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Metals for Clean Technology  
and a Low-Carbon Economy.

## NEWS >>>

### Deer Horn Issues Q2 Review, Including Partnerships with Major US-Based NGOs

Vancouver, BC, Canada, July 30, 2019 – Deer Horn Capital Inc. (CSE: DHC, OTCBB: GODYF) (or “Deer Horn”) President and CEO Tyrone Docherty reports on the Company’s activities for Q2 2019.

#### To our Shareholders:

During Deer Horn’s second quarter, we continued building the foundation of partnerships and alliances that will take us forward in the coming months. We have been presented with key and timely opportunities and are focused on these for the near future. I greatly appreciate the patience and support of our shareholders as we focus on establishing this unique model for the junior resource industry.

#### Here are Deer Horn’s Q2 Highlights:

1. Our partner [Cheona Metals](#) concluded an agreement with a major, US-based environmental and social NGO to target historical placer gold mine sites for re-mining and restoration of fish habitat.
2. Deer Horn became the first junior exploration company to gain membership with the [Initiative for Responsible Mining Assurance \(IRMA\)](#).
3. Our strategic partner [Fenix Advanced Materials](#) continued to advance its research on lithium-tellurium batteries as a possible next-generation improvement on current lithium-ion technology.

#### Strategic Partnership: Unique First Nations Venture

On May 14, we announced Cheona Metals’ agreement with a major, US-based environmental and social NGO to target historical placer gold mine sites for re-mining and restoration of fish habitat using sustainable techniques in British Columbia and Yukon Territory. This region of Canada is renowned for its globally significant habitat for salmon and other anadromous fish species. Deer Horn, Cheona and the NGO will work with First Nations, miners, communities, conservationists, agencies, restoration experts and others to produce responsible gold and demonstrate the value of restoration.

We will provide the name of the major NGO and further details on this landmark agreement when we have clearance to do so. We are presently restricted in what we can announce by the NGO and expect to release this information in August.

For each project sourced and facilitated, Cheona and Deer Horn will receive a finders’ fee from the NGO. The finders’ fees are expected to launch our flow of non-dilutive revenue, a key element of our unique revenue model for the junior resource sector. We believe Cheona will source many placer sites for restoration, not only in BC and Yukon Territory, but across Canada.

Gold produced from the re-mining and restoration operations will enter the electronics and jewelry supply chains. This sourcing initiative is part of a larger, multi-agency effort to facilitate increased responsible sourcing from smaller mines while contributing to improved social and environmental performance of the small-scale mining sectors.

### **Deer Horn is the First Exploration Company to Join IRMA**

On July 3, we announced Deer Horn had become the first junior exploration company to gain membership with IRMA, an organization devoted to bringing about more socially and environmentally responsible mining. IRMA's approach is to certify social and environmental performance at mine sites globally using an internationally recognized standard.

IRMA's sponsors include Microsoft, Tiffany & Co., AngloAmerican and ArcelorMittal. Members and partners include Rivers Without Borders, Oxfam America and Better Coal.

As part of our IRMA membership, we expect to play an instrumental role in helping the organization draft and develop its first-ever certification standards for responsible exploration practices. We believe this is the direction the industry must go to remain relevant and align with other industries affecting positive change in the world.

### **Deer Horn's Small Mine Concept Aligns with IRMA's Mandate**

IRMA also aligns directly with our small mine concept at the Deer Horn property in BC. The phased, small mine approach offers significant advantages over larger mines, including:

- ✓ Much lower exploration and development costs
- ✓ Much lower CapEx (only \$28.3M)\*
- ✓ Much faster time to production and cash flow
- ✓ Exceptional post-tax payback – 1.6 years\*
- ✓ Faster delivery of tellurium to buyers (who need metal now)
- ✓ Potential dilution-free funding for resource development
- ✓ Less onerous permitting with a small mine application
- ✓ Support from First Nations
- ✓ Smaller environmental footprint
- ✓ May provide dilution-free funds to explore other areas of the property

A key driver of this strategy is First Nations support, including potential investment and employment.

### **Strategic Partnership: Fenix Advanced Materials**

Our strategic partner Fenix Advance Materials continued its efforts to partner with agencies, universities and companies to fund and conduct research into next-generation batteries. Fenix is currently focused on lithium-tellurium technology for batteries that provide higher density at more compact volume. Their work is part of the [Metal Tech Alley](#) initiative in the Lower Columbia region of southern BC. As [announced in April](#), our partnership with Fenix includes potential future tellurium extraction and purification. Deer Horn anticipates other synergies with Fenix as well, all aimed at achieving a vertically integrated enterprise for cleantech metals.

We consider this agreement a vital step in Deer Horn's evolution, as we continue to field interest from critical metals end users about tellurium at the Deer Horn property. Fenix can be instrumental in helping Deer Horn bring the property to production, not only through purchase and processing of the tellurium, but also through research and exposure to new technologies that may increase the property's value.

Fenix brings Deer Horn access to important indirect partners such as Teck, the University of British Columbia and Redlen Technologies of Victoria. Redlen is a manufacturer of high-resolution Cadmium Zinc.

### **Deer Horn Property – a Unique Asset**

While we are currently focused on our partnership initiatives, it's important to remember that our Deer Horn Property in west-central British Columbia represents a unique mineral asset and remains North America's only silver-gold-tellurium property with an NI 43-101 compliant tellurium resource. Exploration to date has outlined several key mineral zones across a 2.4-kilometer strike length that remain open for expansion in three directions.

The Deer Horn property has been recognized by First Solar Inc., the world's leading manufacturer of thin film, cadmium-telluride solar panels, as one of the world's top tellurium properties.

### **Dry Stacking to Prevent Tailings Failure and Leaks**

Keeping with our focus on minimal environmental impact at the Deer Horn Property, our PEA includes dewatering and dry stacking of tailings to eliminate the risk of a tailings dam failure (see page 132 of our [Preliminary Economic Assessment of the Deer Horn Property](#)). Dry stacking also virtually eliminates the risk of groundwater contamination through seepage. While this solution adds to the cost of the project, we believe it is essential for responsible operations. Even with the added cost, the PEA still projects a Post-Tax IRR of 42% using a gold price of US\$ 1,300 per ounce.\*

### **Looking Ahead**

This year we are planning to 1) source our first placer mine for remining and rehabilitation with our First Nations partner Cheona Metals, 2) announce further details about our partnership with one of the world's leading NGOs, 3) work with Fenix Advanced Materials to research the use of tellurium in new technologies and 4) explore other new partnerships aligned with our vision and strategy. Dependent on additional financing, we also hope to explore the Deer Horn property's copper porphyry potential and begin prospecting and staking in Northern BC with Cheona Metals.

As always, I am grateful for the support of our shareholders and the tireless work of our Deer Horn team. I look forward to sharing more good news in the coming quarter.

### **Tyrone**

\* All figures are from Deer Horn's NI-43-101 *Technical Report on the Preliminary Economic Assessment for the Deer Horn Gold-Silver-Tellurium Property* completed May 31, 2018. The Company cautions that the PEA is preliminary in nature in that 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 characterized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

### **About Deer Horn Capital**

Deer Horn Capital is committed to exploring for, and providing, strategic and critical metals vital to a low-carbon economy and for the advancement of technology. The Company's leadership has a track record of project monetization with a board and advisory group that includes industry leaders in finance, mineral property development, geology, mineralogy, solar power, engineering, research and First Nations engagement and economic development.

On behalf of the board of directors of  
Deer Horn Capital Inc.

"Tyrone Docherty"

Tyrone Docherty  
President and CEO

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***Forward-looking information***

*All statements included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements involve numerous assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond the Company's control. Readers should not place undue reliance on forward-looking statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or revise them to reflect the occurrence of future unanticipated event.*