

APPOINTMENT OF CORPORATE ADVISOR IN RESPECT OF PROPOSED RECAPITALISATION

Discovery Metals Limited (ASX/BSE: DML) (**Discovery Metals, DML or the Company**) is pleased to announce that it has appointed Foster Stockbroking Pty Ltd to act as corporate advisor in respect of a proposed equity recapitalisation (**Proposed Recapitalisation**).

As announced on 19 May 2014, the Company and its lenders agreed to a legally binding term sheet for the reduction of the Company's existing interest bearing debt and re-profile repayments of outstanding debt, reducing the Company's existing interest bearing debt from US\$159 million to US\$100 million (**Debt Re-Profile**). The Company and its lenders are currently completing long form documents for the Debt Re-Profile, which are on schedule for completion by 11 July. On 29 May 2014, the Company then completed a placement to Transamine Trading S.A. at AUD\$0.03451 per share, raising AUD\$2.8 million.

This Proposed Recapitalisation forms part of Discovery Metals previously announced fundraising strategy to fulfil the strategic transition from open pit operations to an underground miner at the Company's flagship Boseto Copper Project in Botswana, in order to unlock value in the mineral resources on the Boseto Project. The Company looks forward to working with Foster Stockbroking Pty Ltd on this transaction.

Foster Stockbroking Pty Ltd

Foster Stockbroking Pty Ltd is a highly regarded growth focused investment bank based in Sydney, Australia. Their client base spans across Australia, Asia, US and the UK and comprises both institutional and strategic investors.

For further information on the proposed recapitalisation, please contact Foster Stockbroking Pty Ltd:

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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

For further information on this release and Discovery Metals Limited, please contact:

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