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### **Preliminary Economic Assessment for the Deer Horn Gold-Silver-Tellurium Project Indicates Positive Economics with 2.4 Year Payback and 14 Year Mine Life**

**Delta, British Columbia March 13, 2013** – Deer Horn Metals Inc. (“Deer Horn”) (TSX.V - DHM) Deer Horn Metals Inc. (“DHM” or the “Company”) announced today positive results from a National Instrument 43-101 Preliminary Economic Assessment (“PEA”) for the Deer Horn gold-silver-tellurium project (the “Project”). The Project is located in west-central British Columbia 36 kms (23 miles) south of the Huckleberry mine. The Executive Summary from the PEA can be found on the Company’s website, [www.deerhornmetals.com](http://www.deerhornmetals.com). The complete PEA will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website.

DHM President and CEO Tyrone Docherty stated that the PEA “shows that the Deer Horn deposit represents an excellent economic opportunity within a stable regulatory environment. The robust economic return set out in the PEA provides excellent momentum to take the Project to the next level of development. We are currently exploring numerous financing avenues to enable us to proceed with further in-fill and step-out drilling, engineering and environmental programs which will allow us to complete a Preliminary Feasibility Study and a Permit Application for Mine Development. At that point, we will have successfully taken the Deer Horn project to financeable reserve status. The PEA encompasses only a 450 metre portion of a gold-silver-tellurium system that the company has mapped to be at a minimum of 2.4 km in length. Thus we are excited at the potential for future mine development along the strike length.”

The PEA describes a 74,000 tonnes per year seasonal (six month), open-pit mining operation and conventional flotation mill which would produce a combined gold/silver/tellurium concentrate. The Project may be permitted under the Mines Act of BC as a small mine, without the requirement for a provincial environmental assessment (EA) as the project mining tonnage does not exceed the legislated reviewable project threshold of 75,000 tonnes per year. Waste to ore cut-offs were determined using metal prices of US\$1,466 per ounce gold, US\$27.91 per ounce silver and US\$240 per kilogram tellurium for net smelter return calculations. Net smelter return cut-off for the PEA pit delineated resource was assumed to be \$45/tonne.

Production highlights for the 14 year mine life are as follows:

Total Tonnes to Mill	949,000
Annual Tonnes to Mill	74,000
Average Grades:	
Gold (grams per tonne)	2.45
Silver (grams per tonne)	77
Tellurium (ppm)	74
Total Production:	
Gold (ounces)	67,000
Silver (ounces)	2,112,000
Tellurium (kg)	63,000

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The initial capital cost of the Project is estimated to be \$27.8 million. Average mine, process and G&A operating costs over the Project's life (including pre-stripping and waste handling) are estimated to be \$61 per tonne.

A base case economic evaluation was undertaken incorporating historical three-year trailing averages for metal prices as of January 22, 2013. An additional case was prepared using recent spot metal prices. The pre-tax economic results in Canadian dollars for both cases are as follows:

	<b>Base Case</b>	<b>Recent Spot Metal Prices</b>
NPV @ 5%	\$39.5 million	\$49.3 million
IRR (%)	32	38
Payback Period (years)	2.4	2.2
Metal Prices:		
Gold (US\$/ounce)	1494	1692
Silver (US\$/ounce)	29.1	32.2
Tellurium (US\$/kg)	237	115
US\$/Cdn\$ Exchange Rate	0.9956	0.9956

The PEA was prepared by consultants who are independent of DHM and are Qualified Persons (QPs) under National Instrument 43-101. The QPs have reviewed and approved this news release. The QPs with their responsibilities are as follows:

- Moose Mountain Technical Services under the direction of Tracey Meintjes P.Eng. (overall report preparation, metallurgical testing, mineral processing, mine planning, operating and capital costs, infrastructure, environment and permitting)
- Plateau Minerals Corp under the direction of Bob Lane P.Geo. (Geology)
- Giroux Consultants Ltd under the direction of Gary Giroux P.Eng. (Mineral Resource Estimate.)

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The following tables summarize NI 43-101 mineral resources for the Deer Horn project (see the Company news release dated April 11, 2012 for details).

### Deer Horn Project Indicated Mineral Resources

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grades > Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	Te (ppm)	Ounces Au	Ounces Ag	kg Te
0.50	1,038,000	1.99	62.26	65	66,000	2,080,000	67,000
1.00	673,000	2.68	82.65	84	57,900	1,790,000	57,000
1.50	463,000	3.33	102.16	102	49,600	1,520,000	47,000
2.00	341,000	3.89	118.35	118	42,700	1,300,000	40,000
2.50	260,000	4.42	133.40	133	36,900	1,120,000	35,000
3.00	196,000	4.97	149.77	148	31,300	940,000	29,000
3.50	151,000	5.48	165.58	163	26,600	804,000	25,000
4.00	113,100	6.06	180.73	178	22,000	657,000	20,000
4.50	85,400	6.65	196.36	193	18,300	539,000	16,000
5.00	62,200	7.36	216.14	215	14,700	432,000	13,000

### Deer Horn Project Inferred Mineral Resources

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grades > Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	Te (ppm)	Ounces Au	Ounces Ag	kg Te
0.50	549,000	1.90	53.72	46	34,000	950,000	25,000
1.00	314,000	2.78	79.48	63	28,000	800,000	20,000
1.50	197,000	3.71	105.27	78	23,500	670,000	15,000
2.00	128,000	4.77	136.78	95	19,600	560,000	12,000
2.50	88,000	5.92	171.60	114	16,800	490,000	10,000
3.00	64,000	7.11	201.87	126	14,600	420,000	8,000
3.50	51,000	8.10	227.38	134	13,300	370,000	7,000
4.00	39,000	9.48	258.15	141	11,900	320,000	5,000
4.50	35,900	9.94	271.85	144	11,500	310,000	5,000
5.00	30,000	10.95	297.00	146	10,600	290,000	4,000

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DHM notes that the PEA incorporates inferred mineral resources which are considered too geologically speculative to be categorized as mineral reserves. Therefore, DHM advises that there can be no certainty that the estimates contained in the PEA will be realized. To increase the level of certainty, drilling is planned for 2013 to upgrade the inferred resource contained in the 14 year mine plan to the indicated or measured categories.

### Cautionary Statement:

All resource estimates reported by the Company were calculated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

### Forward-looking statements

Certain information regarding the Company set forth in this press release, including the use of proceeds, and management's assessment of the Company's future plans and operations contain forward looking information that involve substantial known and unknown risks and uncertainties. The forward looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, imperfection of reserve estimates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. The Company's actual results, performance or achievement could differ materially from those expressed in or implied by, the forward looking information and accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward looking information will provide any benefits to the Company.

*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."*

On behalf of the board of directors of  
Deer Horn Metals Inc.  
(signed) "Tyrone Docherty"  
President and CEO

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