

## Discovery Identifies Multiple High-grade Chimneys and Mantos at the San Jose Mine, Puerto Rico Project

### Highlights

- Results were received from 157 new underground channel samples taken in the San Jose mine at the Puerto Rico Project, completing the detailed sampling program of the San Jose mine. Significant channels include:
  - 1.2m of 46.2% Zn, 0.2% Cu (46.8% ZnEq);
  - 2.3m of 199 g/t Ag, 6.8% Zn, 11.6% Pb, 0.3% Cu (18.5% ZnEq),
  - 1.7m of 27 Ag, 24.0% Zn (24.9% ZnEq);
- Three strongly mineralized mantos were identified and returned average grades of 18.1%, 15.2% and 28.2% ZnEq (32 samples). Two strongly mineralized chimneys were identified and returned average grades of 14.3% and 17.8% ZnEq (40 samples).
- Mine stope widths of 5-6m suggest substantial chimney mineralization was encountered in the past. All chimneys sampled are open along strike and to depth. All mantos sampled are also open along strike and down dip and suggest potential for additional stacked mantos below.

**TORONTO, Aug. 23, 2018 -- Discovery Metals Corp.** (TSX-V:DSV) (“Discovery” or the “Company”) is pleased to announce the second and final batch of assay results from its detailed underground channel sampling program at the San Jose mine (“San Jose”), one of three historic mines comprising its flagship Puerto Rico project (“Puerto Rico” or “the Project”) in northern Coahuila State, Mexico. This follows up on the first batch of sampling results from San Jose released on July 18, 2018 (results available at [www.dsvmetals.com](http://www.dsvmetals.com)).

Taj Singh, P.Eng, President & CEO, states, “Puerto Rico is really coming into focus, with two of the three historic mines now completely mapped and sampled. These new results from San Jose continue to highlight the very strong and consistent grades at the Project. The sampling program of the third historic mine, the Puerto Rico mine, has just wrapped up and we are awaiting assay results. The focus will now shift to drill-planning and prioritizing targets for drilling in 2H18. We are also finalizing plans for an airborne magnetic survey at the Project which will aid in drill-targeting and will also help to identify high-potential regional targets surrounding the historic mines’ area.”

### Results & Discussion

San Jose contains approximately 630m of underground drifts and stopes over four levels (from bottom to top: the Chuyon, Haulage, Rope and Upper levels) that span an approximate vertical extent of 50m and cover a horizontal extent of approximately 80m by 80m. All four levels host strongly mineralized mantos, chimneys and faults. Channel samples were collected at 3-5m intervals along both sides of the entire length of the developed workings. The first batch of assay results (71 samples) was exclusively from the Chuyon level (see news release dated July 18, 2018), while the new results released herein are from the Haulage, Rope and Upper levels (157 samples). Sampling methodology is outlined in detail in the Technical Notes section of this release. Sampling locations and widths were restricted to the extent of historic workings. The table below highlights assay results of 15 of the most significant individual channels from the new batch of results sorted by ZnEq (see References section for ZnEq and AgEq assumptions):

Sample number	San Jose mine Level	Width (m)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	AgEq (g/t)	ZnEq (%)	Mineralization type / Host rock
215523	Haulage	1.2	10	46.2	0.2	0.2	2,819	46.8	manto
215532	Rope	0.4	15	42.3	0.5	0.9	2,689	44.7	chimney
215504	Haulage	0.7	154	38.2	0.6	0.1	2,493	41.4	chimney
215519	Haulage	0.5	6	37.9	0.1	0.2	2,314	38.5	manto
215525	Haulage	0.6	9	37.3	0.3	0.3	2,305	38.3	chimney
215524	Haulage	0.8	6	37.5	0.1	0.1	2,284	37.9	chimney
215509	Haulage	0.7	20	34.9	0.7	0.2	2,173	36.1	chimney
215563	Rope	1.0	18	30.2	0.1	2.6	2,159	35.9	manto
215555	Upper	0.5	294	14.3	16.9	1.0	1,944	32.3	fault
215482	Haulage	0.5	8	29.5	0.3	0.1	1,802	29.9	manto
215547	Upper	1.0	445	3.5	26.30.1	0.6	1,778	29.6	chimney
215546	Upper	1.2	47	22.9	0.5	1.9	1,668	27.7	chimney
215501	Haulage	0.9	24	26.5	0.5	0.1	1,648	27.4	chimney
215549	Upper	1.3	61	18.1	7.1	1.2	1,578	26.2	chimney
215539	Rope	1.3	129	15.9	6.5	1.7	1,554	25.8	chimney

Composite channels, composed of 2-3 contiguous individual channels were also taken during the program. The three top composites, sorted based on width x grade, are shown below:

Sample numbers	San Jose mine Level	Width (m)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	AgEq (g/t)	ZnEq (%)	Mineralization type / Host rock
215547-548	Upper	2.3	199	6.8	11.6	0.3	1,114	18.5	chimney / fault
215499-501	Haulage	1.7	27	24.0	0.4	0.1	1,505	24.9	chimney
215550-551	Upper	1.5	116	5.0	10.5	0.3	873	14.5	manto / wallrock

*Key findings and interpretations:*

- Ag-Pb-Zn-Cu mineralization is present in limestone-hosted mantos (parallel to bedding) and chimneys and faults (discordant to bedding). The predominant alteration types occurring at San Jose include moderate to strong recrystallization of limestone wallrock, calcite veining, and iron oxide alteration. These mineralized bodies have undergone surficial oxidation, resulting in a mix of metal-bearing sulphides and oxides.
- Three mantos, two chimneys and two mineralized faults were identified. Sampled manto widths range from 0.5-1.5m (restricted by dimensions of workings) and are open in all directions laterally (along strike and dip). Based on field observations from the other historic mines at Puerto Rico, there is potential for additional stacked mantos below. Sampled chimney widths range up to 2.3m but field observations suggest the potential for larger widths, as the main part of a historic stope that mined chimney mineralization had a width of 5-6m. Both chimneys are open along strike and to depth. Mineralized faults widths range from 0.4-1.4m, and are open along strike and to depth.
- The average grades of the chimneys, mantos and mineralized faults at San Jose is shown below:

Mineralization	samples (#)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	ZnEq (%)
Manto 1	2	141	8.0	11.1	0.2	18.1
Manto 2	16	19	13.6	1.1	0.3	15.2
Manto 3	14	229	17.6	9.3	0.3	28.2
Chimney 1	20	54	10.8	2.2	0.5	14.3
Chimney 2	20	57	13.9	3.1	0.5	17.8
Minz. Fault 1	23	53	4.0	5.3	0.7	9.9
Minz. Fault 2	20	10	2.2	0.4	0.1	2.7

- In addition, the wallrock of the workings at San Jose carried significant mineralization. Average wallrock grades from all four levels were 5.2%, 0.5%, 3.1% and 3.2% ZnEq respectively.
- Cu values were consistently significant, indicating potential proximity to an intrusive source. The highest values of Cu were hosted within chimneys and faults.

**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.

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On Behalf of the Board of Directors  
 "Taj Singh"

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

**REFERENCES**

For a full table of results, maps and graphics related to this news release, please refer to:  
<https://dsvmetals.com/site/assets/files/5187/appendix-sj-2-final.pdf>

All numbers in this news release are rounded and assays are uncut and undilute. ZnEq and AgEq calculations are based on USD \$17/oz Ag, \$1.50/lb Zn, \$1.00/lb Pb, \$3.00/lb Cu and do not consider metallurgical recovery.

## **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:** Taj Singh, M.Eng, P.Eng, President and CEO, 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.

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