

28 February 2014

LENDERS UPDATE

Discovery Metals Limited (ASX/BSE: DML) (**Discovery Metals**, or the **Company**) provides a further update in regards to its Boseto Project Finance Facility (**PF Facility**) and its Single Currency Revolving Facility Agreement (**SCRFA**).

The principal amount outstanding under the PF Facility is \$128.9 million, with \$1.9 million interest also outstanding, and under the SCRFA the principal outstanding is \$25.0 million with \$0.4 million in interest also outstanding. Further, Discovery Metals has \$3.4 million cash on hand and a further \$6 million in cash in a Debt Service Reserve Account.

Discovery Metals has previously announced to the market various changes to the repayment schedule for the PF Facility (**Repayment Schedule**) in the form of formal waivers from its lenders.

On 17 February 2014, Discovery Metals advised the market that its lenders had granted a waiver such that the schedule repayment date for the principal repayment of \$17.5 million was deferred until 31 March 2014, and that all interest owing up until 15 February 2014 on the PF Facility and SCRFA had been deferred until 28 February 2014.

Discovery Metals today advises the market that the Company's lenders have a further waiver to the Repayment Schedule such that all interest owing up until 28 February 2014 on the PF Facility and the SCRFA has been deferred until 15 March 2014 while discussions between Discovery Metals and various external parties to a large-scale recapitalisation of the Company continue.

Table 1 – Revised Principal Repayment Schedule for the PF Facility and the SCRFA

Principal Due	PF Facility US\$	SCRA Facility US\$
31-Mar-14	37,500,000	-
29-Apr-14	-	25,000,000
30-Jun-14	20,000,000	-
31-Sep-14	16,000,000	-
31-Dec-14	18,000,000	-
31-Mar-15	37,360,000	-
Total	128,860,000	25,000,000

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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

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