



Trading Symbol TSXV: DCY

**News Release** *for immediate release*

October 13, 2022

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## **Discovery–Corp Increasing Focus on Gold Exploration Acquires Scramble**

**Vancouver** – Discovery–Corp Enterprises Inc. (the “**Company**”) (TSXV: DCY) is pleased to announce that it has entered into a definitive arrangement agreement dated October 13, 2022 (the “**Arrangement Agreement**”) related to the proposed business combination (the “**Transaction**”) of the Company with Scramble Resources Corp. (“**Scramble**”), a company incorporated under the laws of British Columbia.

Completion of the Transaction is subject to certain conditions including, but not limited to, receipt of all applicable shareholder, court and regulatory approvals, including that of the TSX Venture Exchange (the “**TSXV**”), the Company completing the Spin-Out Transaction (as defined below), completion of the Consolidation (as defined below), as well as such other closing conditions customary to transactions of this nature.

It is expected that, immediately prior to closing the Transaction, there will be an aggregate of 22,800,000 shares in the capital of Scramble (the “**Scramble Shares**”) issued and outstanding and, accordingly, 22,800,000 Consideration Shares (as defined below) are expected to be issued on closing. The Consideration Shares will be issued at a post-consolidation price per share of \$0.1897, for a total consideration of \$4,325,160. Assuming the completion of the Transaction a minimum of approximately 27,769,400 common shares (each, a “**Resulting Issuer Share**”) of the combined company that will result from the completion of the Transaction (the “**Resulting Issuer**”) are expected to be issued and outstanding, of which approximately 17.9% Resulting Issuer Shares will be held by the current shareholders of the Company and approximately 82.1% will be held by the current shareholders of Scramble (“**Scramble Shareholders**”).

## About Scramble Resources Corp.

Scramble is a geologist-founded gold exploration company focused on orogenic and greenstone belts in top-rated mining jurisdictions globally. Scramble has the right to 100% interest in three land packages that comprise the 1,456 hectare NewFind gold project (359 hectares of which are directly owned through a wholly-owned Scramble subsidiary). NewFind is located in the mining district of the Eastern Goldfields of Western Australia, and includes the Mount Clifford gold mine, recently under production by small-scale miners. NewFind lies along the same structural corridor as, and between two of the top 20 gold deposits in Australia.

## Scramble Financial Information

A summary of financial information from the draft audit with auditor comfort letter of Scramble for the periods indicated below is disclosed in accordance with TSXV policies:

	<b>March 31, 2022 (unaudited)</b>	<b>March 31, 2021 (unaudited)</b>	<b>March 31, 2020 (unaudited)</b>
<b>Revenue</b>	Nil	Nil	Nil
<b>Comprehensive (Loss)</b>	\$(1,008,127)	\$(301,582)	\$(229,808)
<b>Cash + Subscription Receivable</b>	\$646,089	\$1,637,542	\$285,973
<b>Total Assets</b>	\$2,228,029	\$1,851,097	\$404,777
<b>Total Liabilities</b>	\$74,731	\$593,288*	\$23,026

\* Includes \$513,353 in subscription funds closed shortly after fiscal year end.

Further details on Scramble will be provided in a subsequent news release and in the Discovery Information Circular (as described below).

## Change of Directors and Officers

Upon the completion of the Transaction and subject to prior acceptance by the TSXV, it is expected that the directors of the Resulting Issuer will be Daniel Vega, Darren W. Lindsay, Paul Koros, Iain Brown, Nicole Hoeller and Ross Sherlock. Management of the Resulting Issuer will include Iain Brown continuing as the Chief Financial Officer and Paul Koros as the Chief Executive Officer.

Daniel Vega

Mr. Daniel Vega is a mining engineer, entrepreneur, and businessman. A Chilean national residing in Santiago, he is General Manager of MPM Ltda, a mine construction and heavy equipment maintenance company he founded in 2008 that now employs over 1,000 people. MPM's clients include BHP Billiton, Codelco, and Antofagasta. Daniel graduated with a degree in Civil and Mechanical engineering from the University of Concepción.

### Darren Lindsay

Mr. Darren Lindsay is a professional geologist with more than 25 years' experience including senior positions with Newmont, Miramar Hope Bay, and a number of junior gold exploration companies. His experience ranges from grassroots project identification and acquisition to feasibility level studies of gold deposits. Darren has been involved with, and led, successful teams undertaking belt-scale prospectivity analysis, belt-scale exploration, target definition and evaluation, resource definition and expansion and deposit scale studies. He has worked nationally and internationally with a primary focus on greenstone belt hosted gold deposits. Darren currently oversees the belt scale exploration program of Blue Star Gold Corp in the position of Vice President Exploration and is a director of Visionary Gold Corp. He is a member in good standing with the Professional Engineers and Geoscientists of BC and the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists.

### Paul Koros

Mr. Paul Koros is a professional engineer and businessman with over 25 years' experience in financial markets, sales & marketing, and commercialization of new technologies, with roles as contract CFO, CEO, and advisor to C-level and Boards. His experience ranges across a wide variety of industries, from technology and software to industrial and food manufacturing to medical devices and aviation. Paul has supported and led financing efforts for numerous early-stage companies in the software, hardware, mining, and in the life sciences. An active angel investor, Paul is the CEO of the General Partner of two limited partnerships he founded, one of which invests exclusively in the mineral exploration sector. He graduated with a degree in environmental engineering from the University of Guelph, is a member of Professional Engineers Ontario, and is a student member of Chartered Professional Accountants of BC.

### Iain Brown

Mr. Iain Brown provides strategic planning, BD, HR and finance advice to large companies and has over 25 years of public company experience as a director and officer of gold and copper exploration companies. While at Yorkton Securities Mr. Brown successfully completed IPOs both for gold and tech companies. Over the years Mr. Brown has developed relationships with a wide network of bankers. After graduating with his B. Com. in finance from UBC Mr. Brown started his banking career as a Manager at BMO then advancing his career at RBC. His M.Sc. in International Business is from a combination of Manchester Business School and UBC where his thesis developed an econometric model to determine the location of Japanese Greenfield investment and contributed to the Economic Council of Canada's report on Asian investment. Other published award-winning papers include Recipient of Business Review Award for his essay on Small Business Financing and the 1992 Canada-Hong Kong Trade Competition award.

### Nicole Hoeller

Ms. Nicole Hoeller is a leader in marketing and communications in the Canadian mining and mineral exploration industry, with a wide global investor network. Along with her over 26 years of experience in investor relations and communications in the industry, Ms. Hoeller has also spent extensive time traveling in the Arctic, liaising and consulting with communities, Inuit organizations and all levels of government about the benefits and impacts of mining in Canada's North. Ms. Hoeller also has significant experience in capital markets, corporate financing and M&A and is currently the Vice-President, Communications & Corporate Secretary for Sabina Gold & Silver Corp.

Ross Sherlock

Dr. Ross Sherlock is a professional geologist with more than 30 years' experience including senior positions with Kinross Gold and Gold Fields, junior exploration/mining companies, consulting firms and a Research Scientist with the Geological Survey of Canada. Ross has worked nationally and internationally with a primary focus on greenstone belt hosted gold deposits. Ross currently holds an Industrial Research Chair in Exploration Targeting and is the Director of the Mineral Exploration Research Center at the Harquail School of Earth Sciences at Laurentian University in Sudbury, Ontario. He is a member of the Professional Engineers and Geoscientists of BC and the Professional Geoscientists of Ontario.

### The Spin-Out Transaction

Prior to the closing of the Transaction, and as one of the steps in the Arrangement, the Company will sell or transfer to Galaxy Strategy Corp. ("**Spinco**"), a wholly-owned subsidiary of the Company, the following: (i) its 100% interest in the Galaxy Copper-Gold Project located in the Kamloops Mining District, British Columbia, Canada that includes Sugar claims and crown grants with a book value of \$20,916; (ii) certain water rights; (iii) reclamation bonds totaling \$8,000; and (iv) the Mineral Exploration Tax Credit totaling \$20,776 (collectively, the "**Discovery Spin-Out Property**").

Spinco will provide an indemnity to the Resulting Issuer and an undertaking to issue Spinco warrants (the "**Spinco Warrants**") to shareholders of the Company at a rate of one Spinco Warrant for each common share in the capital of Discovery (each, a "**Share**") held by such holder at October 13, 2022 being the date of this news release (the "**Spin-Out Transaction**"). Each Spinco Warrant will entitle the holder thereof to acquire one common share in the capital of Spinco at an exercise price of \$0.01 per share for a period of 30 days from the date of issuance of the Spinco Warrants. There is no present intention to list the Spinco common shares nor the Spinco Warrants for trading on any stock exchange.

### Share Consolidation

Following the Spin-Out Transaction and prior to the closing of the Transaction, to achieve the approximately 17.9% Resulting Issuer Shares being held by the current shareholders of the Company, the Company intends to consolidate its outstanding Shares on the basis of 2.71 pre-consolidation Shares for every one post-consolidation Share (the "**Consolidation**").

### Discovery Warrant Extension

Prior to the closing of the Transaction, the Company intends to make an application to the TSXV to extend the term of 3,500,000 warrants (the "**Warrants**") for an additional year. The Warrants are from a non-brokered private placement of 3,500,000 units completed at a price of \$0.10 per unit for total gross proceeds of \$350,000 on January 20, 2020 with no finders fees paid. Each unit consisted of Share and one Warrant of the Company. Each Warrant entitles the holder to purchase an additional Share until January 20, 2023 at an exercise price of \$0.15 per Share. Subject to the approval of the TSXV the term of the Warrants will be extended to January 20, 2024 at a pre-Consolidation exercise price of \$0.15 per Share, or a post-Consolidation exercise price of \$0.4065 per Share, as applicable.

## The Transaction

The Transaction is subject to the approval of the TSXV and is intended to constitute a reverse takeover (a “**RTO**”) of the Company by Scramble as defined in TSXV Policy 5.2 – *Change of Business and Reverse Takeovers* (“**Policy 5.2**”). The Resulting Issuer will be renamed as agreed to by the Company and Scramble. Subject to TSXV approval, the common shares of the Resulting Issuer will trade on the TSXV under a new trading symbol to be determined by the parties and the Resulting Issuer will continue to be listed on Tier 2 of the TSXV as a mining issuer.

The Transaction is an Arm’s Length Transaction as such term is defined in the policies of the TSXV and, in connection with the announcement of the Transaction, trading in the Shares has been halted and is expected to remain halted until the closing of the Transaction.

Pursuant to the terms of the Arrangement Agreement, the Transaction is to be completed pursuant to a plan of arrangement (the “**Arrangement**”) under the provisions of the *Business Corporations Act* (British Columbia). All of the issued and outstanding Scramble Shares will be exchanged for Shares (the “**Consideration Shares**”) on the basis of one post-Consolidation Share for each Scramble Share and Scramble will become a wholly owned subsidiary of the Company.

The Transaction will require the approval of (i) 66<sup>2</sup>/<sub>3</sub>% of the Shares cast at the annual and special meeting of the shareholders of the Company (the “**Discovery Meeting**”), (ii) if required, a majority of the votes cast at the Discovery Meeting by Company shareholders excluding votes attached to Shares held by persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and (iii) 66<sup>2</sup>/<sub>3</sub>% Scramble Shares cast at the special meeting (the “**Scramble Meeting**”) of Scramble Shareholders (as defined below).

In connection with the Discovery Meeting and Scramble Meeting, as applicable, a management information circular will be prepared in accordance with TSXV Form 3D1 – *Information Required in an Information Circular for a Reverse Take-Over or Change of Business* (the “**Discovery Information Circular**”) setting out the terms of the Arrangement, as well as further information regarding the Arrangement and the Resulting Issuer, will be circulated to all Company shareholders in connection with the Discovery Meeting, and the Scramble Shareholders in connection with the Scramble Meeting. Further details regarding the dates and locations of the Discovery Meeting will be provided.

## Applicable Securities Exemptions

The Company intends to rely on Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions* for an exemption from the prospectus requirements for the issuance of the Consideration Shares to the former Scramble Shareholders. In addition, the parties intend that the issuance of any Consideration Shares to Scramble Shareholders who are U.S. residents in exchange for their Scramble Shares shall be exempt from the registration requirements of the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder pursuant to Section 3(a) (10) thereof, and applicable U.S. state securities law in reliance upon such exemptions as may be available therefrom.

## Sponsorship

Sponsorship of an RTO is required by the TSXV unless exempt or waived in accordance with TSXV policies. The Company intends to apply for a waiver from the sponsorship requirements. There is no assurance that the Company will be able to obtain such a waiver.

## Technical Disclosure

Darren Lindsay, P.Geo., Director of Scramble Resources Corp., is the Qualified Person under National Instrument 43-101 and has reviewed and approved the technical information in this news release related to the NewFind Project.

## Additional Information

**All information contained in this news release with respect to the Company and Scramble was supplied, for inclusion herein, by each respective party and each party and its directors and officers have relied on the other party for any information concerning such other party.**

***Completion of the Transaction is subject to a number of conditions, including but not limited to, the approval of the Arrangement by the Supreme Court of British Columbia, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.***

***Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.***

***The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.***

**On Behalf of the Board of Directors  
"Iain Brown", Chief Financial Officer  
Discovery-Corp Enterprises Inc.**

**This release has been prepared by Management. The TSX Venture Exchange has not reviewed this news release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

## Disclaimer for Forward-Looking Information

This document contains certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under the corporations control which may cause actual results, performance or achievements of the corporation's to be materially different from the results, performance or expectation implied by these forward looking statements. Certain statements set out in this News Release constitute forward-looking statements. Forward-looking statements (i) are often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate", or "will", and similar expressions; (ii) are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.

Forward-looking statements reflect the expectations of management regarding the Company's completion of the Transaction and related transactions. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future, including but not limited to, the Company completing the Transaction, the completion of the Spin-Out Transaction, the conditions to be satisfied for completion of the Transaction, completion of the Consolidation, the reconstitution of the board of directors and management of the Resulting Issuer, the name and business carried on by the Resulting Issuer, the reliance on a prospectus exemption for the issuance of the Consideration Shares, and obtaining a waiver from the TSXV sponsorship requirements. Such statements are subject to assumptions, risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company. The risks include the following: the requisite corporate and shareholders approvals of the directors and shareholders of the Company or Scramble, as applicable, may not be obtained; the Company may not be able to complete the Spin-Out Transaction; the TSXV may not approve the Transaction; that the parties may be unable to satisfy the closing conditions in accordance with the terms and conditions of the Arrangement Agreement; and other risks that are customary to transactions of this nature. The novel strain of coronavirus, COVID-19, and the ongoing dispute between the sovereign state of Ukraine and Russia also continue to pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The reader is cautioned not to place undue reliance of any forward looking statements. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release. The Company 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.

## Contact Information

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