
DEER HORN CLARIFICATION AND RETRACTION OF TECHNICAL DISCLOSURE

Delta, British Columbia August 20, 2014 – Deer Horn Metals Inc. Deer Horn Metals Inc. (“Deer Horn” or the “Company”) announces that, as a result of a review by the British Columbia Securities Commission, it is issuing this news release to clarify its disclosures.

The Company’s corporate presentation entitled “Eight Metals, Countless Targets” dated August 2014 (the “Corporate Presentation”), as well as a 2013 Deer Horn Metals Interview by Ted Ohashi (the “Management Interview”) previously posted to the Company’s website, included certain disclosures non-compliant with or restricted by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). In addition, the Company’s MD&A for the year ended July 31, 2013 and continuing to the MD&A for the nine months ended April 30, 2014, included certain inferred resources disclosures that were non-compliant with NI 43-101. The Company has now taken the following actions to clarify these non-compliant disclosures:

- The Company is issuing this press release to retract and restate its NI 43-101 non-compliant disclosure.
- The Company has shut down its website and is in the process of amending the website to address comments received from the BCSC relating to the Company’s disclosure. In particular, the Management Interview and Corporate Presentation have been removed from the Company’s website.
- The Company is amending the applicable MD&A and will be refiling the Amended MD&A on SEDAR as soon as practicable.
- **In those instances where the Company has clarified or revised previous disclosure, the Company advises readers not to rely on such previous statements as they may continue to be found in the public domain.**

Previously, MD&A and investor materials disclosed indicated resource estimates at the Deer Horn mineral property using only gross contained metal quantities, which omitted tonnage and grade information required by NI 43-101. To clarify these NI 43-101 non-compliant disclosures which the Company retracts, the Company re-states this disclosure as follows: “In April 2013, the Company announced that a mineral resource update, prepared in compliance with NI 43-101, showed increased tonnage and significantly higher resources of gold (Au) and silver (Ag), and an initial resource for tellurium (Te). The estimate, authored by R.A. Lane, P.Geol. and G.H. Giroux, P.Eng., both independent consultants and Qualified Persons as defined by NI 43-101, showed the deposit at a 1 g/t Au cut-off contained the following:

- **414,000 tonnes averaging 5.12 g/t Au, 157.5 g/t Ag and 160 ppm Te (68,000 ozs of gold, 2.1 million ozs of Ag and 66,000 kg of tellurium) in the indicated category**
- **an additional 197,000 tonnes averaging 5.04 g/t Au, 146.5 g/t Ag and 137 ppm Te (32,000 ozs of gold, 930,000 ozs of silver and 27,000 kg of tellurium) classed as Inferred.**

The reader should be aware that the confidence in the tellurium (Te) grade is lower than the confidence in the gold and silver grade. This is because there are no Te assays for approximately half the samples having gold

and silver assays. Te represents a minor component to the project's mineralization. The updated mineral resource estimate is based on historical diamond drill holes completed from 1944 to 1990, 35 drill holes completed by the Company in 2009 and a further 29 drill holes completed in 2011. See the company's current Technical Report dated March 12, 2013, as revised on July 26, 2013 for additional details.

The Corporate Presentation discloses results of a Preliminary Economic Assessment ("PEA") without including prominent cautionary language as required under s.2.3(3)(a) of NI 43-101. The Company wishes to restate the results of it's current NI 43-101 compliant technical PEA report entitled "Preliminary Economic assessment for the Deer Horn Gold-Silver-Tellurium Property" dated March, 12, 2013, revised July 26, 2013":

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.

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. The pre-tax economic results in Canadian dollars are as follows:

	Base Case
NPV @ 5%	\$39.5 million
NPV @ 8%	\$28.7 million
IRR (%)	32
Payback Period (years)	2.4
Metal Prices:	
Gold (US\$/ounce)	1494
Silver (US\$/ounce)	29.1
Tellurium (US\$/kg)	237
US\$/Cdn\$ Exchange Rate	0.9956

It should be noted that this PEA is preliminary in nature as it includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecast will be realized or that any of the resources will



ever be upgraded to reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The PEA was prepared by consultants who are independent of DHM and are Qualified Persons (QPs) under National Instrument 43-101. The QPs with their responsibilities for the PEA 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.)

The Management Interview discloses a 875-m zone, approximately double the 450-m zone containing the current resource estimate, as a basis for potentially doubling the resource and discloses the contained metal quantities of a potential increase in mineral resources. The Company wishes to retract these disclosures because they are speculative, and the Company has no estimate of an increase in mineral resources or of potential tonnage and grade ranges of an additional exploration target. Additionally, the Management Interview discloses gross dollar value of metal in a comparable-size potential increase to the current resource. The Company wishes to retract the disclosure of a gross dollar value of contained or in-situ metals, which was misleading because it does not take into account operating and capital costs, recoveries, smelter costs and other factors related to the potential mining, extraction and recovery of metals.

The Company's MD&A for the year ended July 31, 2013 and continuing to the MD&A for the nine months ended April 30, 2014, discloses two inferred resource estimates; the first discloses an inferred resource as contained metals only, and subsequently discloses "additional" inferred resources as tonnage and grade only. The technical disclosure is potentially misleading because there is only one inferred estimate and no additional inferred. Please see the re-statement on page 1 of this news release for the Company's current resource estimate.

Deer Horn advises investors to review the Company's current NI 43-101 compliant technical report entitled "Preliminary Economic assessment for the Deer Horn Gold-Silver-Tellurium Property" dated March, 12, 2013, revised July 26, 2013" for the PEA and current resource estimate on the Deer Horn mineral property and to not rely upon the economic analysis, increased resource quantities, and gross dollar value as set out in the Corporate Presentation or the Management Interview.

Qualified Persons

Gary Giroux , P.Eng., of Giroux Consultants Ltd., Bob Lane, P.Geo., of Plateau Minerals Corp., and Tracey Meintjes, P.Eng. of Moose Mountain Technical Services, each a qualified person as defined by NI 43-101 have reviewed the technical information in this news release and approve the disclosure contained herein.



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

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Forward Looking Information

This news release includes disclosure of scientific and technical information, as well as information in relation to the calculation of mineral resources and reserves, with respect to the Deer Horn Project. The Company's disclosure of mineral resource and reserve information is governed by National Instrument 41-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). There can be no assurance that mineral resources will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. This news release uses the term "indicated" resources. U.S. persons are advised that while such term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it.

Certain information regarding the Company set forth in this press release 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.

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