

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company

Discovery Metals Corp. (“**Discovery**”)
Suite 701 – 55 University Avenue
Toronto, ON M5J 2H7

ITEM 2. Date of Material Change

August 2, 2019

ITEM 3. News Release

Discovery and Levon Resources Ltd. (“**Levon**”) disseminated a news release in respect of the material change on August 2, 2019. The news release was subsequently filed on SEDAR on August 2, 2019.

ITEM 4. Summary of Material Change

On August 2, 2019, Discovery and Levon completed a plan of arrangement pursuant to which Discovery acquired, through wholly-owned subsidiary, all of the issued and outstanding common shares of Levon. Effective on the same date, 15,935,000 subscription receipts issued by Discovery converted to common shares in the capital of Discovery.

ITEM 5. Full Description of Material Change

On August 2, 2019, pursuant to a court approved statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”), shareholders of Levon (the “**Levon Shareholders**”) received 0.55 (the “**Exchange Ratio**”) of a common share of Discovery (each whole share, a “**Discovery Share**”), for every common share of Levon held. The Supreme Court of British Columbia granted its Final Order with respect to the Arrangement on July 31, 2019.

Upon closing of the Arrangement: (i) all outstanding stock options of Levon were exchanged for options to purchase Discovery Shares on the basis of the Exchange Ratio, and will expire on August 2, 2020; (ii) all unexercised Levon share purchase warrants were exchanged for warrants to purchase Discovery Shares on the basis of the Exchange Ratio and will expire in accordance with their current expiry dates; and (iii) Levon amalgamated with Discovery’s wholly-owned subsidiary 1210573 B.C. Ltd., and remains a wholly-owned subsidiary of Discovery maintaining the name “Levon Resources Ltd.”

Effective on the closing of the Arrangement, there were approximately 168 million Discovery Shares issued and outstanding (including the conversion of the Subscription Receipts, as described below, and the issuance of 64,412,929 Discovery Shares issued to Levon shareholders pursuant to the Arrangement), and Discovery’s market capitalization

is approximately \$66 million, based on Discovery's closing price on the TSX Venture Exchange on August 1, 2019.

The Levon common shares will be delisted from the Toronto Stock Exchange and Discovery intends to make an application to applicable securities regulatory authorities pursuant to which Levon will cease to be a reporting issuer.

Management and Directors

Concurrent with the closing of the Arrangement, Vic Chevillon (Interim CEO and President of Levon) and Daniel Vickerman (Chairman of Levon) were appointed to the board of directors of Discovery. Discovery's management team will continue in their current roles, with Taj Singh continuing to serve as the President and Chief Executive Officer and Murray John continuing in the role of Chairman of the Board. The remaining members of Discovery's board of directors continue to be Dr. Mark O'Dea, Jeff Parr, Jose Vizquerra-Benavides, Jesus Hernandez-Garza, and Dr. Moira Smith.

Conversion of Subscription Receipts

As announced in Discovery's news releases dated July 18, 2019, and July 24, 2019, Discovery closed a private placement on July 24, 2019, raising \$9,004,770 which included 15,935,000 subscription receipts ("**Subscription Receipts**") at a price of \$0.23 per Subscription Receipt. Each Subscription Receipt was automatically converted into one Discovery Share, for no additional consideration, on the closing of the Arrangement. 2176423 Ontario Ltd., a corporation beneficially owned by Mr. Eric Sprott, held all of the Subscription Receipts. Taking into consideration the Discovery Shares issued to Levon Shareholders in connection with the Arrangement, on conversion of the Subscription Receipts, Mr. Sprott has maintained his beneficial ownership of approximately 19.9% of the issued and outstanding Discovery Shares

Further Details

Details of the Arrangement have been disclosed in a management information circular of Levon dated June 25, 2019, and filed (as amended) on July 8, 2019, a copy of which is available on Levon's SEDAR profile at www.sedar.com.

ITEM 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

ITEM 7. Omitted Information

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. Executive Officer

Taj Singh
President & Chief Executive Officer
Discovery Metals Corp.
(416) 613-9410

ITEM 9. Date of Report

August 6, 2019

Cautionary Note Regarding Forward-Looking Statements

Certain disclosures in this material change report constitute forward-looking statements, including: composition of Discovery's board of directors upon completion of the Arrangement, and the delisting of the common shares of Levon from the Toronto Stock Exchange and Levon ceasing to be a reporting issuer. In making the forward-looking statements in this material change report, Discovery has applied certain factors and assumptions that are based on Discovery current beliefs as well as assumptions made by and information currently available to Discovery. Although Discovery considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this material change report are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. Discovery does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.