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Company Snap Shot

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

• Development of the Boseto Copper Project (100% owned)
  • Fully permitted
  • Finance in place
  • Concentrator Construction ~ 90% complete
  • Commissioning and first production H1 2012

• Mineral Resources & Ore Reserves
  • Boseto Mineral Resources – 111.5 Mt @ 1.4% Cu & 17.6 g/t Ag
  • Boseto Ore Reserves – 21.8 Mt @ 1.4% Cu & 18.2 g/t Ag
  • Selene Mineral Resources – 16 Mt @ 1.0% Cu & 15.9 g/t Ag

• Growth potential in existing Prospecting Licences
  • 18 PLs in Kalahari Copperbelt
  • Regional exploration underway

Boseto Copper Project contains 1.56 Mt copper and 61 Moz silver
Company Structure

Market Capitalisation & Cash
(14 February 2012)

Shares on Issue 442m
Share Price A$1.61
Market Cap A$712m
Cash 14 Feb 2012 US$106m
Project Debt 14 Feb 2012 US$180m

Significant Shareholders
(31 January 2012)

Forex Fund 12.8%
BlackRock 10.9%
M&G Investments 9.0%
Transaminvest 7.5%

Top 10 Shareholders 55.6%

ASX Share Price Performance
(17 February 2012)

Shareholders by Domicile

- UK, Europe & Other 40%
- Australia 33%
- Asia 17%
- Botswana 8%
- North America 2%
Kalahari Copperbelt Location

Botswana “A” Credit Rated Country
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 (Boseto Dev Plan = 27% from 2014)
- Copper royalty is 3% of revenue
- Silver royalty is 5% of revenue

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

1. Deliver Boseto into Production
   - 2011 Construction
   - 2012 Concentrate Production
   - 2013 Scale-up & Increase Life
   - 2014
   - 2015

2. Identify & Develop Additional Kalahari Copper Belt Opportunities
   - 2011 Boseto #2
   - 2012
   - 2013 Boseto #3
   - 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.
1 Deliver Boseto into Production

2011 Construction

12 Concentrate Production
**Boseto Copper Project**

- Production forecast: 36,000 t Cu & 1.1 Moz Ag per annum in concentrate
- Fully permitted
- $250m capex fully funded including:
  - US$180m project finance
  - US$25m overrun facility
- Open pit mining initially
- Mix of open pit and u/g mining planned from approximately 2015
- Construction of 3mtpa concentrator well advanced:
  - Commissioning first half 2012
  - Fixed US$ - EPC contract
- First mining fleet commissioned and operating
# Boseto Timeline

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>‘06–’10</th>
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Boseto Cross Sections

Section 39 500 N

ZETA

Section 36 500 N

PLUTUS

Deliver Boseto into Production
## Boseto Feasibility 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>
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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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<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>
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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
### 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>44.1</td>
<td>1.3</td>
<td>22.1</td>
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<tr>
<td>Ore Reserves</td>
<td>10.5</td>
<td>1.5</td>
<td>23.0</td>
</tr>
</tbody>
</table>

Kilometers

- **Ore Reserves**
- **Mineral Resource**
- **Prospective Copper Horizon**
- **Prospecting Licences**
EXPAND BOSETO

2013  14  15

Scale-up & Increase Life
Developing the Expansion Plan

- **Targets**
  - Copper production  +50,000 t per annum
  - Mine Life  +25 years

- **Opportunities**
  - Zeta Underground
    - DFS completed
  - Plutus Underground
    - Mineral Resources estimate Q2/2012
  - Selene Deposit
    - New Mineral Resources 16Mt @ 1% Cu & 15.9 g/t Ag
  - Zeta NE, Ophion
    - Expect Mineral Resources Q4/2012
  - Further potential in Boseto Zone in the mineralised prospects at:
    - Mango & Mango SW
    - Nexus
    - Nyx
    - Quirinus
Near Boseto Opportunities

Multiple Mineralised Targets within 30km
Zeta Mineralisation +600m deep

Definitive Feasibility Study Underway on Zeta Underground
Plutus Mineralisation +350m deep

June drill results double depth of mineralisation at Plutus
Kalahari Copperbelt Exploration Targets
Wrap Up

- Production commencement planned for Q2 2012
- Developing our growth potential in Botswana
  - Boseto
    - increase scale (target +50 ktpa Cu)
    - Increase life (target +25 years)
  - Kalahari Copperbelt exploration
    - delivering successful outcomes
    - exploration seeking new stand alone projects

Implementing strategy for ongoing growth
Contact

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f +61 7 3218 0233
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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) and Mr 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 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code).

The information in this report that relates to the Zeta, Plutus and Petra Mineral Resources was reviewed by Mr 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 that relates to the Zeta, Plutus and Petra Ore Reserves was reviewed by Mr Peter Myers, who is a MAusIMM. Mr Myers is employed full-time by Snowden. Mr Myers 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.

Messrs Nhiwatiwa, Mackay, Arnott, Myers and Readford 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>
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</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>
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<tr>
<td>Probable</td>
<td>6.7</td>
<td>1.5</td>
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<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>10.9</strong></td>
<td><strong>1.5</strong></td>
<td><strong>22.3</strong></td>
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<td></td>
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<tr>
<td>Inclusive of high grade ore reserve</td>
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<tr>
<td>Proved</td>
<td>4.0</td>
<td>1.6</td>
<td>22.1</td>
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<tr>
<td>Probable</td>
<td>6.5</td>
<td>1.5</td>
<td>23.5</td>
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<tr>
<td><strong>High Grade Ore Reserves</strong></td>
<td><strong>10.5</strong></td>
<td><strong>1.5</strong></td>
<td><strong>23.0</strong></td>
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*Total ore reserves reported at cut-off grade of 0.3% Cu  **High Grade Ore Reserves reported at cut-off grade of 0.6% Cu.

Please refer Competent Persons Statement.
Boseto Mineral Resources

<table>
<thead>
<tr>
<th>Mineral Resource</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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<tr>
<td>Measured</td>
<td>4.6</td>
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<tr>
<td>Indicated</td>
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<td>Subtotal M&amp;I</td>
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<td>Inferred</td>
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<td>20.0</td>
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<tr>
<td><strong>TOTAL RESOURCE</strong></td>
<td><strong>44.1</strong></td>
<td><strong>1.3</strong></td>
<td><strong>22.1</strong></td>
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Mineral Resources reported at a cut-off grade of 0.6% Cu
Selene Mineral Resources

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<th>Mineral Resource</th>
<th>SELENE</th>
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<td><strong>TOTAL MINERAL RESOURCES</strong></td>
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Mineral Resources reported at a cut-off grade of 0.6% Cu