Discovery Metals Limited

PRESENTATION

The attached presentation is to be given by the Company’s Managing Director, Mr Brad Sampson, at the Africa Mining Projects Forum in Singapore.

Further information on the Company is available on its website: www.discoverymetals.com.au
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Company Snap Shot

• Southern African focused base metal project development company
  • ASX (DML), BSE (DML) & AIM (DME) listed

• Focus is the development of the Boseto Copper Project (100% owned)
  • Construction commenced
  • Targeting production H1 2012

• Mineral Resources & Ore Reserves in Botswana
  • Boseto Mineral Resource – 102.8 Mt @ 1.4% Cu & 17.3 g/t Ag
  • Boseto Ore Reserve – 21.8 Mt @ 1.4% Cu & 18.2 g/t Ag

• Growth potential in existing tenements
  • 14 PLs in Kalahari Copper Belt
  • Regional exploration underway & delivering successful outcomes

Boseto Copper Project contains 1.4 Mt copper and 57 Moz silver
Peer Comparison


Mid Sized Project with Scale & Resource Upside

Est. Cash Cost (US$/lb)

Circle size represents the total contained copper in mineral resources
Company Structure

Market Capitalisation & Cash
(31 March 2011)

Issued Shares 437 m
Share Price A$ 1.26
Market Cap A$ 551 m
Net Cash A$ 120 m

Significant Shareholders
(31 March 2011)

Macquarie Bank 12.3%
Taurus Fund 8.8%
Transaminvest 8.2%
Citi Group Global Markets 6.8%

Top 10 Shareholders 54.4%

ASX Share Price Performance
(25 March 2011)

Shareholders by Domicile
(28 March 2011)

Australia 66%
UK, Europe & Other 27%
Botswana 7%
Botswana: “A” Credit Rated Economy

- Globally recognised as an attractive investment destination
- Stability in Policy and Legislation
- 100% deductibility of capex & pre-production spend before tax is payable
- Variable mining tax rate 25% to 55% (Boseto Dev Plan = 27% from 2014)
- Copper royalty is 3% of revenue
- Silver royalty is 5% of revenue

Stable Democracy – Strong Support for New Resource Projects

Source: Fraser Institute Annual Survey of Mining Companies 2010/11 Policy Potential Index, March 2011

Botswana Ranked 14th Only African State in top 20

April 2011

Asia Mining Congress, Singapore
Strategic Growth Plan

1. Deliver Boseto into production then expand
   - 2011: Construction
   - 2012: Concentrate Production
   - 2013: Sizing-up & Increase Life
   - 2014:  
   - 2015: 

2. Identify & develop additional Kalahari Copper Belt opportunities
   - 2011: Boseto #2
   - 2012: Boseto #3
   - 2013:  
   - 2014:  
   - 2015:  

3. Identify value-add Southern African projects
   - 2011: Kalahari Manganese
   - 2012:  
   - 2013:  
   - 2014:  
   - 2015:  

4. Develop a broader geographic & metals base
   - 2011:  
   - 2012:  
   - 2013:  
   - 2014:  
   - 2015:  

Planned and Progressive expansion of a mid cap metals focused mining company; separately resourced initiatives.
Focus of this presentation

1. Deliver Boseto into production then expand:
   - 2011: Construction
   - 2012: Concentrate Production
   - 2013: Mine life & Increase Life
   - 2014: Boseto #2
   - 2015: Boseto #3

2. Identify & develop additional Kalahari Copper Belt opportunities:
   - 2011: Kateharia Manganese
   - 2012: Kalahari CuCZ
   - 2013: Kalahari Copper Belt
   - 2014: Boseto #3
   - 2015: Boseto #4

3. Identify M&P opportunities:
   - 2011: M&P Opportunities
   - 2012: M&P Opportunities
   - 2013: M&P Opportunities
   - 2014: M&P Opportunities
   - 2015: M&P Opportunities

4. Develop a broader geographic & metals base:
   - 2011: Development
   - 2012: Expansion
   - 2013: Expansion
   - 2014: Expansion
   - 2015: Expansion

Planned and progressive expansion of a mid cap metals focused mining company; separately resourced initiatives.
1. Deliver Boseto into Production

2011 Construction

2012 Concentrate Production
Boseto Copper Project

• Boseto Development Plan
  • Production of ~35mt Cu & 1Moz Au
  • +15 year life from open pit & underground mining sources

• Boseto Mineral Resources – **102 Mt @ 1.4% Cu & 17.3 g/t Ag**

• Boseto Ore Reserves – **21.8 Mt @ 1.4% Cu & 18.2 g/t Ag**

• Construction commenced December 2010

• Equity finance $140 million completed October 2010

• Banks mandated for $180m debt finance

• Debt finance arrangements expected to be in place mid 2011

• Production commences H1/2012
Mineral Resources & Ore Reserves

<table>
<thead>
<tr>
<th></th>
<th>ZETA</th>
<th>PLUTUS &amp; PETRA</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu%</td>
<td>Ag (g/t)</td>
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<tr>
<td>Mineral Resources</td>
<td>35.4</td>
<td>1.4</td>
<td>22.3</td>
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<tr>
<td>Ore Reserves</td>
<td>10.5</td>
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<td>23.0</td>
</tr>
</tbody>
</table>

Deliver Boseto into Production
Boseto Cross Sections

Zeta Section 39 500 N

Plutus Section 36 500 N

Deliver Boseto into Production
## 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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</thead>
<tbody>
<tr>
<td>Evaluated Operating Period</td>
<td>years</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Annual throughput (flotation)</td>
<td>Million tonnes</td>
<td>3</td>
<td>3</td>
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<tr>
<td>Copper production</td>
<td>Tonnes Cu pa</td>
<td>34,400*2</td>
<td>36,400*2</td>
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<tr>
<td>Silver production</td>
<td>Moz Ag pa</td>
<td>1.0*2</td>
<td>1.1*2</td>
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<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>
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<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 NPV10</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 commences</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 Concentrator

Deliver Boseto into Production
### Timeline

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<tr>
<th>Year</th>
<th>2006</th>
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<td>Award of Off-take</td>
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</tbody>
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**Deliver Boseto into Production**

April 2011

Asia Mining Congress, Singapore
Boseto Copper Project Development

Boseto Mine Construction

Concentrator area

Boseto Plant Site

April 2011

Asia Mining Congress, Singapore
EXPAND BOSETO

2013

Scale-up & Increase Life
Developing Expansion Plan

• Currently developing a plan to expand Boseto
  • Targets
    - Increase production to +50 ktpa Cu
    - Increase mine life to +25 years
  • Opportunities
    • Additional underground mining
      - Zeta underground DFS
      - Plutus exploration drilling
    • Additional economic open pit recovery in existing prospects
      - currently unscheduled inferred mineral resource with potential for economic open pit extraction
    • Further open cut and underground potential in Boseto vicinity
      - Quirinus
      - Selena
      - Nyx
      - Nexus
Zeta mineralisation - +600m deep

Section 39 500 N

Definitive Feasibility Study Underway on Zeta Underground

Section 40 000 N
Near Boseto Opportunities

Multiple Mineralised Targets within 30km
IDENTIFY & DEVELOP ADDITIONAL KALAHARI COPPER BELT OPPORTUNITIES

2011 12 13 14

Boseto #2  Boseto #3
Exploration Potential

BOSETO COPPER PROJECT

PLUTUS AND PETRA
67.4 Mt @ 1.4% Copper, 14.7 g/t Silver

ZETA
35.4 Mt @ 1.4% Copper, 22.3 g/t Silver

Kalahari Copper Belt opportunities
Copper – Historical Demand Trend

Long Term Demand Growth


April 2011
Asia Mining Congress, Singapore
Industry Grades in Decline

Source: Codelco and Brook Hunt, Codelco Presentation, Metal Bulletin Copper Conference 2010
Wrap Up

- Boseto Copper production first half of 2012 – on schedule
- Company has track record of delivery
- Exciting growth potential being developed
  - Boseto
    - increase life (target +25 years)
    - increase scale (target +50 ktpa Cu)
- New Kalahari Copper Belt projects
  - exploration already delivering success
  - $10 m exploration spend underway
Contact

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GPO Box 3261 Brisbane QLD
4001 Australia

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Fax: +61 7 3218 0233
brad@discoverymetals.com
www.discoverymetals.com
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 fulltime 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 fulltime 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 Mineral Resources

The table below presents the mineral resource data for the Boseto project, categorized by different resource classes and geological domains:

<table>
<thead>
<tr>
<th>Mineral Resource</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>Measured</td>
<td>3.9</td>
<td>1.6</td>
<td>23.0</td>
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<tr>
<td>Indicated</td>
<td>7.0</td>
<td>1.5</td>
<td>23.8</td>
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<tr>
<td>Subtotal M&amp;I</td>
<td>10.9</td>
<td>1.6</td>
<td>23.5</td>
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<tr>
<td>Inferred</td>
<td>24.5</td>
<td>1.4</td>
<td>21.8</td>
</tr>
<tr>
<td>TOTAL RESOURCE</td>
<td>35.4</td>
<td>1.4</td>
<td>22.3</td>
</tr>
</tbody>
</table>

Mineral Resources reported at a cut-off grade of 0.6% Cu
## 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><strong>Total Reserves</strong> *</td>
<td>10.9</td>
<td>1.5</td>
<td>22.3</td>
</tr>
</tbody>
</table>

**Inclusive of high grade ore reserve**

<table>
<thead>
<tr>
<th></th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</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>
<td>0.2</td>
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<td>11.7</td>
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<tr>
<td>Probable</td>
<td>6.5</td>
<td>1.5</td>
<td>23.5</td>
<td>11.1</td>
<td>1.3</td>
<td>13.7</td>
<td>17.6</td>
<td>1.4</td>
<td>17.3</td>
</tr>
<tr>
<td><strong>High Grade Ore Reserves</strong> **</td>
<td>10.5</td>
<td>1.5</td>
<td>23.0</td>
<td>11.3</td>
<td>1.3</td>
<td>13.7</td>
<td>21.8</td>
<td>1.4</td>
<td>18.2</td>
</tr>
</tbody>
</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.
Growth in Mineral Resource

Regional exploration objective is to find new resources
Gordon Galt (Non-Exec Chairman)
  o ex-Managing Director of Newcrest, significant banking and project development experience

Brad Sampson (Managing Director)
  o Mining Engineer with extensive operational and project development experience

John Shaw (Non-Exec Director)
  o Ex-Chairman of Albidon, previously Chair of Zimplats and Gallery Gold during development of Mupane Gold Mine, Botswana

Morrice Cordiner (Non-Exec Director)
  o Director Andean Resources, funds management and finance experience

Jeremy Read (Non-Exec Director)
  o Previous MD of Discovery Metals, +20 years exploration experience ex BHP

Ribson Gabonowe (Non-Exec Director)
  o Director Kukama Mining & African Coal. Previously Director in Botswana Department of Mines
  o Underground Resource
Examples of Mineralisation styles

Bedding

Vein

Cleavage

“Oxide”
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