Entitlement and Acceptance Form (including additional shares)

This personalised form can only be used in relation to the shareholding represented by the SRN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Non-Renounceable Rights Issue closing 8:00am (Botswana Time) on Thursday, 2 December 2010

Non-Renounceable Rights Issue of 1 Rights Issue Share for every 4 Existing Shares registered and entitled to participate at the Record Date at an issue price of BWP6.825 per Rights Issue Share.

Receipt of the slip below by 8:00am (Botswana Time) on Thursday, 2 December 2010 with your payment, utilising the payment options detailed overleaf will constitute acceptance in accordance with the terms and conditions of the Offer Document dated 17 November 2010.

I/We enclose my/our payment for the amount shown below being payment of BWP6.825 per Rights Issue Share. I/We hereby authorise you to register me/us as the holder(s) of the Rights Issue Shares allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

Please see overleaf for Payment Options

Entitlement number 123456789012
Existing Shares entitled to participate at Record Date on 12 November 2010

Shareholder Entitlement details

Subregister 1
Issuer

Entitlement to Rights Issue Share on a 1 for 4 basis

Additional shares (50% optional Applications)

Maximum Entitlement

2 N R B

D M L

Please detach or copy here

Shareholder Reference Number (SRN)

I 1234567890

Ind

A B C

1 2 3

Please provide your contact details in case we need to speak to you about this slip

Contact person’s daytime telephone number

( )
How to complete the Entitlement and Acceptance Form (including additional shares)

Please note that photocopies of this form will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

A  Details of your Entitlement based on your Shareholding at 5:00pm (Botswana Time) on Friday, 12 November 2010 are shown in box A on the front of this Entitlement and Acceptance Form.

B  Rights Issue Shares (Entitlement) applied for

You can apply to accept either all or part of your Entitlement. Enter in box B the number of Rights Issue Shares you wish to accept from your Entitlement.

Please ensure you complete Section B on the bottom of the form.

C  Additional shares applied for

Enter the number of additional Rights Issue Shares above your Entitlement you wish to apply for (if any).

No Eligible Shareholder is assured of receiving any Rights Issue Shares (Entitlement) applied for in excess of their Entitlement. Additional allocations will only be made out of any shortfall arising from other Shareholders not taking up their full Entitlements and any amount by which applications from Eligible Shareholders exceed their Entitlements may be scaled back at Discovery Metals Limited's discretion, in such manner as Discovery Metals Limited considers is reasonable in the circumstances. Discovery Metals Limited will consider applications for up to 50% greater than your Entitlement.

Please ensure you complete Section C on the bottom of the form.

D  Acceptance Monies

Enter the total amount of acceptance monies payable. To calculate this amount, multiply the total number of Rights Issue Shares applied for in box B, and if applicable, box C, by BWP6.825.

Please ensure you complete Section D on the bottom of the form.

E  Payment Details

You can apply for Rights Issue Shares by utilising the payment options detailed below. Please note that funds are unable to be directly debited from your bank account.

By making your payment using either electronic means or by cheque you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 17 November 2010

Your cheque must be made in Botswana Pulu and drawn on a Botswana branch of a financial institution. Such payment must be made payable to "Discovery Metals Ltd Rights Issue" and crossed "Not Negotiable". Payments not properly drawn may be rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Entitlement and Acceptance Form being rejected. Papercopy (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded. For Entitlements exceeding BWP500,000 only payment can be enacted via EFT transfer (a representative from Corpserve will be in contact).

F  Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

The directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

If you are applying for Rights Issue Shares and your payment is being made using EFT transfer (only for Entitlements exceeding BWP500,000), you do not need to return the slip below. Your payment must be received by no later than 8:00am (Botswana Time) on Thursday, 2 December 2010. Neither Corpserve nor Discovery Metals Limited accepts any responsibility for loss incurred through incorrectly completed EFT transfer payments.

If you are paying by cheque the slip below must be received by Corpserve Botswana by no later than 8:00am (Botswana Time) on Thursday, 2 December 2010. You should allow sufficient time for this to occur. Botswana holders will need to affix the appropriate postage. Return the slip below with cheque attached.

Neither Corpserve nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Corpserve, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Corpserve, or you would like to correct information that is inaccurate, incorrect or out of date, please contact Corpserve.

If you have any enquiries concerning this form or your entitlement, please contact Corpserve on 393 2244.

This form may not be used to notify your change of address.

Discovery Metals Ltd c/o Corpserve Botswana
PO Box AD467 ADD
Gaborone, Botswana

Entitlement Number: <xxxxxxxxxxxxx>
1. Terms used in this Entitlement and Acceptance Form have the meanings given in the Offer Document (unless otherwise stated) to be despatched by Discovery Metals to Shareholders on 17 November 2010.

2. This electronic copy of the Entitlement and Application Form is an application for new Discovery Metals ordinary shares offered under the Offer Document (“Rights Issue Shares”).


4. You are advised to read the Offer Document carefully and in its entirety before deciding whether to invest in Rights Issue Shares.

5. Eligible Shareholders are those shareholders who were registered holders with a registered address in Australia, New Zealand and Botswana at 5.00pm (Botswana Time) on 12 November 2010. Eligible Shareholders also include Eligible Institutional Shareholders to whom Discovery Metals has determined it may make offers without disclosure and without contravening any securities laws in other jurisdiction.

6. By accessing and / or completing the Entitlement and Acceptance Form you confirm that you are an Eligible Shareholder and represent and warrant that you are not:
   - a “U.S. Person” as defined in Regulation S under the US Securities Act and are not acting for the account or benefit of a U.S. Person; or
   - otherwise a person to whom it would be illegal to make an offer or issue of Rights Issue Shares under the offer.

7. Discovery Metals will send paper copies of the Offer Document, any supplementary documents and the Entitlement and Acceptance Form, on request, without charge. Please contact the Discovery Metals Offer Information Line as set out below:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Within Australia:</strong></td>
<td>1300 034 465</td>
</tr>
<tr>
<td><strong>Outside Australia:</strong></td>
<td>+61 3 9938 4378</td>
</tr>
<tr>
<td><strong>Within Botswana</strong></td>
<td>393 2244</td>
</tr>
</tbody>
</table>

The information line is open from 8:30am to 5:00pm (AEDT) Monday to Friday during the offer period.

**THIS IS A PERSONALISED APPLICATION FORM AND MUST NOT BE DISTRIBUTED TO OTHER PERSONS.**