LENDERS UPDATE

On 19 May 2014, Discovery Metals Limited (ASX/BSE: DML) [Discovery Metals, DML or the Company] advised the market that the Company and its lenders had agreed to a legally binding term sheet [Term Sheet] for the reduction of the Company’s existing interest bearing debt and re-profile repayments of outstanding debt [Debt Re-Profile].

Under the Debt Re-Profile, the Revolving Credit Facility will cease to exist and the Project Finance Facility will be amended and restated to reflect the terms and conditions of the Term Sheet. The Debt Re-Profile is subject to the parties entering into definitive, long form documents which reflect the terms of the Term Sheet in all material respects by 11 July 2014 [Condition].

As announced on 19 May 2014, the lenders had granted waivers in relation to principal and interest repayments owing under the Project Finance Facility and the Revolving Credit Facility until 30 May 2014 [Deferral Date].

The Company today advises the market that the lenders have agreed to extend the Deferral Date to 11 July 2014, to bring the waivers in line with the Condition. The Company and its lenders continue to progress the definitive, long form documents and will update the market in due course.
FORWARD LOOKING STATEMENTS

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that Discovery Metals expects, are forward-looking statements. Although Discovery Metals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

DISCOVERY METALS BACKGROUND

Discovery Metals is an ASX/BSE listed copper exploration and production company focused on the emerging Kalahari Copperbelt in north-west Botswana. The Company is a copper producer at its 100% owned Boseto Copper Project.

The Kalahari Copperbelt sediment-hosted mineralisation of the Boseto Copper Project is similar in style to the well-known and large deposits of the Central African Copperbelt of Zambia and the Democratic Republic of the Congo.

Discovery Metals has prospecting licences covering approximately 26,150 km² in Botswana.

Further information on the Company including Mineral Resources and Ore Reserves is available on our website: www.discoverymetals.com

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