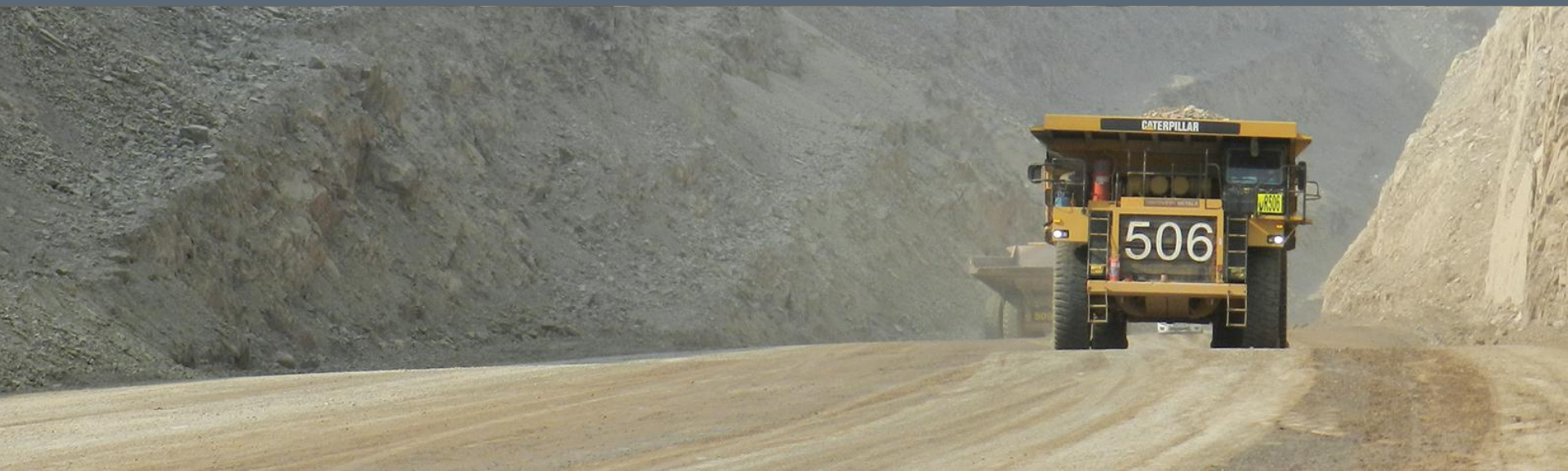


2013 ANNUAL GENERAL MEETING



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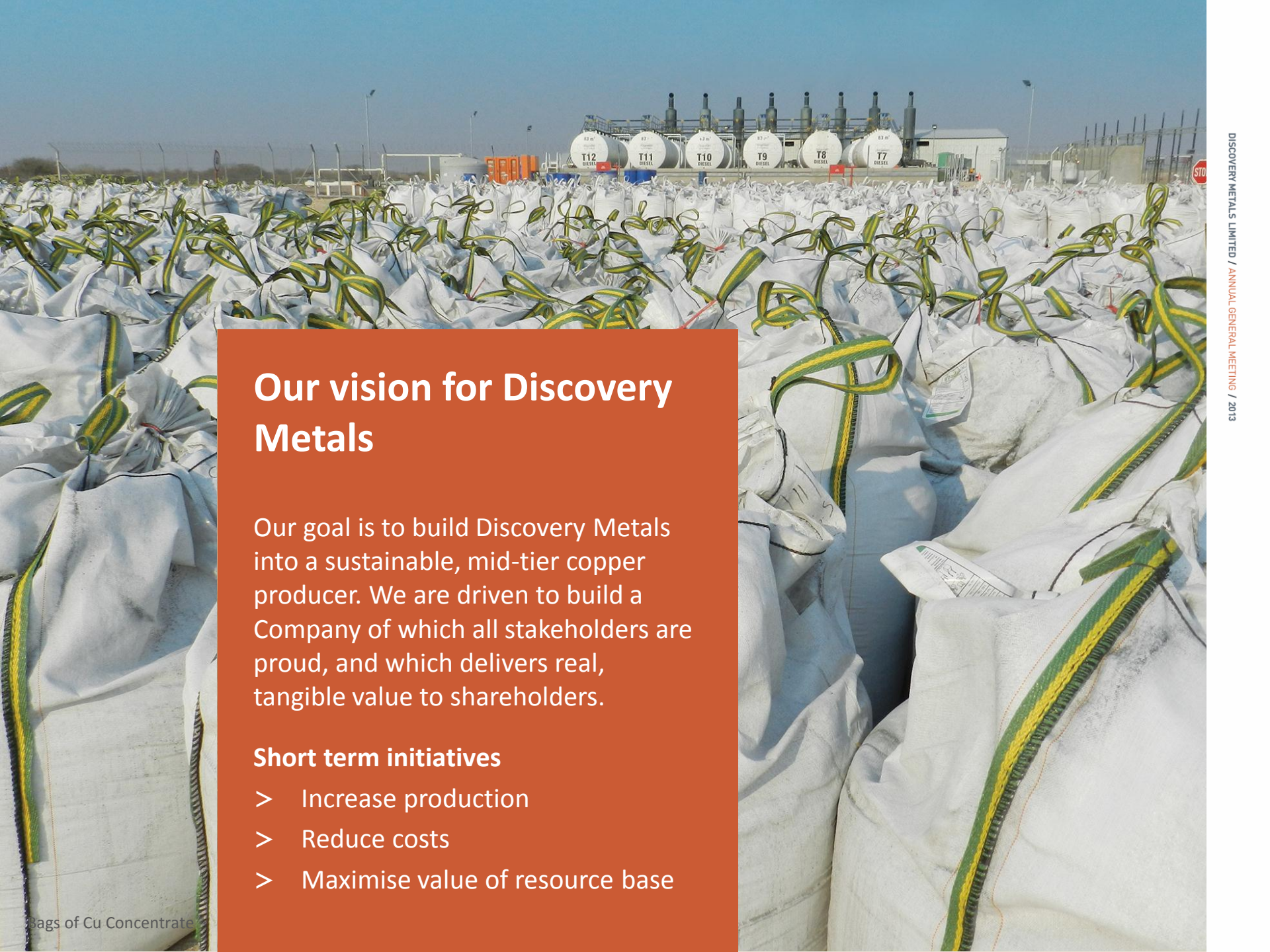
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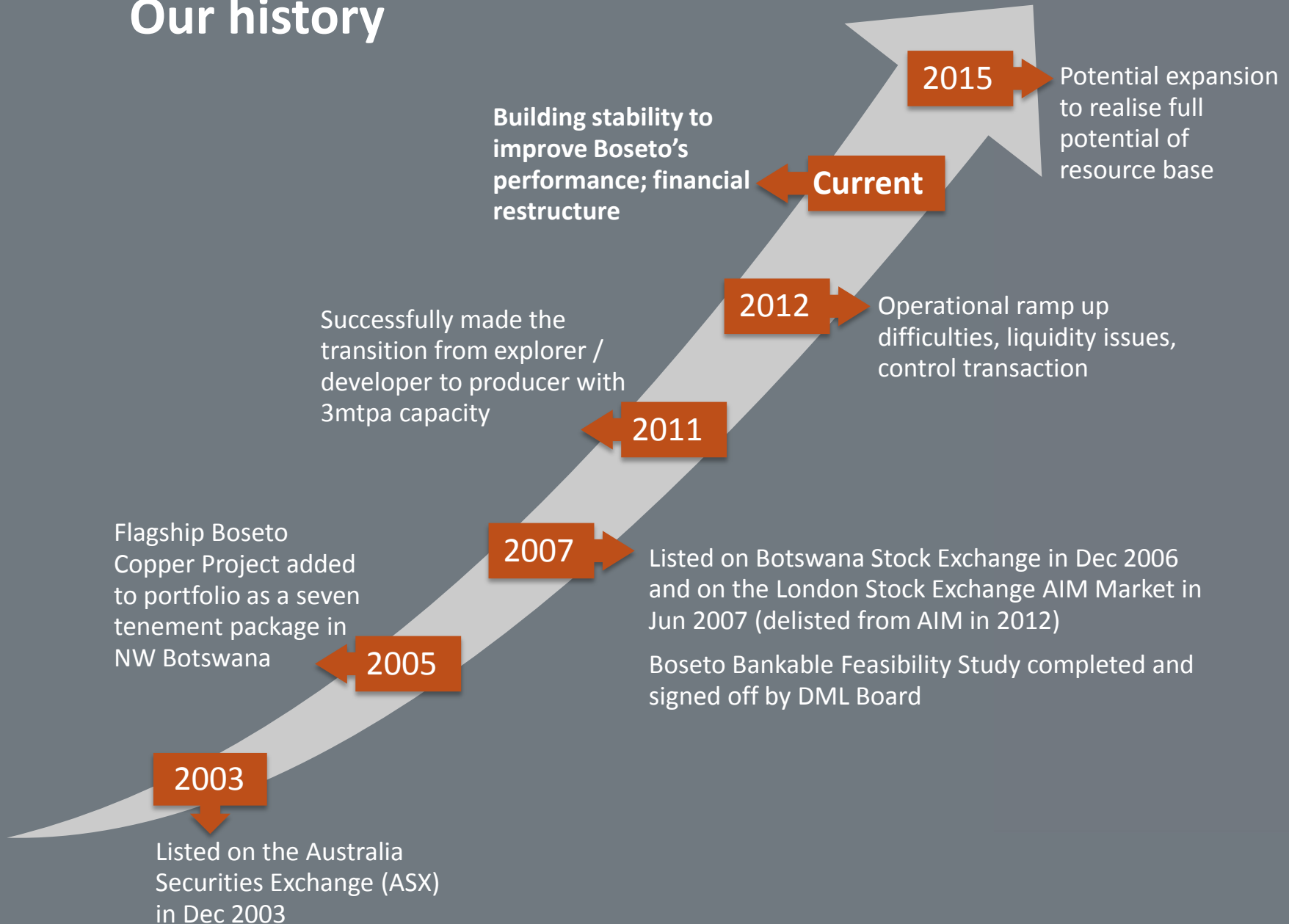
Our vision for Discovery Metals

Our goal is to build Discovery Metals into a sustainable, mid-tier copper producer. We are driven to build a Company of which all stakeholders are proud, and which delivers real, tangible value to shareholders.

Short term initiatives

- > Increase production
- > Reduce costs
- > Maximise value of resource base

Our history

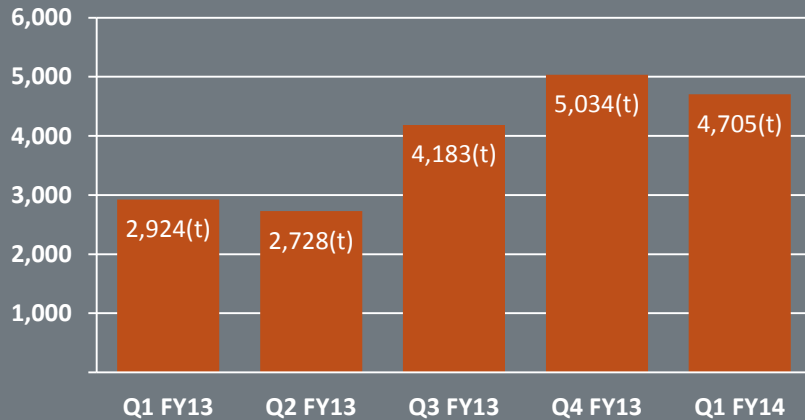


Key operational achievements FY13

- > Safety awareness and controls improved
- > Total material movement and copper production grew steadily over FY13
- > Improved community engagement
- > Cost improvement

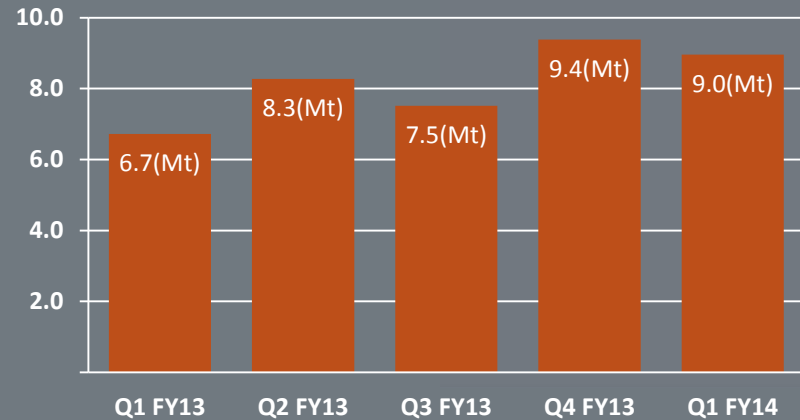
COPPER PRODUCTION

■ COPPER PRODUCTION (t)



MATERIAL MINED

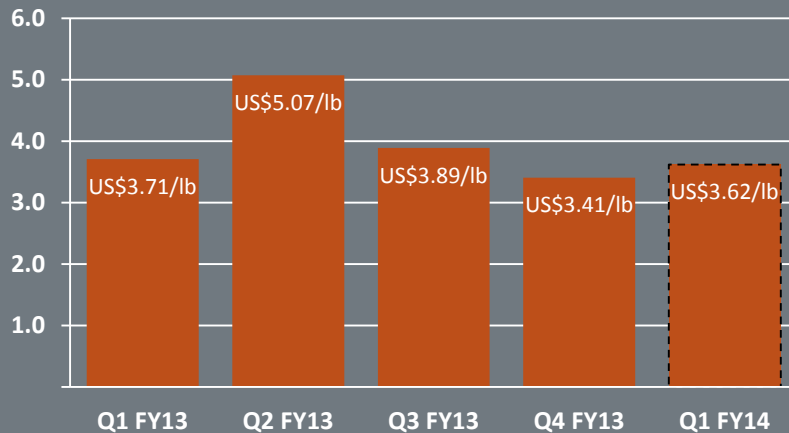
■ MATERIAL MINED (Mt)



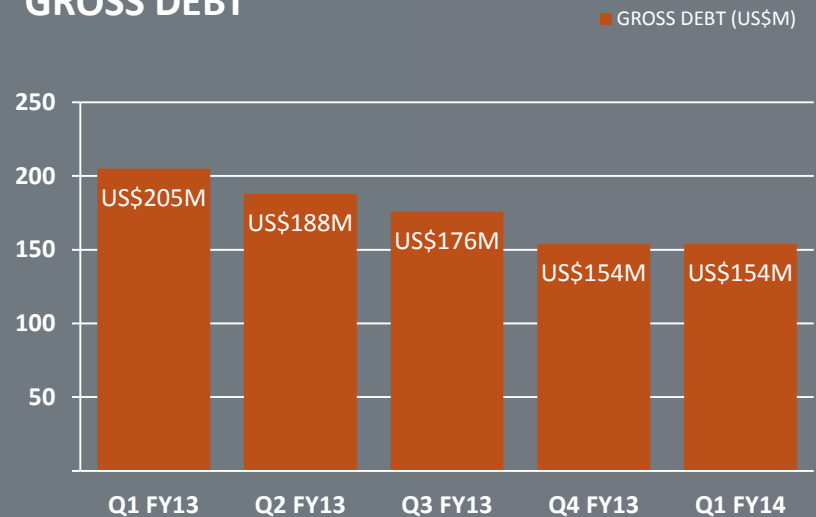
Key financial achievements FY13

- > \$51m in debt repayments
 - > Debt Services Reserve Account – cash balance \$8m
- > Continued lender support
- > Improvement in C1 cash costs

C1 CASH COSTS*



GROSS DEBT



* C1 cash cost includes all site costs, selling & distribution costs and silver by-product credits divided by the pounds of copper metal produced

Issues from FY13

Underperformance of the mine versus initial expectations

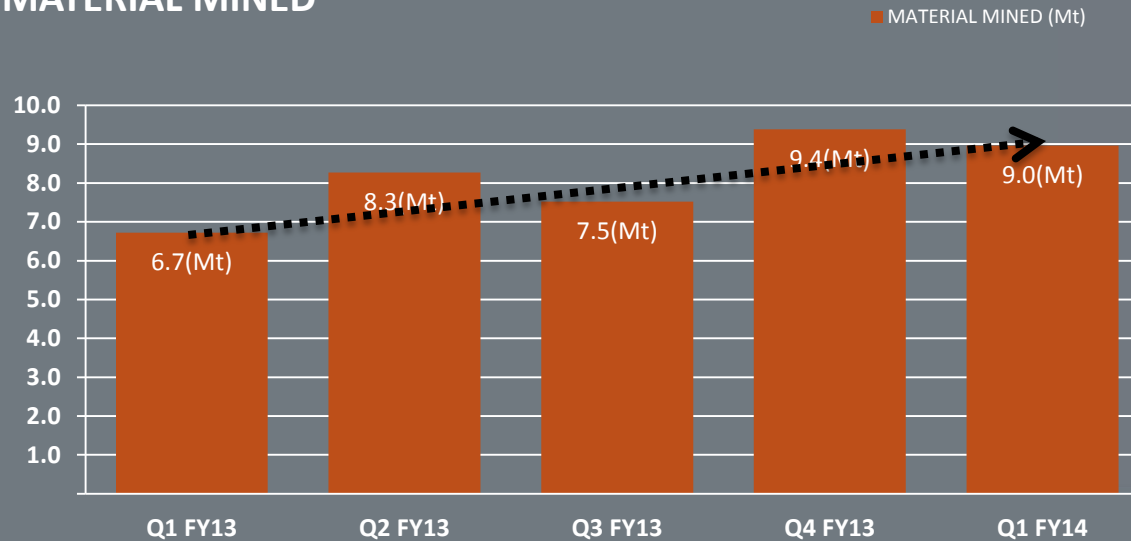
- > Upside opportunities exist into the future
 - > Increased total material movement
 - > Improved grade and ore quality
 - > Processing improvements
- > High operating costs, with reductions underway
- > Liquidity constraints
- > Loss of shareholder and market credibility

Underperformance of mine – Total Material Movement

REMEDIES

- > Better utilisation of equipment
- > Improve mine planning and scheduling
- > New and improved mine leadership

MATERIAL MINED



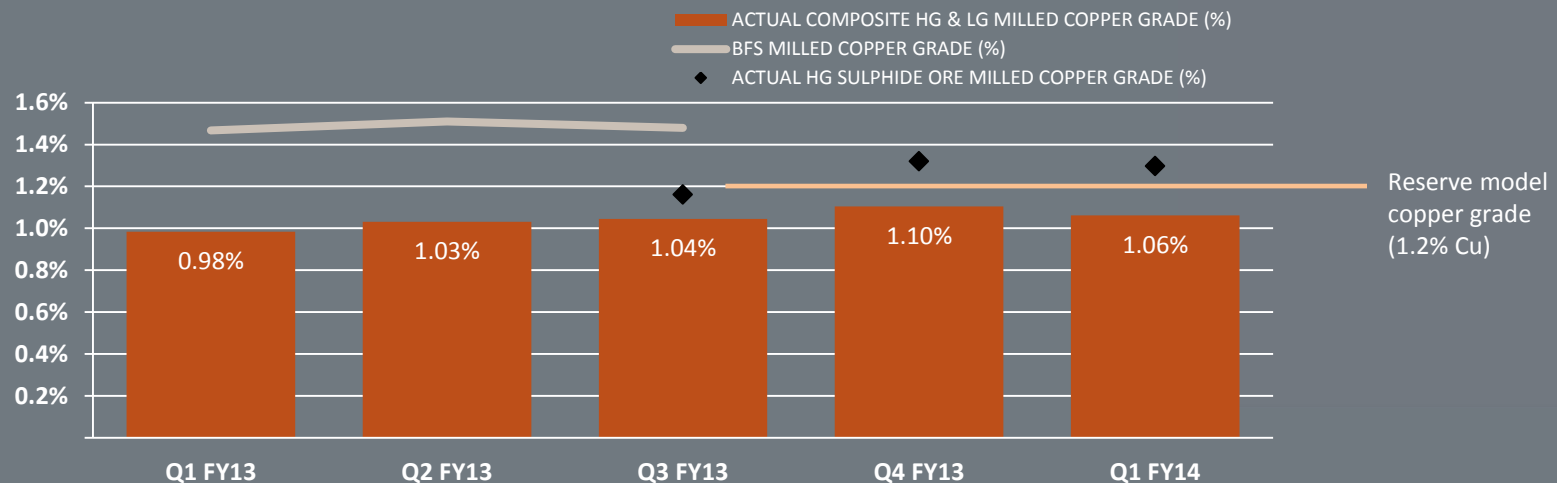
Underperformance of mine – Grade

- > Actual HG sulphide milled copper grade of 1.3% in Q1 FY14 compared to Bankable Feasibility Study (BFS) milled copper grade of 1.5%

REMEDIES

- > New resource model
- > Operating discipline in relation to dilution
- > Constructing a geometallurgical model

MILLED COPPER GRADE ACTUAL VS BFS

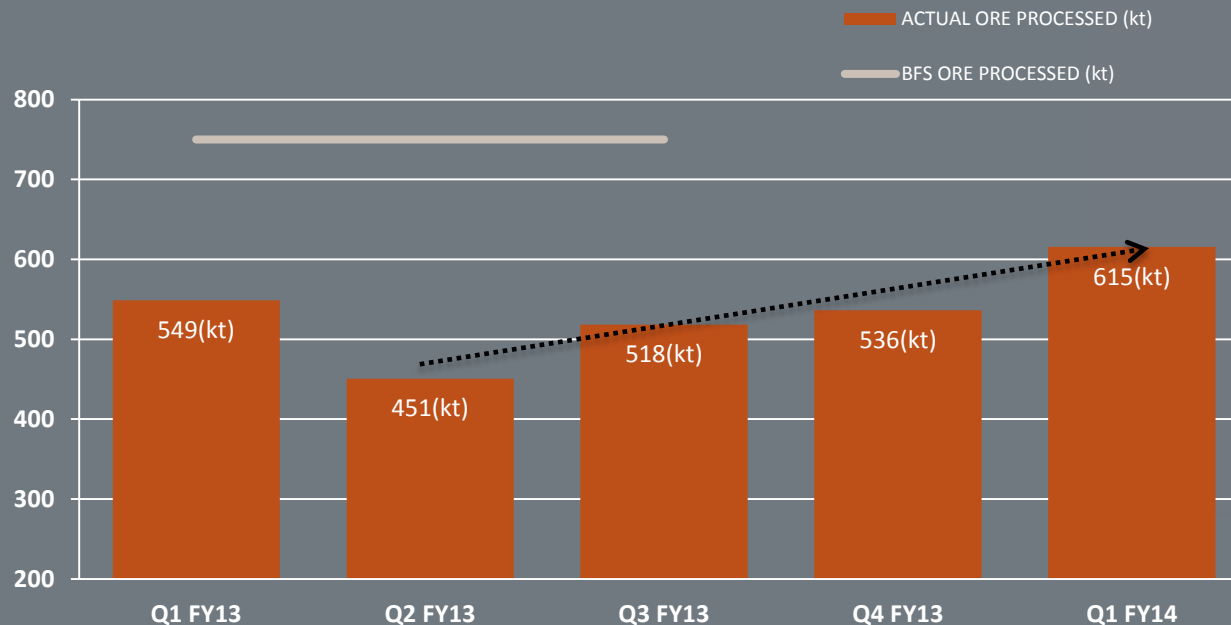


Comments on processing optimisation

REMEDIES

- > Throughput rate has increased quarter on quarter, exceeding the original design capacity on an hourly basis
- > Better ore scheduling
- > Optimisation of mill operating practice and discipline

ORE PROCESSED ACTUAL VS BFS



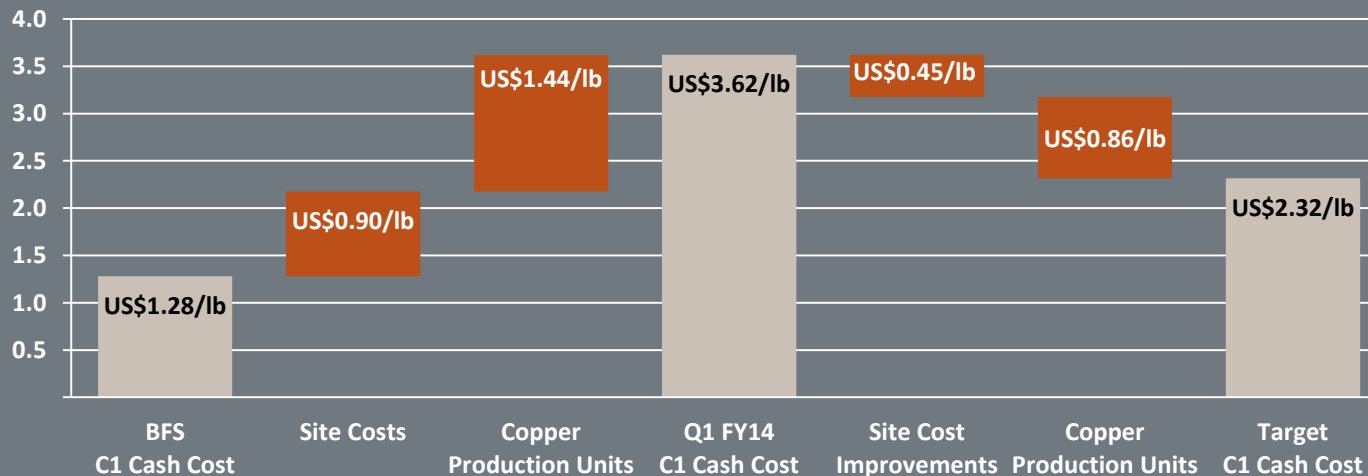
Issues from FY13

High cash costs

REMEDIES

- > Increasing metal units
- > Reduce site operating costs
 - > Site organisational change
 - > Power cost reduction
 - > Reducing fuel and concentrate transport costs
- > Reduction of corporate costs

C1 CASH COST *



* C1 cash cost includes all site costs, selling & distribution costs and silver by-product credits divided by the pounds of copper metal produced



The Boseto plant at night

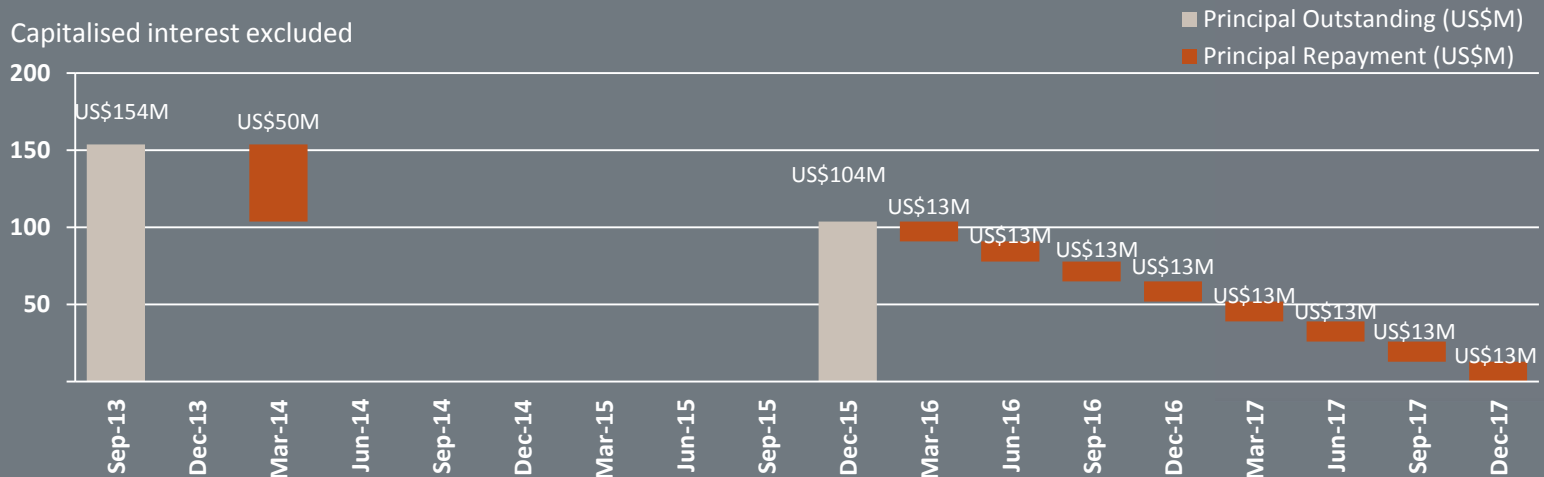
Liquidity

PROPOSED REMEDIES

- > Strengthening cash flows in light of reduced costs and improved Cu production
- > Refinancing Package Q3 FY14
 - > Blumont Convertible Bond, Project Loan re-profile, SPP
 - > Dispatch of documentation in December 2013 for a January meeting to consider the proposed transaction
 - > Debt repayment deferral until Q3 FY16

PROPOSED RESTRUCTURED GROUP DEBT REPAYMENT PROFILE

Capitalised interest excluded



Our plan for the year ahead

4 key *action points* for 2014

1. Stabilise and improve production at Boseto.
2. Further lower our costs.
3. Progress the Blumont recapitalisation to completion.
4. Maximise value from mineral resources.



Summary

- > The Company has improved operational stability
- > Cost reductions have been achieved and are continuing
- > Copper production and total material movement are increasing
- > Our existing mineral base provides scope for improvements to the Boseto project and its surrounding potential





Thank you

for your continued support of Discovery Metals Limited

Concentrate bags ready for shipment

Key Contact Details

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- > Paul Frederiks - *CFO, Company Secretary*
Ph: +61 7 3218 0222 Paul.Frederiks@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 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.

Boseto Ore Reserves

Ore Reserves ¹	ZETA			PLUTUS			TOTAL		
Open Pit ²	Mt	Cu (%)	Ag (g/t)	Mt	Cu (%)	Ag (g/t)	Mt	Cu (%)	Ag (g/t)
Proved	1.7	1.3	20	4.8	1.2	11	6.5	1.2	13
Probable	0.05	1.2	17	1.2	1.4	16	1.3	1.4	16
Open Pit Ore Reserves	1.8	1.3	20	6.0	1.2	12	7.7	1.2	14
Underground ³	Mt	Cu (%)	Ag (g/t)	Mt	Cu (%)	Ag (g/t)	Mt	Cu (%)	Ag (g/t)
Proved	0.9	1.2	21				0.9	1.2	21
Probable	6.4	1.3	23				6.4	1.3	23
Underground Ore Reserves	7.3	1.3	23				7.3	1.3	23
TOTAL ORE RESERVES⁴	9.0	1.3	22	6.0	1.2	12	15.0	1.3	18

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 $CuEq\% = Cu\% + 0.0113 \times Ag (g/t)$.

⁴ Please refer to Competent Persons Statement.

Boseto Mineral Resources

Mineral Resources	2013 Estimate ¹			Previous Estimate ²		
	Mt	Cu (%)	Ag (g/t)	Mt	Cu (%)	Ag (g/t)
Plutus	82.1	1.3	12	86.9	1.4	13
Zeta	18.8	1.5	24	44.1	1.3	22
Total Boseto Copper Project	100.9	1.4	14	131.0	1.3	16

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

Inferred Mineral Resources ¹			
Prospect	Mt	Cu (%)	Ag (g/t)
Selene	16.0	1.0	16
Zeta NE	12.9	1.3	22
Ophion	14.0	1.0	12
NE Mango 1	4.8	1.2	13
NE Mango 2	28.5	1.3	14
TOTAL²	76.2	1.2	15

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.

Mineral Resources Summary

	Mt	Cu (%)	Ag (g/t)
Boseto Mineral Resources¹	100.9	1.4	14
Additional Boseto Zone Mineral Resources²	76.2	1.2	15
TOTAL MINERAL RESOURCES³	177.1	1.3	15

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 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.

³ Please refer to Competent Persons Statement.

DML Board of Directors



Jeremy Read (Chairperson)

More than 20 years domestic and international minerals exploration experience and was the founding Managing Director of Discovery Metals Limited.



Ribson Gabonowe (Non-Executive Director)

A mining engineer with over 30 years experience in the mining industry and a former Director of Mines of Botswana.



Russell Luxford (Non-Executive Director)

Russell Luxford is an engineer with over 30 years' experience in the mining industry working in senior technical and managerial positions for Citadel Resources Group, Ma'aden, WMC, Rio Tinto, RGC and others.