BSE RELEASE

23 November 2010

PRESENTATION –
ANNUAL GENERAL MEETING
DISCOVERY METALS LIMITED

Please find attached a presentation to be given by the Managing Director at today’s Company’s Annual General Meeting.

All material is available on the Company’s website - www.discoverymetals.com.au

DISCOVERY METALS LIMITED

Roslynn Shand
Company Secretary
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Company Snap Shot

- Southern African focused base metal project development company
  - ASX (DML), BSE (DML) & AIM (DME) listed
- Mineral Resources & Ore Reserves in Botswana
  - Boseto Mineral Resource – 102.8 Mt @ 1.4% Cu & 17.3 g/t Ag
  - Boseto Ore Reserve – 21.4 Mt @ 1.4% Cu & 18.2 g/t Ag
- Focus is the development of the Boseto Copper Project
  - 3Mtpa Bankable Feasibility Study completed July 2010
  - Targeting production H1 2012

Boseto Copper Project contains 1.4 Mt copper and 57 Moz silver

Company Structure

### Market Capitalisation & Cash

- Issued Shares: 347.5 m
- Share Price: A$ 1.20
- Market Cap: A$ 417 m
- Net Cash: A$ 83 m

### Significant Shareholders

- Macquarie Bank: 12.3%
- Taurus Fund: 11.1%
- Transamine: 8.3%
- Citi Group Global Markets: 7.1%
- Investec (Botswana): 5.2%
- BIFM (Botswana): 3.6%

Top Six Shareholders = 48%

### Share Price Performance

Shareholders by Domicile

- Australia: 57%
- Botswana: 10%
- UK: 5%
- Europe: 10%
- US: 7%
Growth in Mineral Resource

Upgraded Zeta underground mineral resource expected Q1 2011

Value Add to Shareholders

The return on funds used to date is in excess of 6 times the value invested by shareholders.

Further growth planned via exploration: Near Boseto & Regional to find next project
Milestones achieved in 2010

Boseto Copper Project Development

- Positive Zeta underground scoping study announced
- Boseto Mineral Resource upgraded by 70%
- Boseto initial ore reserve announced
- Boseto throughput upgraded 50% to 3 million tonnes per annum capacity
- Boseto BFS (5 years) and Development Plan (15 years) announced
- Sedgman announced as EPC contractor for Boseto construction
- Engineering nearing completion
- Ordering of equipment commenced
- Surface rights granted
- Site access roadway construction commenced

Milestones achieved in 2010 continued

Kalahari Copper Belt Exploration

- Exploration management expertise expanded
- Regional geological interpretation from airborne geophysics completed
- Surface geochemistry orientation studies completed
- Regional geochemical soil programme ongoing
- Air-core drilling orientation programme ongoing
- New regional exploration discoveries of Ophion and Ourea announced
- Further high grade Zeta underground drilling results announced
Milestones achieved in 2010 continued

- Financing
  - Fully underwritten $50m placement and $90m 1-for-4 rights issue announced
  - Bank Debt mandate expected to be awarded shortly
  - Equipment Finance to be placed once supplier selected
  - Transamine off-take agreement executed
- Permitting
  - Boseto project received environmental approval from Botswana government
  - Surface rights for the Boseto copper project granted
  - Mining licence application submitted and currently being processed

Boseto Feasibility Studies

Positive results from two studies undertaken at the 100% owned Boseto Copper Project in Botswana:

- The **Bankable Feasibility Study (BFS)** supports rapid development at Boseto
  - based on bankable inputs and investigations
  - open pit mining only, 3Mtpa copper-silver ore for 5 years
  - diesel generated power supply
  - construction from Q4 2010 with commissioning targeted first half 2012
- The **Boseto Development Plan (BDP)** presents an optimisation concept for Boseto
  - values longer term mining
  - open pit & underground mining, 3Mtpa copper-silver ore for 15 years
  - initial diesel power replaced by coal fired power from mid 2013
## Boseto Headline Outcomes

<table>
<thead>
<tr>
<th>Result</th>
<th>Units</th>
<th>Bankable Feasibility Study</th>
<th>Development Plan</th>
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<tr>
<td>Evaluated Operating Period</td>
<td>years</td>
<td>5</td>
<td>15</td>
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<tr>
<td>Annual throughput (flotation)</td>
<td>Million tonnes</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Copper production</td>
<td>Tonnes Cu pa</td>
<td>34,400*2</td>
<td>36,400*2</td>
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<td>Silver production</td>
<td>Moz Ag pa</td>
<td>1.0*2</td>
<td>1.1*2</td>
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<tr>
<td>Average C1 Cash Costs</td>
<td>US$/lb</td>
<td>1.28*2</td>
<td>1.23*2</td>
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<tr>
<td>Capital Expenditure</td>
<td>US$ million</td>
<td>175</td>
<td>175*1</td>
</tr>
<tr>
<td>Copper/silver price</td>
<td>US$/lb, US$/oz</td>
<td>3.00/17.00</td>
<td>3.00/17.00</td>
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<tr>
<td>Operating surplus</td>
<td>US$ million</td>
<td>390</td>
<td>1,142</td>
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<tr>
<td>Project NPV¹,¹⁰</td>
<td>US$ million</td>
<td>251</td>
<td>375</td>
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<tr>
<td>Internal Rate of Return</td>
<td>%</td>
<td>32%</td>
<td>32%</td>
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<tr>
<td>Payback after production</td>
<td>years</td>
<td>1.7</td>
<td>2.0</td>
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*1 US$40 million for coal fired power funded from operating cash flow in 2012 & 2013  
*2 during debt repayment period Jul 2012 to Dec 2014

### Boseto Milestones & Timetable

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<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<th>2011</th>
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<td>2</td>
<td>3</td>
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</tr>
</tbody>
</table>

- **Timetable to Production**
- Bankable Feasibility Study
- Project Finance
- Permitting
- Construction
- Commissioning
- Concentrate Production

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*¹ US$40 million for coal fired power funded from operating cash flow in 2012 & 2013  
*² during debt repayment period Jul 2012 to Dec 2014
2011 Key Objectives

- Boseto Copper Project
  - Mining Licence grant December 2010 (target)
  - Complete project financing (debt) Q1 2011
  - Complete construction H1 2012
  - Commission plant H1 2012
  - First concentrate sales H1 2012
  - Definitive Feasibility Zeta underground mine H2 2011
- Kalahari Copper Belt Exploration
  - Progress exploration across regional tenements to identify drill targets
  - Deep drilling program at Plutus H2 2011
  - Ophion follow up drilling H1 2011

Boseto Copper Project Access Track

- Construction access track is being developed along the side of the permanent access road and will be used as the bore field pipeline/power line easement when the access road is completed.
- The track will provide all construction access to the site until completion of the road.

Discovery’s Construction Manager Alan Smyth (orange vest) with contract supervisor discussing progress
Thank You

- Special thanks to the DML staff who have worked safely and delivered the outcomes the Company has required in 2010

- Thank you to the DML shareholders who have continued to support the Company

Contact

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Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Fred Nhiwatiwa who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Nhiwatiwa is a full-time employee of Discovery Metals Limited. Mr Nhiwatiwa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”).

The information in this report as it relates to the Zeta, Plutus and Petra Mineral Resources for the Boseto Copper Project was reviewed by David Arnott, who is a MAusIMM. Mr Arnott is employed full-time by Snowden Mining Industry Consultants Pty Ltd (Snowden). Mr Arnott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The information in this report as it relates to the Ore Reserves is based on information reviewed by Mr Peter Myers, who is a MAusIMM and a full-time employee of Snowden. Mr Myers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined in the JORC Code.

Messrs Nhiwatiwa, Arnott and Myers consent to the inclusion in this report of the matters based on information provided by them and in the form and context in which it appears.

Boseto Ore Reserves

<table>
<thead>
<tr>
<th>Ore Reserves</th>
<th>ZETA</th>
<th>PLUTUS &amp; PETRA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
<td>Ag (g/t)</td>
</tr>
<tr>
<td>Proved</td>
<td>4.2</td>
<td>1.5</td>
<td>21.2</td>
</tr>
<tr>
<td>Probable</td>
<td>6.7</td>
<td>1.5</td>
<td>23.0</td>
</tr>
<tr>
<td>Total Reserves *</td>
<td>10.9</td>
<td>1.5</td>
<td>22.3</td>
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</tbody>
</table>

Inclusive of high grade ore reserve

<table>
<thead>
<tr>
<th>Ore Reserves</th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
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</thead>
<tbody>
<tr>
<td>Proved</td>
<td>4.0</td>
<td>1.6</td>
<td>22.1</td>
</tr>
<tr>
<td>Probable</td>
<td>6.5</td>
<td>1.5</td>
<td>23.5</td>
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<tr>
<td>High Grade Ore Reserves **</td>
<td>10.5</td>
<td>1.5</td>
<td>23.0</td>
</tr>
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</table>

Total reserves reported at cut-off grade of 0.3% Cu

**High Grade Reserves reported at cut-off grade of 0.6% Cu. Please refer Competent Persons Statement.
Boseto Mineral Resources

<table>
<thead>
<tr>
<th></th>
<th>ZETA</th>
<th>PLUTUS &amp; PETRA</th>
<th>TOTAL</th>
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<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
<td>Ag (g/t)</td>
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<td>Measured</td>
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<td>23.0</td>
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<td>Indicated</td>
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<td>23.8</td>
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<td>Subtotal M&amp;I</td>
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<td>23.5</td>
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<tr>
<td>Inferred</td>
<td>24.5</td>
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<tr>
<td>TOTAL RESOURCE</td>
<td>35.4</td>
<td>1.4</td>
<td>23.3</td>
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</table>

Mineral Resources reported at a cut-off grade of 0.6% Cu