of 206 channel samples were collected at approximately 5m intervals along both sides of the entire length of the developed workings (across mineralization and wallrock). Sampling methodology is outlined in detail in the Technical Notes section of this news release. Sampling locations and thicknesses were somewhat constrained by the extent of historic workings.

The table below summarizes the significant results by level and mineralization type:

<i>PRM Level & Mineralization Type</i>	# of channel samples	Average thickness (m)	Average grades (thickness-weighted)				
			Ag g/t	Pb%	Zn%	ZnEq%¹	AgEq%¹
<u>Upper Level</u>							
<i>Manto 10</i>	5	0.8	18	1.1	19.3	20.5	1,169
<i>Manto 11</i>	4	1.6	29	1.2	23.8	25.3	1,442
<i>Manto 12</i>	5	1.4	116	6.1	22.5	29.5	1,680
<i>NE1 Chimney</i>	1	1.0	61	3.7	22.1	26.1	1,491
<i>NE2 Chimney</i>	4	1.4	60	7.7	27.6	34.8	1,985
<i>NE5 Chimney</i>	3	2.1	57	5.1	24.7	29.8	1,698
<i>NE10 Chimney</i>	2	0.6	484	22.7	22.1	48.8	2,783
<i>NE11 Chimney</i>	1	0.5	701	43.5	5.9	53.1	3,027
<i>Wallrock</i>	9	1.5	65	3.6	18.1	22.1	1,263
<u>Stairs Level</u>							
<i>Manto 7</i>	25	1.8	101	9.5	20.0	29.4	1,676
<i>Manto 8</i>	5	1.1	253	10.8	11.7	24.8	1,415
<i>Manto 9</i>	5	2.1	39	3.5	10.8	14.3	815
<i>NW1 Chimney</i>	2	0.8	279	27.0	26.5	53.1	3,026
<i>NW2 Chimney</i>	1	0.4	123	9.2	17.6	27.2	1,549
<i>NW3 Chimney</i>	2	2.2	8	1.0	13.4	14.3	817
<i>NE17 Chimney</i>	1	0.9	2	0.6	36.5	37.0	2,112
<i>Wallrock</i>	44	1.2	53	3.1	4.9	8.3	474
<u>Haulage Level</u>							
<i>Manto 1</i>	5	1.5	32	1.0	6.4	7.8	442
<i>Manto 2</i>	10	1.7	12	0.3	1.6	2.0	117
<i>Manto 3</i>	14	1.3	95	2.1	11.8	15.2	865
<i>Wallrock</i>	56	1.4	8	0.2	0.8	1.1	63

Host Structure Descriptions:

Northeast-Striking Chimneys:

In the Upper Level and the northwest portion of the Stairs Level, five major chimneys were mapped and sampled, striking 250 to 260 degrees, dipping 65 to 80 degrees to the north-northwest, and with thicknesses ranging from 0.5 to 2.1m. The chimneys are host to abundant galena and hemimorphite, returning average grades of 26.1 to 53.1% ZnEq. These chimneys are interpreted to be mineralizing feeders to the mantos that occur on the same levels. On the Haulage Level, narrow, vertical veinlets of galena were noted in the limestone, but access did not permit sampling. On the central part of the Stairs Level, the chimneys are spaced approximately 5m apart, and in the centre of the Upper Level they are 2m apart. The chimneys in the Upper Level project to those on the Stairs Level below and are likely the same features.

Northwest-Striking Chimneys:

Mapping on the Stairs Level has identified three chimneys that strike 115 degrees azimuth and dip 80 degrees to the southwest. The average thickness of these chimneys ranges from 0.4 to 2.2m, with average grades of 14.3 to 37.0% ZnEq. The parallel NW1 and NW2 structures are host to abundant galena, and the zinc oxides hemimorphite and smithsonite. The subparallel NW3 structure is host to dominantly smithsonite and relatively less galena, suggesting a supergene origin of this mineralization. The NW1 and NW2 structures are axial planar to an anticline and are also interpreted to be feeder zones to the adjacent mantos mapped on the Stairs Level.

Haulage Level Mantos (lowest elevation):

Three mantos (Manto 1-3) have been mapped on this level approximately 8m apart vertically. These mantos are parallel to bedding within a synclinal drag fold and strike generally 310 to 320 degrees azimuth and dip 10 to 30 degrees to the northeast. Manto 1 and Manto 2 average thicknesses are 1.5m and 1.7m thick respectively, while the Manto 3 average thickness is 1.3m and can be traced for 60m laterally. Mineralization consists of dominantly hemimorphite and smithsonite, with lesser galena. Average grades for Mantos 1-3 range from 7.8 to 15.2% ZnEq. In the raise between the Haulage Level and Stairs Level, Mantos 4 and 5 can be observed but access does not permit any detailed observations or sampling.

Stairs Level Mantos:

Four mantos have been mapped (Manto 6 through Manto 9) that generally strike 345 degrees azimuth and dip 25 degrees to the northeast. These mantos are similar to those on the Haulage level and are also located within a synclinal drag fold. Mantos 7 and 8 average mineralized thicknesses are 1.8m and 1.1m respectively and are exposed for 80m along strike and Manto 7 is traceable down dip along a cross cut for 20m. Manto 9 average mineralized thickness was 2.1m and is only exposed over 2m in a small embayment of the underground workings. The average grades of Mantos 7-9 range from 14.3% to 29.4% ZnEq. Manto 6 is located in the back of the Stairs Level workings and has been mapped as a 0.5m thick horizon but is not accessible for detailed observations or sampling. All the mantos contain abundant hemimorphite, smithsonite and lesser galena, with moderate amounts of manganese oxide.

Upper Level Mantos:

Four mantos (Manto 10 to Manto 13) have been identified on the Upper Level that strike 320 degrees azimuth and vary in dip from 50 degrees to 68 degrees to the northeast. The steeper-dipping mantos are on the steep limb of the drag fold mapped on this level. Manto average thicknesses vary from 0.8m to 1.6m and mineralization is similar to that on the other two levels with abundant hemimorphite and smithsonite and lesser galena. Manto 10 can be mapped continuously for 30m in the stopes, Manto 11 and 12 for just over 70m, and Manto 13 over 80m along the workings. The average grades of the sampled mantos on this level ranges from 20.5 to 29.5% ZnEq.

A full table of results and maps related to this news release can be found at:

https://dsvmetals.com/site/assets/files/PRM-Sept2018-FINAL_APPENDIX.pdf

TECHNICAL NOTES

Sample analysis and QA/QC Program: The rock chip and channel samples were taken perpendicular to mineralization, with variable length (across width of mineralization, typically 0.5m-2.5m) and a minimum channel thickness of 60mm and minimum channel depth of 30mm. The entire volume of each chip or channel sample was transported from site by ALS and prepared at the ALS lab facilities in Zacatecas and Chihuahua facilities, with splits of pulps shipped to the ALS lab in Vancouver for analysis. Samples were analyzed for gold using (1) a standard fire assay with a 30-gram pulp and Atomic Absorption (AA) finish for gold; and (2) Thirty-element inductively coupled plasma atomic emission spectrometry ("ICP-AES"). Over limit sample values were re-assayed for: (1) values of zinc > 10%; (2) values of lead > 10%; and (3) values of silver > 100 g/t. Samples were re-assayed using the ME-OG62 (high-grade material ICP-AES) analytical package. For values of zinc or lead greater than 30%, a third re-assay using the Zn-VOL50 or Pb-VOL50 (potentiometric titration) analytical method was used while values of silver greater than 1,500 g/t, were re-assayed using the Ag-CON01 analytical method, a standard fire assay with 30g pulp and gravimetric finish. Certified standards and blanks were routinely inserted into all sample shipments to ensure integrity of the assay process.

Qualified Person: Gernot Wober, P.Geo, Vice-President of Exploration of 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.

REFERENCES

¹All numbers in this news release are rounded and assays are uncut and undilute. ZnEq and AgEq calculations are based on USD \$15/oz Ag, \$1.25/lb Zn, \$1.00/lb Pb, \$3.00/lb Cu and do not consider metallurgical recovery.

²For a full table of results, maps and graphics related to this news release, please refer to:

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ABOUT DISCOVERY METALS

Discovery Metals is focused on discovering and advancing high grade polymetallic deposits in a recently assembled land package of approximately 300,000 hectares over a large and historic mining district in northern Coahuila State, Mexico. The portfolio of seven key properties, all with shallow high-grade silver-zinc-lead mineralization, is situated in a world class CRD belt that stretches from southeast Arizona to central Mexico. The land holdings contain numerous historical direct-ship ore workings with approximately 4km of underground development. No modern exploration or exploration drill testing has been carried out on the properties prior to Discovery's time on the projects.

On Behalf of the Board of Directors
"Taj Singh"

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

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