CAUTIONARY STATEMENT

The information contained in this document ("Presentation") has been prepared by Discovery Metals Limited ("Company").

This Presentation does not constitute an offer or invitation to any person to subscribe for or apply for any securities in the Company.

While the information contained in this Presentation has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give any representations or warranties (express or implied) as to the accuracy, reliability or completeness of the information in this Presentation, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, to the full extent permitted by law, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained in this Presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

Neither the issue of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction and the right is reserved to terminate any discussions or negotiations with any person. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained in this Presentation necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

This Presentation may include certain statements that may be deemed "forward-looking statements". All statements in this presentation, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company 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. The Company, its shareholders, directors, officers, agents, employees or advisers, do not represent, warrant or guarantee, expressly or impliedly, that the information in this Presentation is complete or accurate. To the maximum extent permitted by law, the Company disclaims any responsibility to inform any recipient of this Presentation of any matter that subsequently comes to its notice which may affect any of the information contained in this Presentation. 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 forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.
PRESENTATION OUTLINE

1. DML Background
2. DML Overview
3. Boseto Operations
4. Underground Development
5. Capital Raising
6. Summary
**DML BACKGROUND – KEY EVENTS**

- **2003**: Listed on the Australia Securities Exchange (ASX) in Dec 2003
- **2005**: Flagship Boseto Copper Project added to tenement package
- **2011**: Successfully made the transition from explorer / developer to producer with 3mtpa capacity
- **2012**: Operational ramp up difficulties, liquidity issues, control transaction
- **Current**: Building stability to improve Boseto’s performance; financial restructure
- **2015**: Underground development to realise full potential of resource base
DML BACKGROUND – COMPANY SNAPSHOT
AS AT 4 JUNE 2014

Company Summary

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares on Issue</td>
<td>644m</td>
</tr>
<tr>
<td>Share Price</td>
<td>A$0.03</td>
</tr>
<tr>
<td>Market Cap</td>
<td>A$19.3m</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>US$4.9m</td>
</tr>
<tr>
<td>Debt</td>
<td>US$159.7m</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>US$174.1m</td>
</tr>
<tr>
<td>Mineral Resources (July 2013)</td>
<td>177.1mt</td>
</tr>
</tbody>
</table>

Shareholder Summary

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaminvest</td>
<td>18.6%</td>
</tr>
<tr>
<td>Blumont Copper</td>
<td>10.0%</td>
</tr>
<tr>
<td>Botswana Registry</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Estimated Retail Investors 63%

Growth in Total Reported Mineral Resource 2006-2013

<table>
<thead>
<tr>
<th>Month</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-06</td>
<td>20.1</td>
<td>31.6</td>
<td>46.1</td>
<td>50.2</td>
<td>102.8</td>
<td>102.8</td>
<td>147</td>
<td>177.1</td>
</tr>
</tbody>
</table>

Total Assets and Market Capitalisation 2006-2013

- Market Cap A$:
  - Jun-06: 0
  - Jun-07: 0
  - Jun-08: 0
  - Jun-09: 0
  - Jun-10: 0
  - Jun-11: 0
  - Jun-12: 0
  - Jun-13: 0
  - Dec-13: 0
  - Mar-14: 0
- Total Assets US$
DML OVERVIEW - STRATEGIC GROWTH PLAN

1. **BOSETO COPPER OPERATIONS - OPEN-CUT MINING**
   - 2014: Stabilise production & improve efficiencies
   - 2016: Cash-flow positive operations
   - 2017
   - 2018

2. **BOSETO COPPER OPERATIONS - UNDERGROUND MINING**
   - 2014: Commence underground mining
   - 2015
   - 2016
   - 2017
   - 2018

3. **BOSETO COPPER OPERATIONS - PROJECT EXPANSION**
   - 2014: Exploration
   - 2015
   - 2016
   - 2017
   - 2018

4. **DEVELOP A BROADER GEOGRAPHIC & METALS BASE**
   - 2014
   - 2015
   - 2016
   - 2017
   - 2018

   Identify additional Southern African value-add opportunities
DML ASSETS OVERVIEW
DML OVERVIEW – KALAHARI COPPER BELT

Only ~30% of DCB exploration area explored to date
BOSETO OPERATIONS – COPPER PRODUCTION

- 37.7 kt of concentrate produced at 30 June 2013
- 40.0 kt of concentrate produced in FY to 30 April 2014 (still to add May & June production)
- 14.8 kt of copper produced at 30 June 2013
- 15.3kt of copper produced in FY to 30 April 2014 (still to add May & June production)
- April 2014 C1 cash costs at $2.86/lb compares favourably with $3.45/lb at Q4 FY13

CONCENTRATE AND COPPER PRODUCED
BOSETO OPERATIONS – CHALLENGES

Challenges to date

• Operational readiness
• Quality ore delivery
• Equipment reliability
• Cost control
• Depressed share price
• Capital raising
• Skills availability
BOSETO OPERATIONS – KEY ACTIONS

Key Actions

- Formalised planning cycle
- Multiple ore sources
- Underground development
- Leadership & restructure
- Rigorous cost controls
- Talent development & training
EXPLORATION – HAS LONG TERM VALUATION UPSIDE

TARGETS
- Apollo
- Ariadne
- Asteria
- Coeus
- Dome
- Hades
- Hermes
- Pheobe
- Tartarus
- Theia

MINERALISATION Delineated by Drilling
- Aphrodite
- Erebus
- Gaia
- Helios
- Kronus
- Maia
- Nexus
- Nyx
- Ophion NE
- Ourea
- SW Mango

MINERAL RESOURCES DEFINITION
- NE Mango 2
- NE Mango 1
- Plutus Underground
- Ophion
- Selene

FEASIBILITY STUDY & ORE RESERVES
- Zeta Underground
- Zeta NE

CONSTRUCTION/PRODUCTION
- Boseto Copper Project (Zeta and Plutus)

KALAHARI COPPERBELT

OTHER BOTSWANA PROJECTS
- Dikolotl Nickel Project
- Kalahari Manganese Field
- Kraaipan Gold
UNDERGROUND DEVELOPMENT – UNLOCKING VALUE

The ore body composition makes underground mining a whole of business efficiency gain:

- Less oxide material
- Improved ore quality from sulphide zone only
- Improvement in metallurgical recovery
- Increase in Operational life of Boseto
UNDERGROUND DEVELOPMENT DRIVES EFFICIENCY GAINS

The ore body composition makes underground mining a whole of business efficiency gain:

• Improved ore production
• Improved ore quality and ore availability
• Improved mill recovery and grade
• Increase life of mine
CAPITAL RAISING

Debt Refinancing
- Debt reprofiling subject to long form documentation being completed
- Interest bearing debt reduced to $100m
- Interest rate to be LIBOR plus 5%
- Zero repayments for 4 years

Planned Equity Raisings
- To finance development of underground mines
- Initially to be through a pro-rata rights issue to shareholders
- To be fully underwritten
SUMMARY

The Underground Development is transformational for DML.

- Debt refinancing a significant enabler
- Planned new equity raisings to enable underground mining and working capital requirements
- Large exploration potential

THANK YOU FOR YOUR ATTENTION
CONTACT

Mokwena Morulane
Country Manager

Plot 21314, Sebele Station Rd
Phakalane
Gaborone

+267 318 0751
+267 318 0752
mokwena.morulane@discoverymetals.com
COMPETENT PERSONS STATEMENT

The information is extracted from the report entitled ‘Mineral Resources and Ore Reserves Update’ created on 22 July 2013 and is available to view on http://www.asx.com.au/asxpdf/20130722/pdf/42h59l0pwgtxv4.pdf. The Competent Persons responsible for the original report are Mr Matthew Readford, Mr Michael Stewart, Mr David Purdey and Mr Andrew Gasmier. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

The information in this presentation 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) and Dr Wallace Mackay who is a Member of the Australian Institute of Geoscientists. Messrs Nhiwatiwa and Mackay are employed full-time by Discovery Metals Limited. Messrs Nhiwatiwa and Mackay have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC 2012).

The information in this presentation that relates to Additional Kalahari Copper Belt Mineral Resources (Selene, Zeta NE, Ophion, NE Mango 1 and NE Mango 2) is based on information compiled by Mr Matthew Readford, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Matthew Readford is a full time employee of Xtract Mining Consultants Pty Ltd, and has no interest in, and is entirely independent of, Discovery Metals Limited. Matthew Readford 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 JORC 2012.

The information in this presentation that relates to the Zeta and Plutus Mineral Resources and Exploration Targets is based on information compiled by Mr Michael Stewart, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Michael Stewart is a full time employee of the Quantitative Group, and has no interest in, and is entirely independent of, Discovery Metals Limited. Michael Stewart 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 JORC 2012.

The information in this presentation that relates to the Zeta Open Pit and Plutus Ore Reserves is based on information compiled by Mr David Purdey, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). David Purdey is a full time employee of the Quantitative Group, and has no interest in, and is entirely independent of, Discovery Metals Limited. David Purdey 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 JORC 2012.

The information in this presentation that relates to the Zeta Underground Ore Reserves is based on information compiled by Mr Andrew Gasmier, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Andrew Gasmier is a full time employee of the Mining Plus Pty Ltd, and has no interest in, and is entirely independent of, Discovery Metals Limited. Andrew Gasmier 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 JORC 2012.
## BOSETO ORE RESERVES

<table>
<thead>
<tr>
<th>Ore Reserves¹</th>
<th>ZETA</th>
<th>PLUTUS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
<td>Ag (g/t)</td>
</tr>
<tr>
<td>Open Pit²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>1.7</td>
<td>1.3</td>
<td>20</td>
</tr>
<tr>
<td>Probable</td>
<td>0.05</td>
<td>1.2</td>
<td>17</td>
</tr>
<tr>
<td>Open Pit Ore Reserves</td>
<td>1.8</td>
<td>1.3</td>
<td>20</td>
</tr>
<tr>
<td>Underground³</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>0.9</td>
<td>1.2</td>
<td>21</td>
</tr>
<tr>
<td>Probable</td>
<td>6.4</td>
<td>1.3</td>
<td>23</td>
</tr>
<tr>
<td>Underground Ore Reserves</td>
<td>7.3</td>
<td>1.3</td>
<td>23</td>
</tr>
<tr>
<td>TOTAL ORE RESERVES⁴</td>
<td>9.0</td>
<td>1.3</td>
<td>22</td>
</tr>
</tbody>
</table>

¹ All Ore Reserves are reported as at 31 May 2013 and exclude material mined to this date.
² Due to the relationship between the metallurgical copper recovery and the block S:Cu ratio, no traditional cut-off grade was applicable. The determination of ore was made by calculating the cash flow that would be produced by processing material and the cash flow which would be produced by mining it as waste. If the cash flow from processing was higher, the material was considered as ore; if not, it was considered waste.
³ The economic cut-off grade used to determine the Zeta Underground Ore Reserves is 1.07% Copper Equivalent (CuEq), where CuEq% = Cu% + 0.0113 x Ag (g/t).
⁴ Please refer to Competent Persons Statement.
### Boseito Mineral Resources

<table>
<thead>
<tr>
<th>Mineral Resources</th>
<th>2013 Estimate ¹</th>
<th>Previous Estimate ²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
</tr>
<tr>
<td>Plutus</td>
<td>82.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Zeta</td>
<td>18.8</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total Boseito Copper Project</strong></td>
<td><strong>100.9</strong></td>
<td><strong>1.4</strong></td>
</tr>
</tbody>
</table>

¹ Mineral Resources are reported as at 31 May 2013 and exclude material mined to this date. Mineral Resources reported here include any Open Pit and Underground Ore Reserves declared. The 2013 Plutus and Zeta Open Pit Mineral Resources reported at cut-off grades of 0.5% Cu in fresh rock, 0.7% Cu in transitional material, and 1.0% Cu in oxide; and Underground Mineral Resources reported above a cut-off grade of 1.07% Cu equivalent (CuEq = Cu + Ag*0.0113) and a 5m minimum mining width. Plutus and Zeta Open Pit Mineral Resources are constrained within a pit optimisation run at 1.5 times the Ore Reserves commodity price. Zeta Underground Mineral Resources are constrained within the limits of geological interpretation.

² The previous estimates are reported at a cut-off grade of 0.6% Cu at dates prior to commencement of mining activity.
### ADDITIONAL BOSETO ZONE MINERAL RESOURCES

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selene</td>
<td>16.0</td>
<td>1.0</td>
<td>16</td>
</tr>
<tr>
<td>Zeta NE</td>
<td>12.9</td>
<td>1.3</td>
<td>22</td>
</tr>
<tr>
<td>Ophion</td>
<td>14.0</td>
<td>1.0</td>
<td>12</td>
</tr>
<tr>
<td>NE Mango 1</td>
<td>4.8</td>
<td>1.2</td>
<td>13</td>
</tr>
<tr>
<td>NE Mango 2</td>
<td>28.5</td>
<td>1.3</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>76.2</td>
<td>1.2</td>
<td>15</td>
</tr>
</tbody>
</table>

1. Inferred Mineral Resources reported as at 31 May 2013, at a cut-off grade of 0.6% Cu, and are exclusive of interpreted oxide material.
2. Please refer to Competent Persons Statement.