



Zeta Pit

ASX ANNOUNCEMENT

Discovery Metals Limited

Blumont recapitalisation update

On 19 September 2013, the board of Discovery Metals Limited (**Discovery Metals or Company**) (ASX: DML) announced a strategic recapitalisation proposal (**Original Announcement**). As part of that recapitalisation proposal, Singapore Stock Exchange (**SGX**) listed investor, Blumont Group Limited (SGX: A33) (**Blumont**), conditionally agreed to subscribe for 100,000 five year convertible bonds with a face value of USD1,000 per bond, to be convertible into fully paid ordinary shares in the capital of Discovery Metals at a price of AUD0.15 per share (**Convertible Bonds**). The terms of the Convertible Bonds were agreed in a binding term sheet that was executed between Blumont and Discovery Metals (**Term Sheet**).

The Convertible Bonds were expected to raise USD100 million.

As noted in the Original Announcement, the Term Sheet was conditional on a number of conditions being satisfied by 19 December 2013 (**Sunset Date**). The conditions precedent have not been satisfied by the Sunset Date, and as a result of this, the Term Sheet has lapsed. The Company has reserved all of its rights against Blumont.

Discovery Metals remains in discussions with Blumont as to an amended recapitalisation proposal and the Company will update the market as soon as further information is available.

ASX/BSE: DML

MARKET CAPITALISATION

Shares on Issue	560m
Share Price	A\$0.053
Market Cap	US\$29.7m
Cash in bank (9/12)	~US\$14m
Debt	US\$153.9m

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WEBSITE

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BOARD OF DIRECTORS

Chairman
Jeremy Read

Non-Executive Directors

Ribson Gabonowe
Russell Luxford

Company Secretary

Paul Frederiks

REGISTERED OFFICE

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dml

DISCOVERY METALS LIMITED

Developing a new
copper frontier



Dump truck transporting a load of ore



Workers at the Boseto Copper Project



Concentrate shed



Bagged concentrate

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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