

# ASX RELEASE

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1 July 2008

## Presentation – Botswana Resources Conference 2010

The following presentation is to be given by the Company's Managing Director, Mr Brad Sampson, at the Botswana Resources Conference 2010

Further information on the Company is available on its website:

[www.discoverymetals.com.au](http://www.discoverymetals.com.au)

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June 2010

# Boseto Copper Project

Botswana Resources Conference, June 2010



dml

DISCOVERY METALS LIMITED

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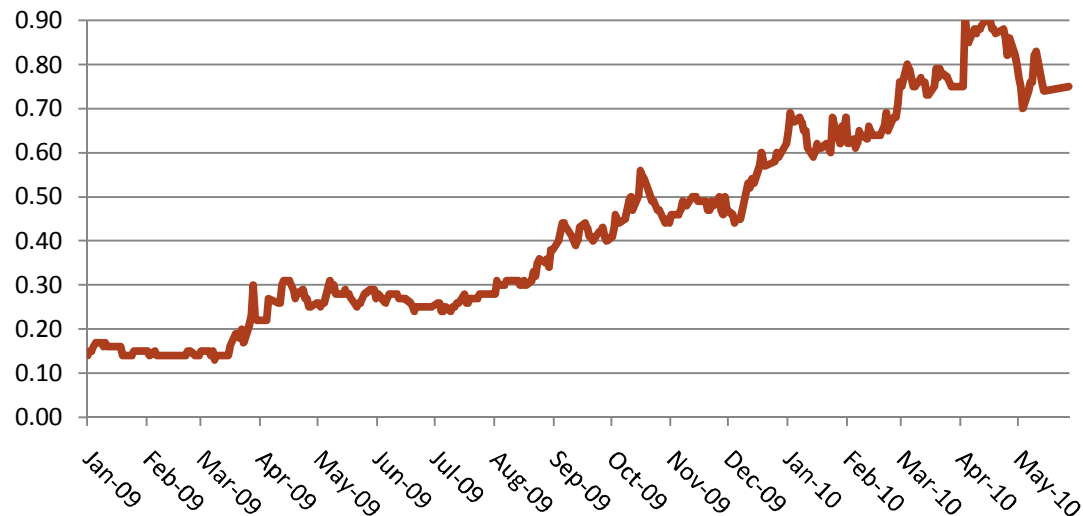
Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

# Discovery Metals is



- A near term copper producer: **2011 production**
- Focused on Botswana: **A+ country with fair and stable tax regime**
- Actively exploring and developing a new copper province: **growth story**
- Meeting its planned milestones: **consistent performance**
- Delivering excellent shareholder returns

Share Price Performance (AUD)



- ❖ Southern African focused base metal project development company
  - ASX (DML), BSE (DML) & AIM (DME) listed
- ❖ Mineral Resources in Botswana
  - Boseto Copper Project – **102.8 Mt @ 1.4% Cu and 17.3 g/t Ag containing 1.4 Mt copper and 57 Moz silver**
  - Dikoloti Nickel - **4.1Mt @ 0.7% Ni, 0.5% Cu & 1.2 g/t PGE**
- ❖ Focus is the development of the Boseto Copper Project
  - 3Mtpa Bankable Feasibility Study due for completion July 2010
  - Targeting production Q4 2011

**Focus is the Boseto Copper Project Development**

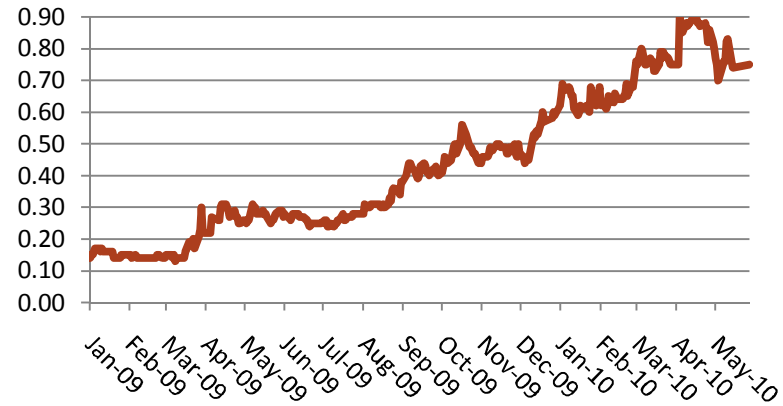
# Company Structure



## Market Cap. and Cash (31 May 10) (estimate)

Issued Shares	301 m
Share Price	AUD\$ 0.75
Market Cap	AUD\$ 226 m
Net Cash	AUD\$ 40 m

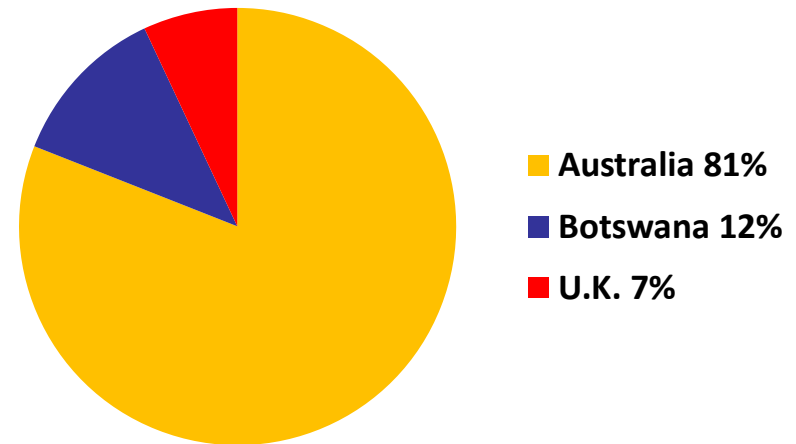
## Share Price Performance (AUD)



## Significant Shareholders (31 May 10) (estimate)

Macquarie Bank	11.5%
Taurus Fund	11.1%
Transamine	8.3%
Citi Group Global Markets	7.1%
Investec (Botswana)	5.2%
BIFM (Botswana)	3.6%

## Share Distribution 31 May 10



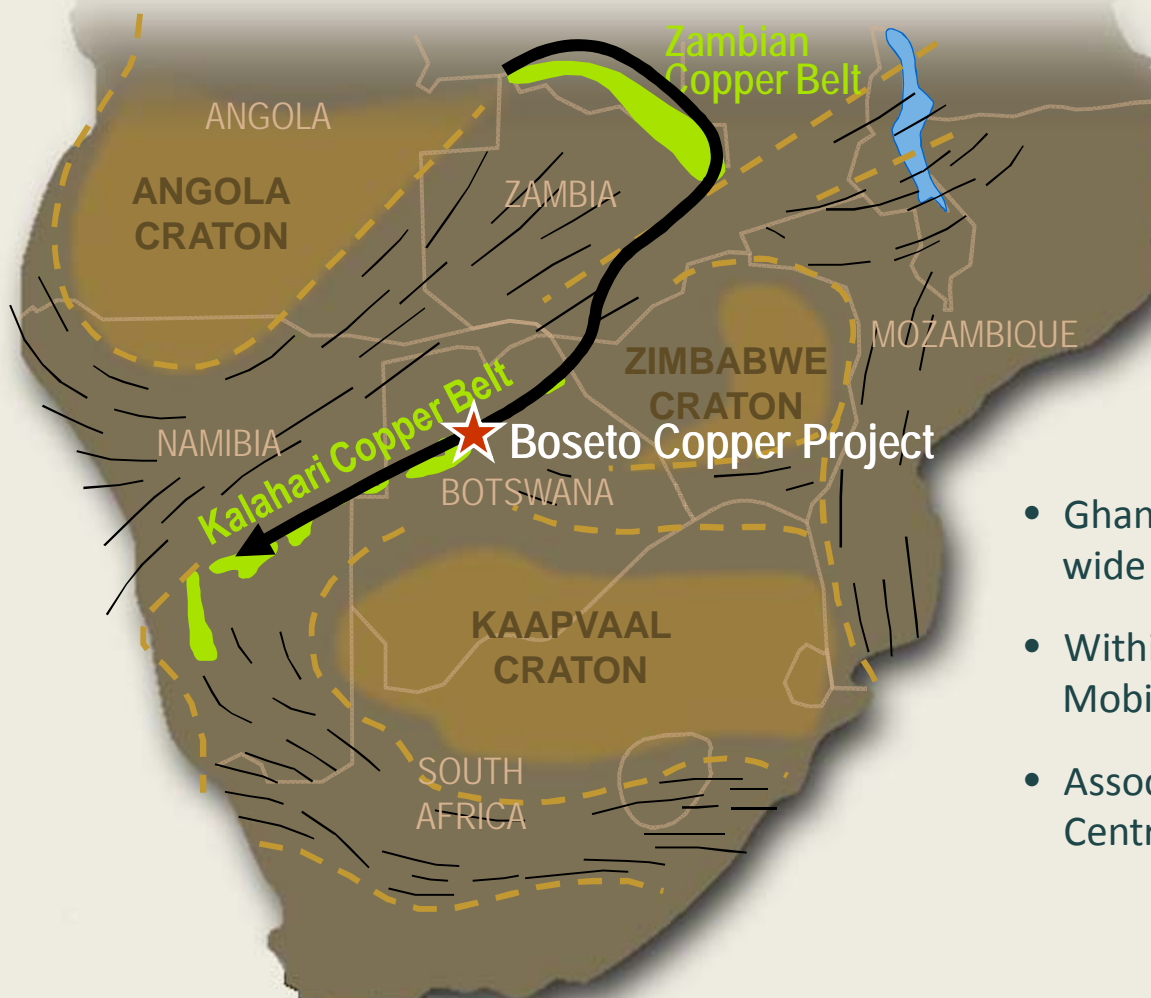
**Top Six Shareholders = 47%**



# Botswana Projects



# Boseto Copper Project – Geological Setting

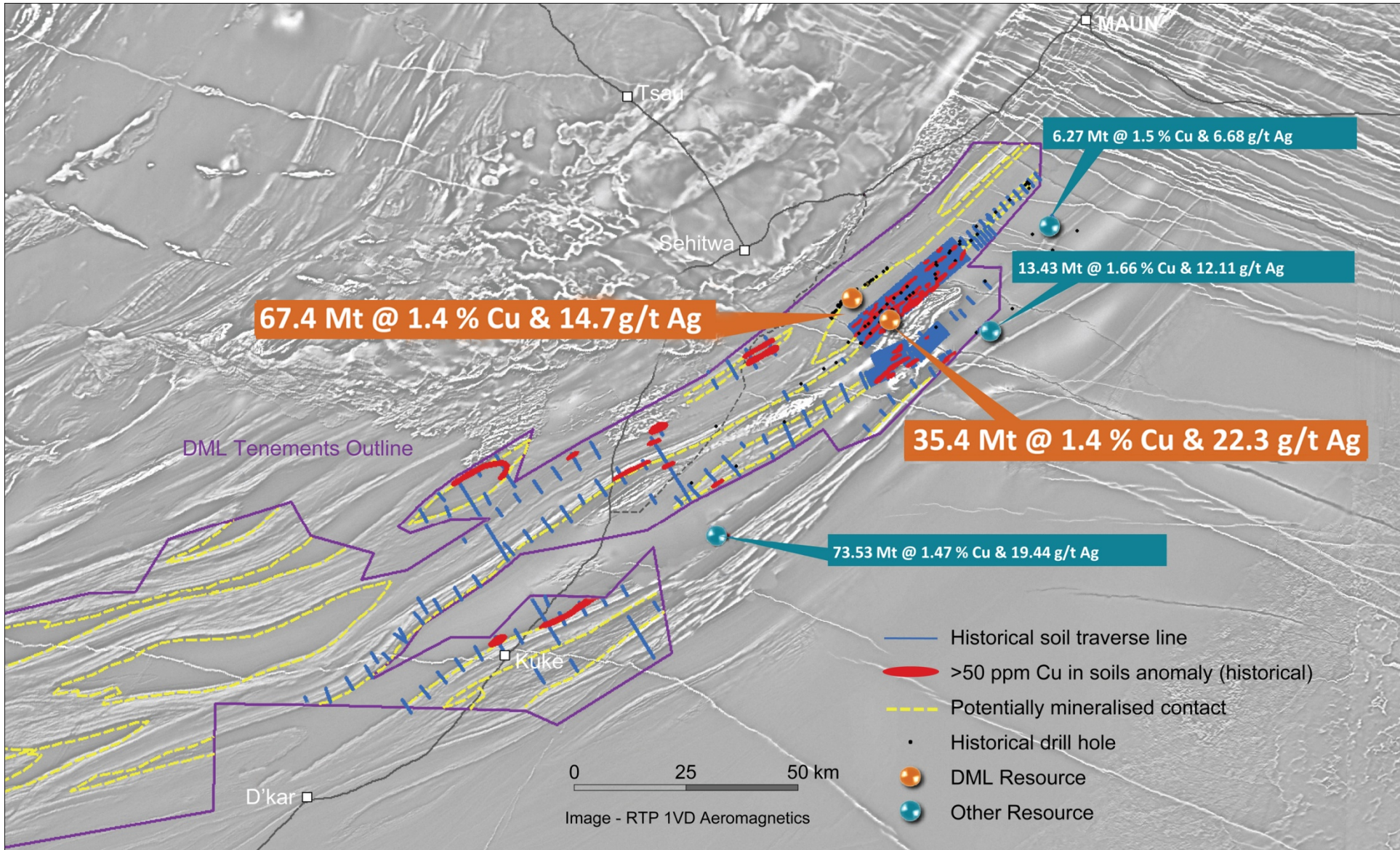


- Ghanzi-Chobe Fold Belt - a 140km wide zone of deformation
- Within late Proterozoic Pan African Mobile Belt
- Associated with the well known Central African Copper Belt

**Poorly Explored Extension of Zambian Copper Belt**

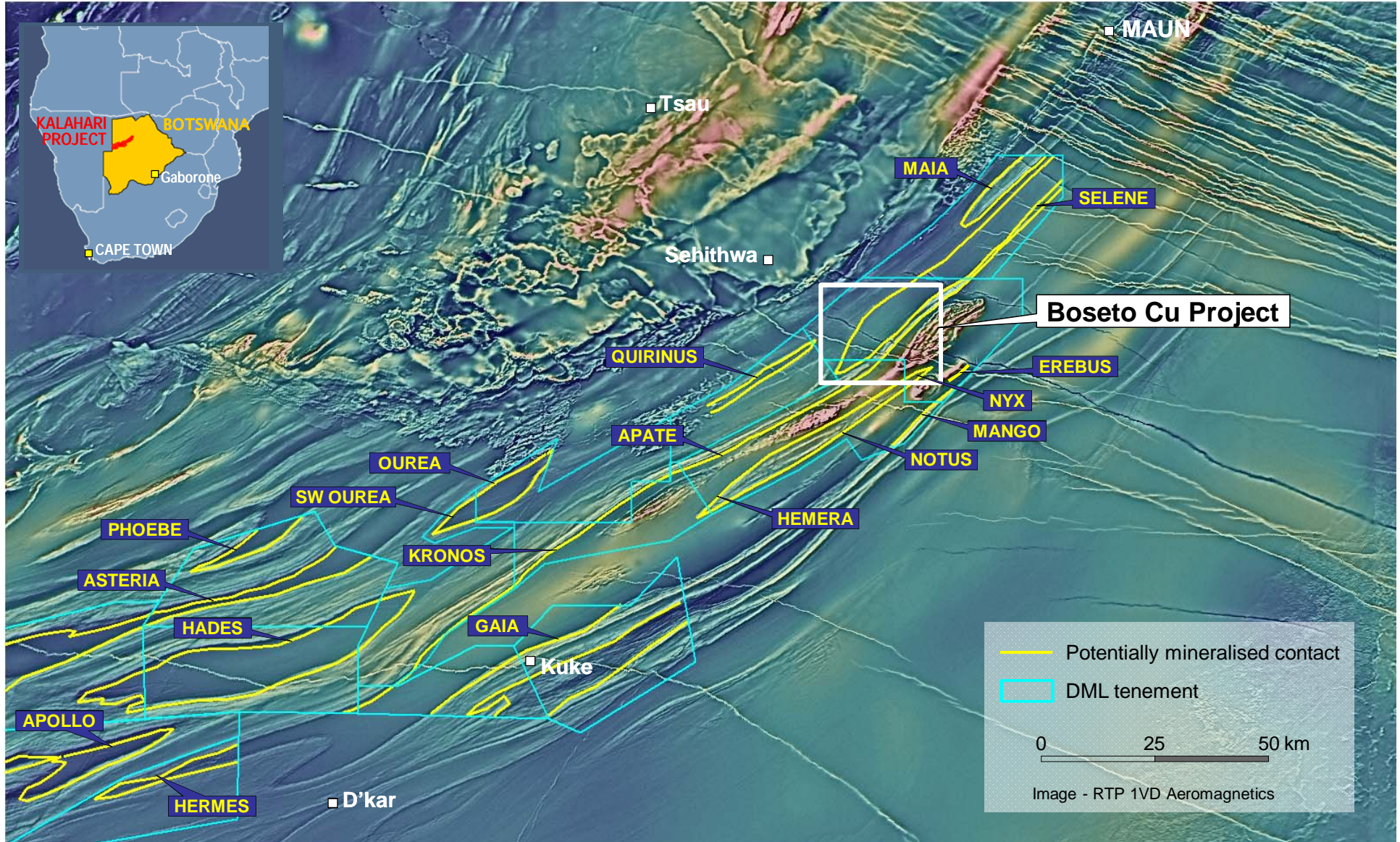


# Regional exploration potential



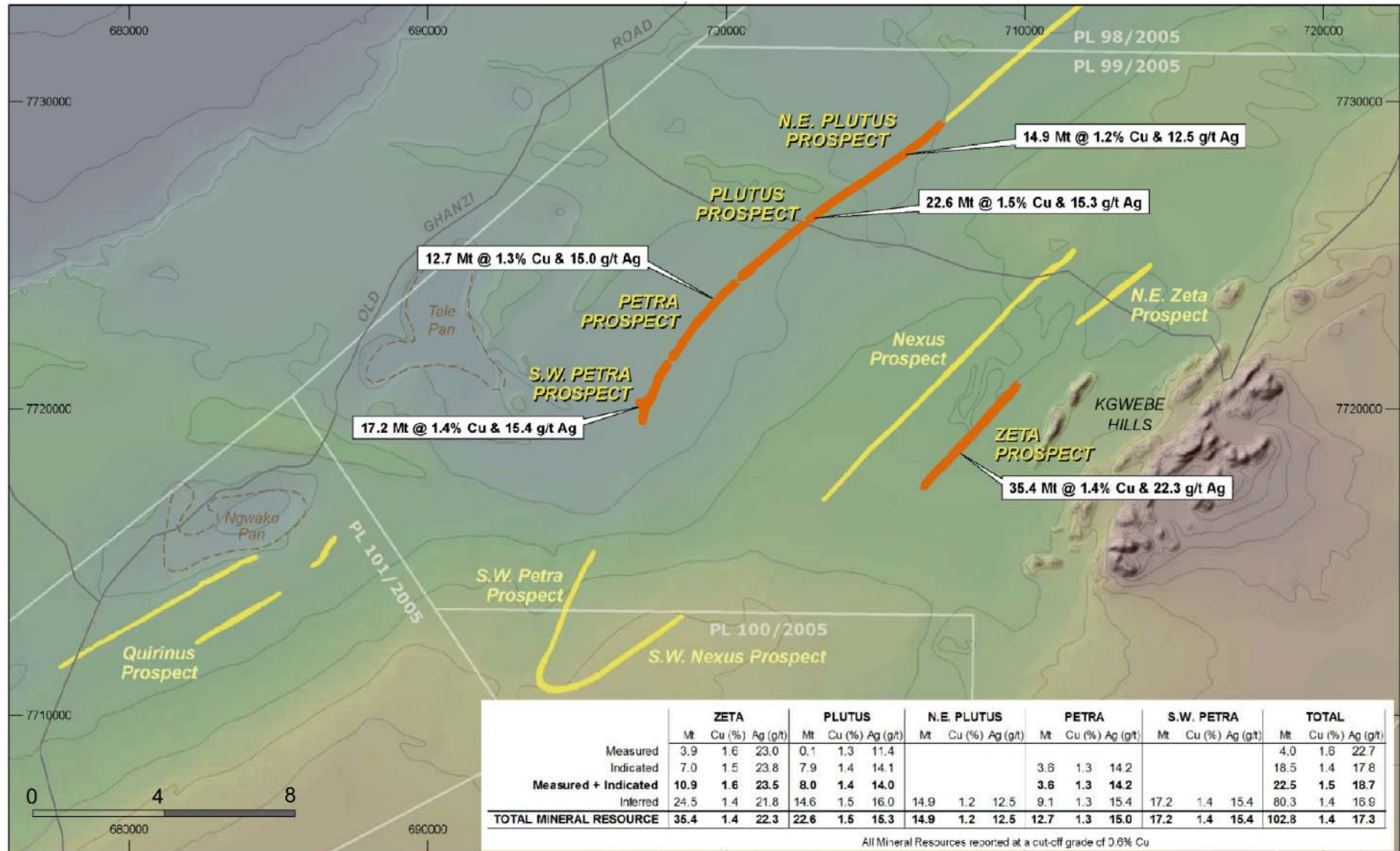


# Tenements & Prospect Locations





# Boseto Mineral Resources and Prospects



- Concentrator Design and Costs
  - Concentrator capacity increased 50% to 3 Mtpa
  - Front End Engineering and Design (FEED) restarted for 3 Mtpa operation
  - 6 week period to completion of FEED nearing completion
  - Final Capex and plant Opex figures are outputs from FEED (Plant Capex expected to be approximately \$85M)
- Mine Schedules
  - New 3 Mtpa mine schedules and designs being optimised
  - Bankable study on open pit mining only
  - Development planning now also includes underground mining
- Completion of BFS
  - Planned delivery of BFS financials to the Board in July 2010
- Targeting concentrator commissioning end 2011

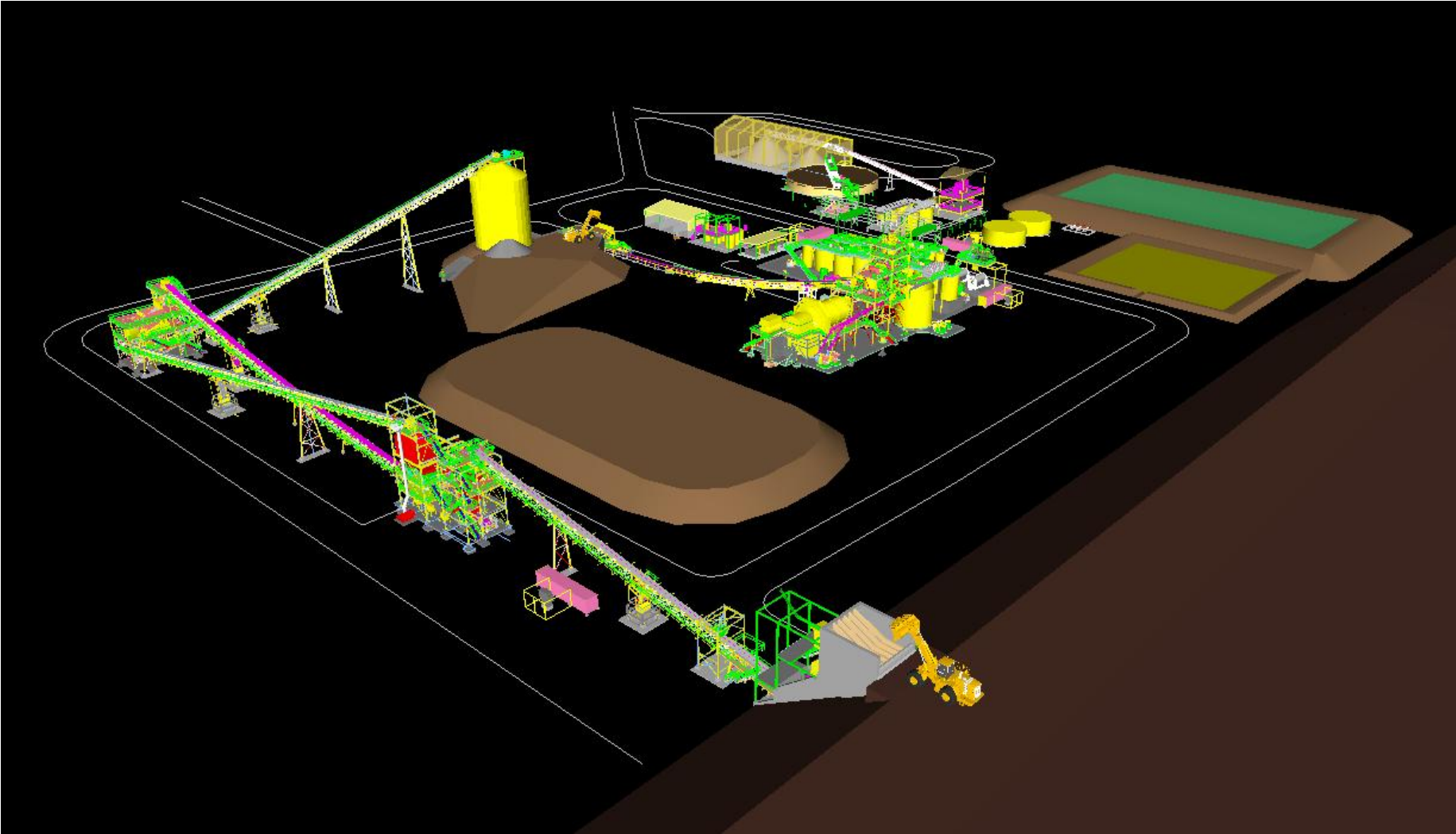
**Larger plant decision - on time project completion**

# Boseto Project Feasibility Study Summary

Highlight	BFS
Throughput	3 Mtpa
Initial Mine Life Target	15 years+
Average Copper Grade	1.48%
Average Silver Head Grade	20.9g/t
Copper Recovery	85%
Silver Recovery	62%
Concentrate	45% Cu
Annual Copper Production	approx 38,000t
Annual Silver Production	approx 1,200,000 oz

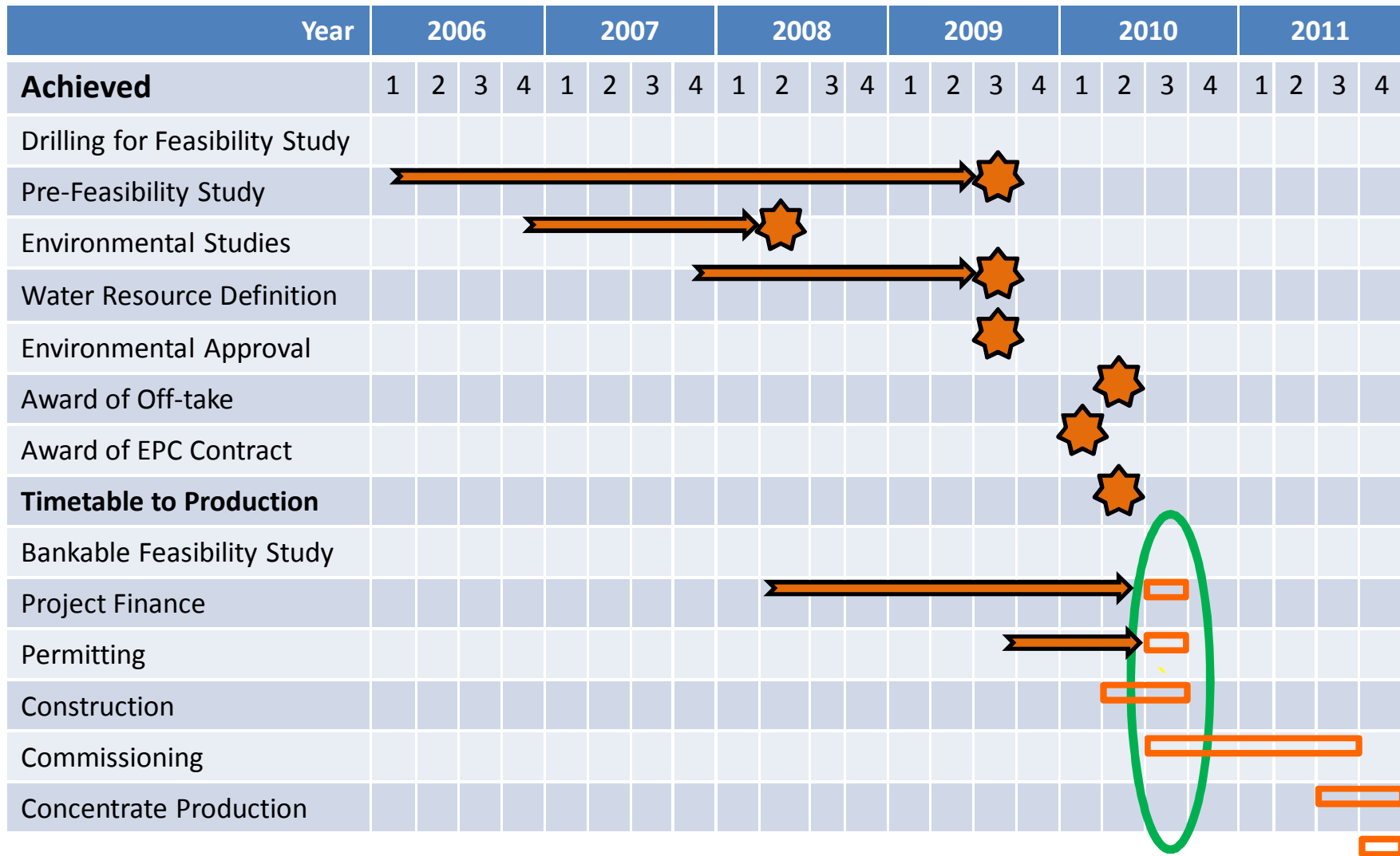
**Indicative Average over mine life**

# Boseto Concentrator





# Boseto: Milestones & Timetable



- Sedgman appointed as EPC partner
- Project timeline on schedule for Dec 2011 commissioning
- Focus to date has been open pit mining
- Positive scoping study on underground mining at Zeta announced March 2010
- The optimum development plan indicates:
  - Initial open pit mining for first 3- 5 years (debt finance period)
  - Integrated open pit and underground mining from approx. year 4
  - Targeting +15 years life

**Long life integrated open pit and underground operation**

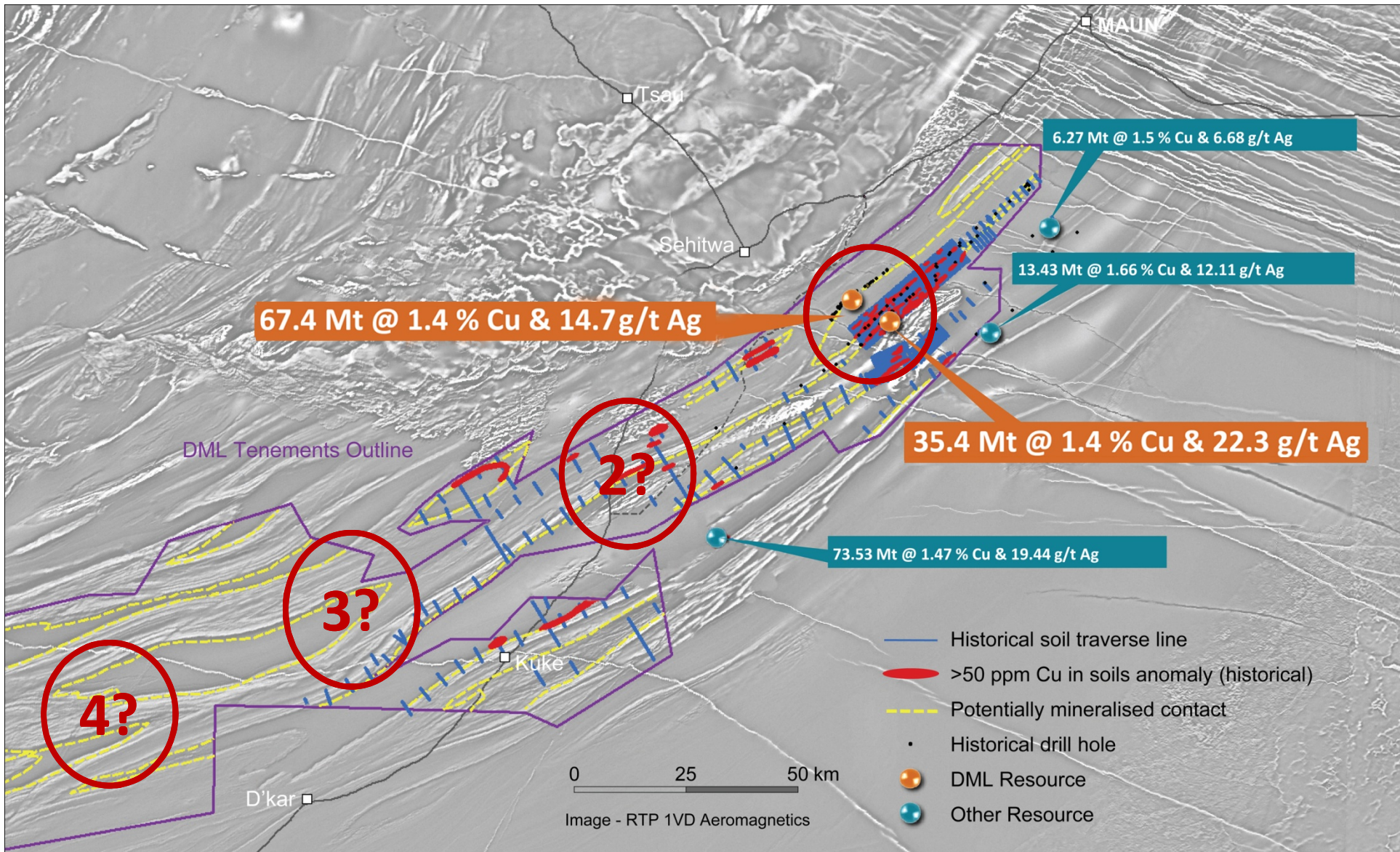
# Regional Exploration



- Exploration team strengthened
  - Nick Franey - General Manager Exploration and Geology
  - Wallace Mackay – Principal Geologist
  - Fred Nhiwatiwa – Exploration Manager
- Exploration strategy revisited
  - Leverage off improved knowledge base
  - Split focus
    - near mine mineral endowment (underground and open pit)
    - new stand alone project targets (Boseto #2)
  - Exploration budget not finalised but anticipate annual exploration spend of approx. \$5 million

**Goal to find Boseto #2 in year ahead**

# Regional exploration potential

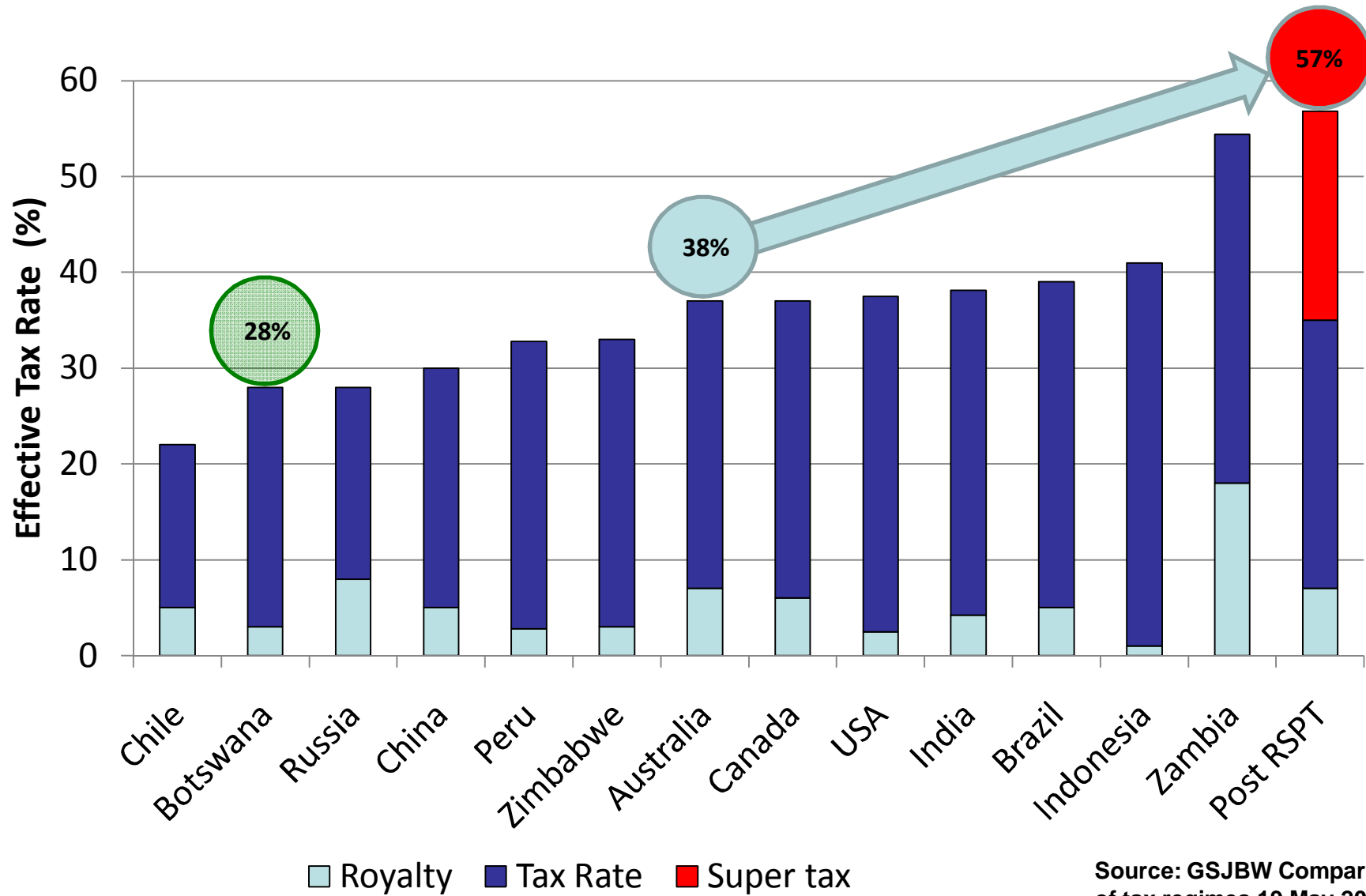




- Permits deduction of all pre production and capital costs up front
- Profitability based formula for mining companies
- Taxation commences at 25%
- Automatically adjusts to commodity price cycle
- Lowest tax regime in Africa and amongst lowest globally
- Inherently stable and fair
- Government would like a fair slice of growing pie not a larger slice of a shrinking pie
- Stability in taxation policy distinguishes Botswana

**Low and stable tax regime encourages development**

# Tax paid by Copper Producers



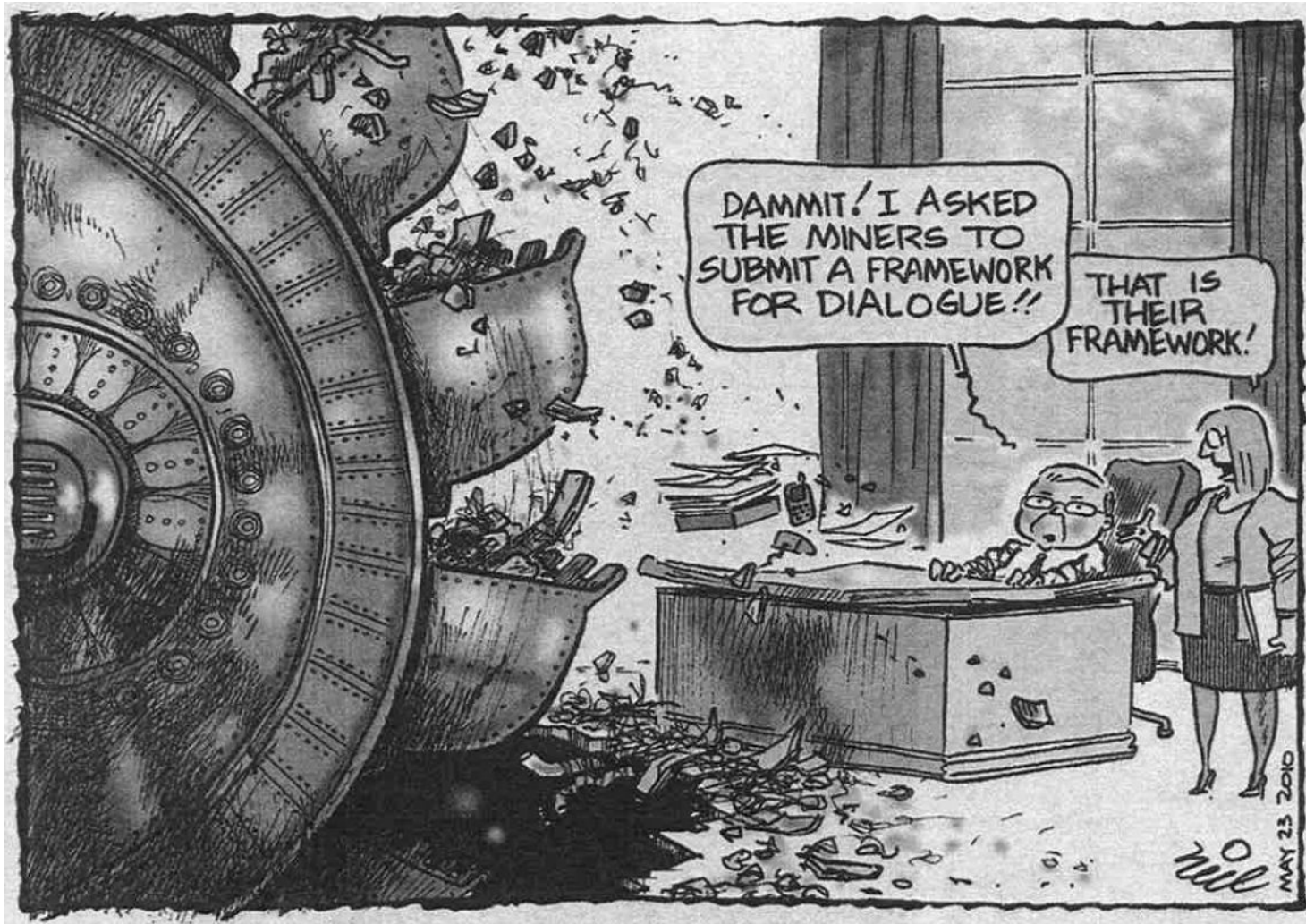
Source: GSJBW Comparison of tax regimes 19 May 2010



# Australian Mining Tax – Newspaper Headlines

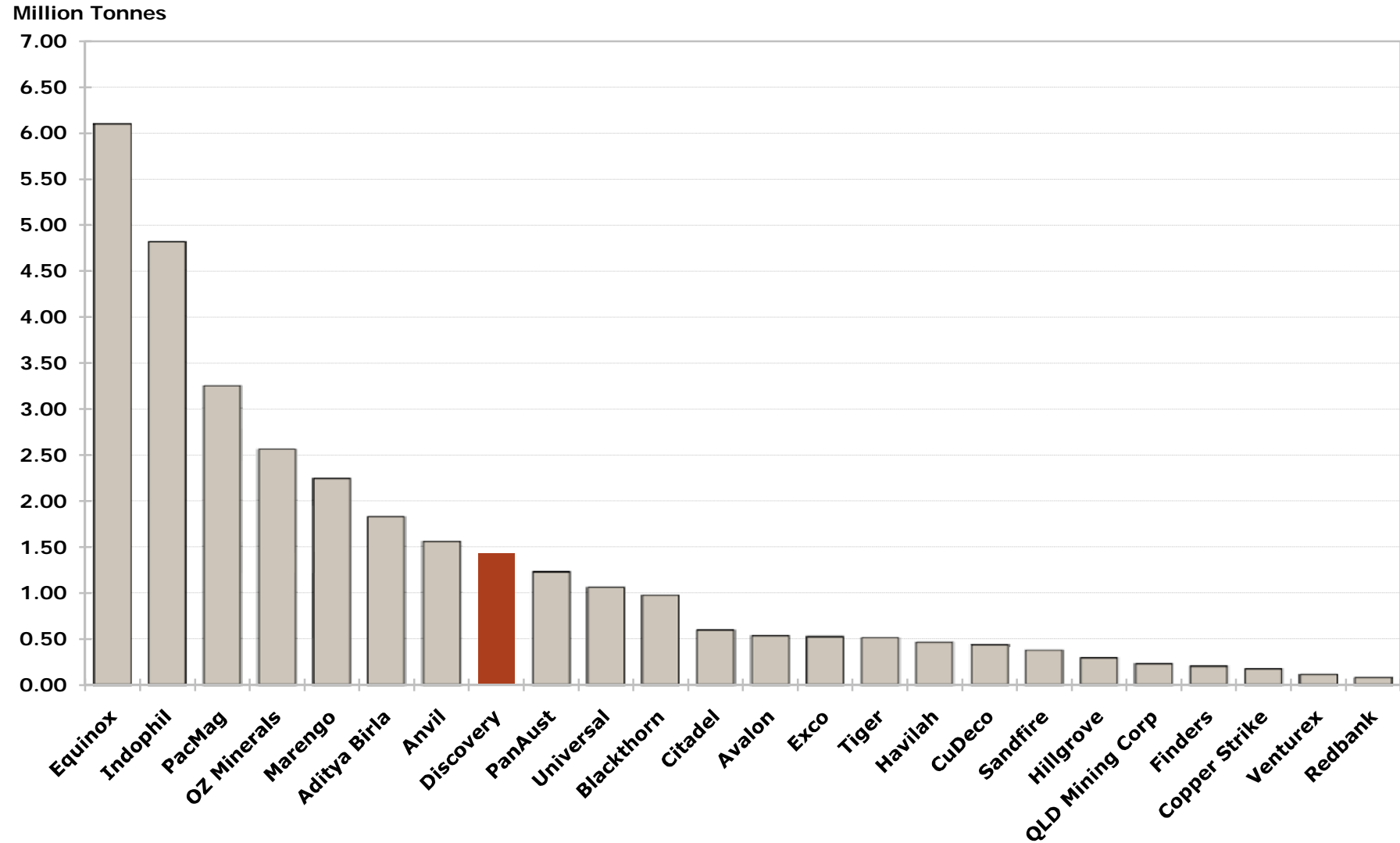
Chinese concerned over RSPT impact  
Xstrata mulls quitting Mt Isa  
BHP ramps up African push  
New economic research confirms RSPT will harm Australian economy  
Resource tax will cause funds to dry up  
Barrick joins anti-tax fight  
RSPT shapes a new form of alchemy  
Australian Resource Tax: This stupidity will take some time to assess  
Tax to kill gas plans, firms tell Rudd  
Tax plan 'boosts WA secessionism'  
Uncertainty sinks two gold projects  
**Nothing fair about this tax**  
Olympic Dam expansion at risk over tax  
Two gold projects shelved on mining tax  
Wesfarmers warns on mining tax  
**PM either stupid or mad over super tax**  
Miners face highest tax in world  
RSPT threatens growth, says Rio  
RSPT to lift prices  
Iluka joins chorus against mining tax  
RSPT a sneaky impost on pension funds  
Mining might take 50 years to recover from RSPT  
Tax 'fundamentally unfair', cries BHP  
Xstrata cuts projects due to super tax  
Rudd fights dissent in ALP ranks  
Construction to be hit hard  
Levy 'will make mining uncompetitive'  
Seats look like swinging as tax bites  
RSPT based on flawed assumptions: report  
Tax will hurt investment  
Miners puts \$17.5bn in projects on hold  
**Rio Tinto chief shocked at resources tax**  
Olympic Dam expansion 'unviable'

**Significant lessons to be learned**



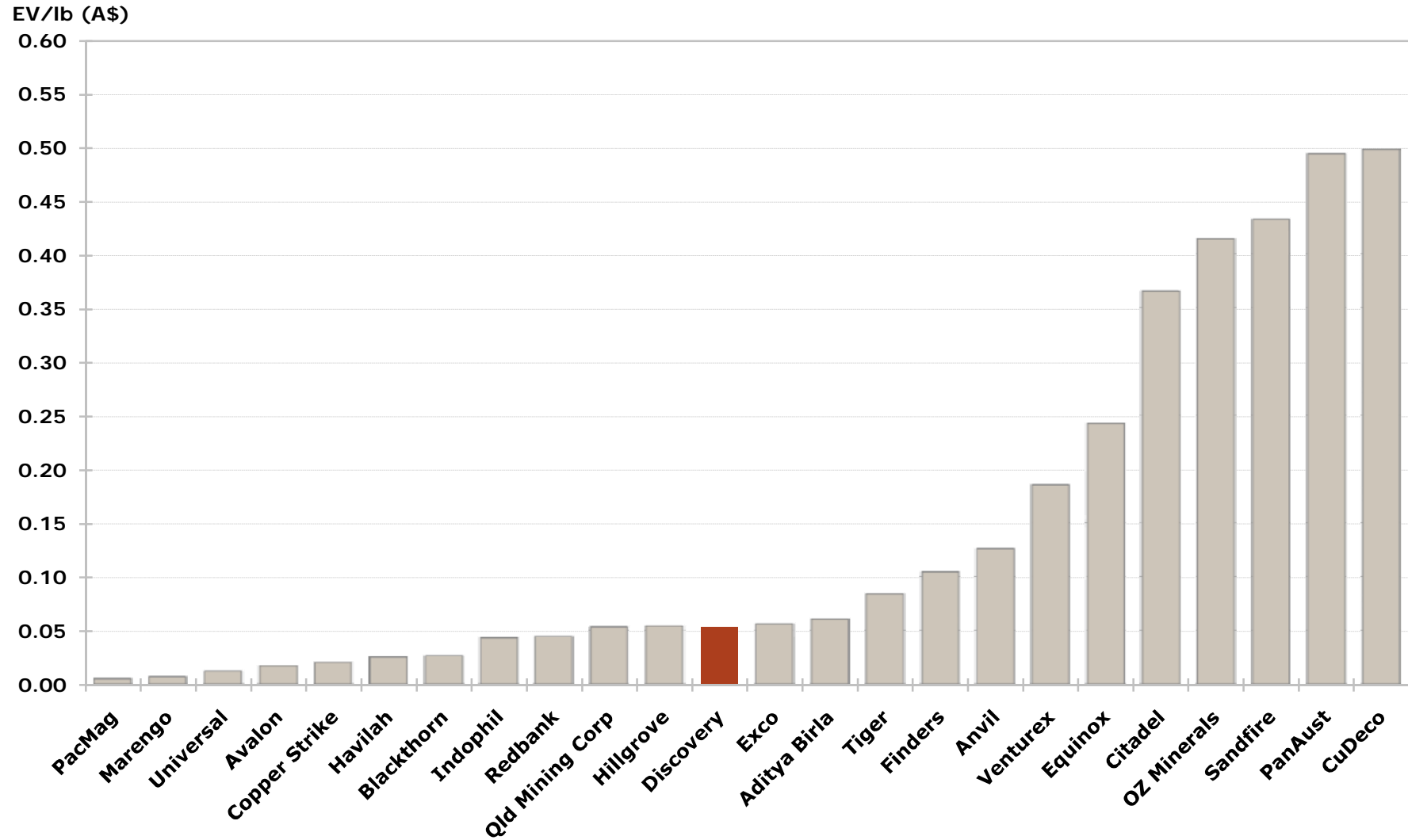
Consultation is critical

# Contained Copper in Mineral Resources



Source: Axiom Advisory Pty Ltd May 2010

# EV/lb Copper in Resources



Source: Axiom Advisory Pty Ltd May 2010

- Quality Resource
  - Boseto Copper Project Resource 102.8 Mt@1.4% Cu and 17.3 g/t Ag
- Boseto Project in Development
  - Bankable Feasibility planned for July 2010 completion
- Supportive Shareholders
  - Cash at Bank - AUD\$ 40M end May 2010
- Copper
  - Global supply growth risk may mean price upside
- Low Political Risk
  - Botswana
- Growth Potential
  - Kalahari Copper Belt 1,300 strike km of exploration target

**Delivering the Boseto Project**



A business card with a dark blue background and a subtle, light-colored topographic map pattern. The card features the 'dml' logo at the top center, followed by the company name 'DISCOVERY METALS LIMITED' in all caps. Below this is the name 'Brad Sampson' and his title 'MANAGING DIRECTOR'. Contact information is listed at the bottom, including phone, fax, direct, and mobile numbers, an email address, and a website URL, along with the company's physical address in Brisbane, Australia.

**dml**  
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MANAGING DIRECTOR  
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[brad@discoverymetals.com.au](mailto:brad@discoverymetals.com.au) + [www.discoverymetals.com.au](http://www.discoverymetals.com.au)  
Level 8, 410 Queen Street Brisbane QLD 4000 + GPO Box 3261 Brisbane QLD 4001 Australia



## 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

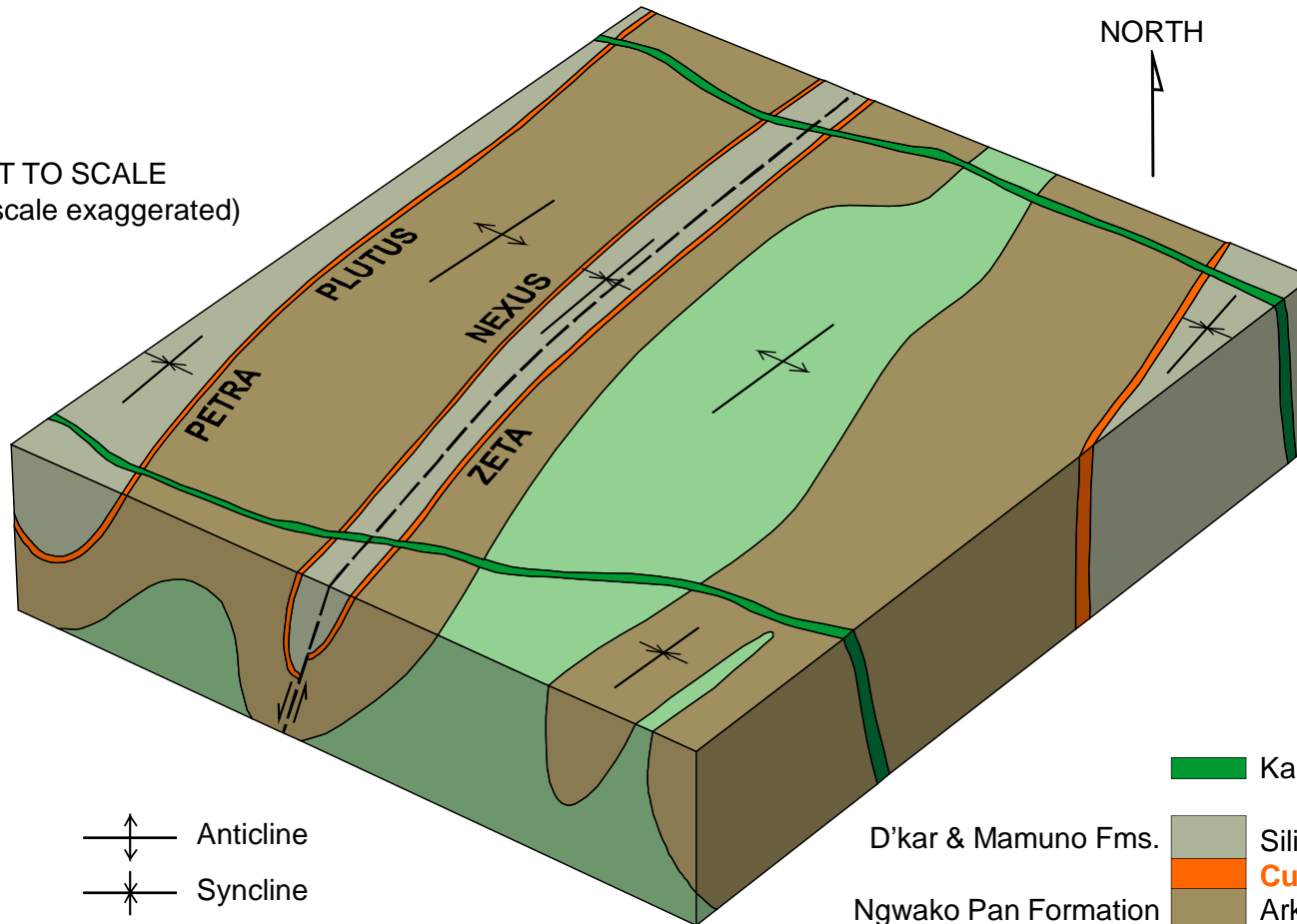
The information in this report as it relates to the Zeta, Plutus and Petra Mineral Resources for the Boseto Copper Project was reviewed by David Arnott, who is a MAusIMM. Mr Arnott is employed fulltime by Snowden Mining Industry Consultants Pty Ltd (Snowden). Mr Arnott has sufficient experience which 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 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 Dikoloti Mineral Resource was reviewed by Mr Stefan Mujdrlica of Xstract Mining Consultants Pty Ltd. At the time of reviewing the reported Mineral Resource, Mr Mujdrlica was employed by Snowden. Mr Mujdrlica is a MAusIMM and 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Messrs Nhiwatiwa, Arnott and Mujdrlica 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 – schematic

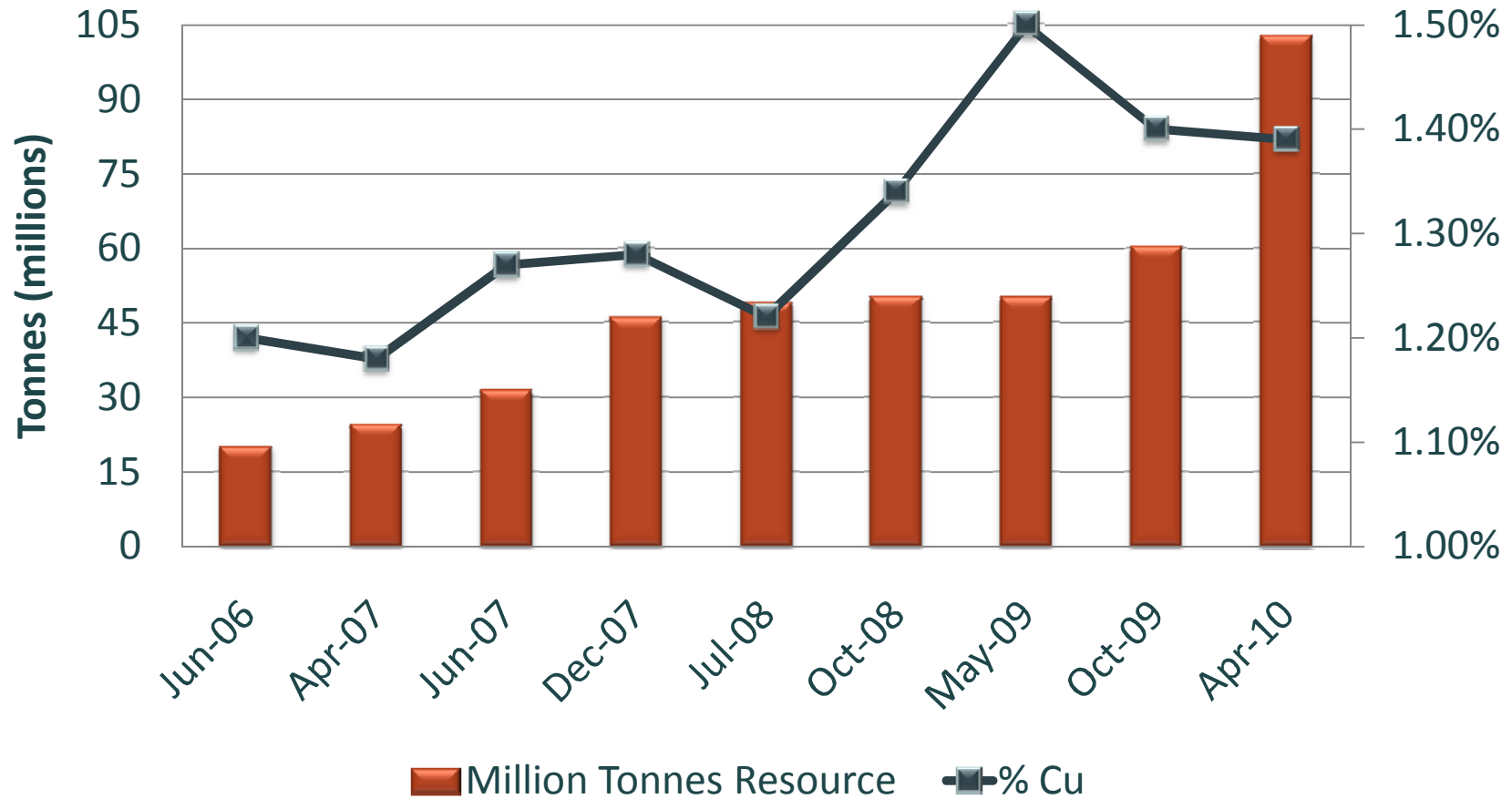
NOT TO SCALE  
(vertical scale exaggerated)



- Anticline
- Syncline
- Major fault

- Karoo dolerite dykes
  - Cu mineralisation
  - Arkosic red beds
  - Siliciclastic metasediments
  - Bimodal volcanics
- D'kar & Mamuno Fms.
- Ngwako Pan Formation
- Kgwebe Formation

# Growth in Mineral Resource



**Exploration focus now on new underground resources and discovering Boseto # 2**

- ❖ **Gordon Galt (Non-Exec Chairman)**
  - ex-Managing Director of Newcrest, significant banking and project development experience
- ❖ **Brad Sampson (Managing Director)**
  - Mining Engineer with extensive operational and project development experience
- ❖ **John Shaw (Non-Exec Director)**
  - Ex-Chairman of Albidon , previously Chair of Zimplats and Gallery Gold during development of Mupane Gold Mine, Botswana
- ❖ **Morrice Cordiner (Non-Exec Director)**
  - Director Andean Resources, funds management and finance experience
- ❖ **Jeremy Read (Non-Exec Director)**
  - Previous MD of Discovery Metals, +20 years exploration experience ex BHP
- ❖ **Ribson Gabonowe (Non-Exec Director)**
  - Director Kukama Mining & African Coal. Previously Director in Botswana Department of Mines

# Dikoloti Mineral Resources



	Mt	%Ni	%Cu	PGE g/t
Inferred Mineral Resource	4.1	0.7	0.5	1.2
Mineral Resources reported at a cut-off grade of 0.5% Ni				

# Boseto Mineral Resources



	ZETA			PLUTUS & PETRA			TOTAL		
	Mt	Cu (%)	Ag (g/t)	Mt	Cu(%)	Ag (g/t)	Mt	Cu(%)	Ag (g/t)
Measured	3.9	1.6	23.0	0.1	1.3	11.4	4.0	1.6	22.7
Indicated	7.0	1.5	23.8	11.5	1.4	14.1	18.5	1.4	17.8
Subtotal M&I	10.9	1.6	23.5	11.6	1.4	14.1	22.5	1.5	40.5
Inferred	24.5	1.4	21.8	55.8	1.4	14.8	80.3	1.4	16.9
<b>TOTAL RESOURCE</b>	<b>35.4</b>	<b>1.4</b>	<b>22.3</b>	<b>67.4</b>	<b>1.4</b>	<b>14.7</b>	<b>102.8</b>	<b>1.4</b>	<b>17.3</b>

Mineral Resources reported at a cut-off grade of 0.6% Cu