

# DIKOLOTI NICKEL PROJECT Joint Venture Agreement Signed

Discovery Metals Limited (ASX/BSE: DML) (**Discovery Metals, DML or the Company**) is pleased to announce the agreement of a new joint venture programme with the Japan Oil, Gas and Metals National Corporation (**JOGMEC**) and BCL Limited (**BCL**) for the Dikoloti Nickel Project (**Dikoloti Project**) in north-east Botswana (**New JV**).

The Dikoloti Project comprises three prospecting licences covering an area of 283km<sup>2</sup> surrounding the three nickel deposits of BCL in the Selebi-Phikwe region of north-east Botswana.

An Inferred Mineral Resource of 4.1Mt @ 0.7% Ni, 0.5% Cu and 1.2 g/t PGE's at a cut-off of 0.5% Ni for 28,700 tonnes of contained nickel has been reported in accordance with the guidelines of the JORC Code 2004. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

In 2009 DML signed a joint venture agreement with JOGMEC. The agreement provided for JOGMEC to earn an interest of up to 60% in the Dikoloti Project by funding exploration of A\$3.0M with DML acting as Operator. Subsequently, following further expenditure by JOGMEC, it increased its participating interest in the Dikoloti Project to 72.0% while DML retained 27.9% as of December 2013 (**JOGMEC-DML JV**).

The new agreement between DML, JOGMEC and BCL represents the next step in progressing the Dikoloti Project towards production. Under the terms of the new agreement:

- > the JOGMEC-DML JV grants to BCL the exclusive right to acquire a 51.0% interest in the Dikoloti Project (**BCL Participating Interest**). The BCL Participating Interest will only be achieved if BCL is able to convert the prospecting licences (which make up the Dikoloti Project) into "mining licences" under applicable Botswana law and will be established at the time the mining licences are issued;
- > if BCL is able to do this by 31 December 2014 or such other agreed date between the parties, during an additional prospecting licence period, then under the New JV, BCL will have earned the BCL participating interest and the participating interests of JOGMEC and the Company in the Dikoloti Project will be reduced to 35.3% for JOGMEC and 13.7% for the Company;
- > BCL will be the "Operator" of the New JV when the BCL Participating Interest is achieved;
- > JOGMEC, DML and BCL will thereafter continue to explore, and each party will be responsible to fund its pro rata share of future costs under the New JV.

Discovery Metals Management believes that the New JV underscores the potential value of the Dikoloti Project. The Dikoloti Project was the Company's first project in Botswana and, whilst the Company's main focus has been the Boseto Copper Project, the Dikoloti Project remains a very interesting nickel sulphide resource with significant upside potential. BCL is ideally positioned to take the Dikoloti Project into production as they are able to utilize their extensive existing infrastructure and experience with this type of deposit.

Discovery Metals is delighted to work with such highly credentialed joint venture partners as JOGMEC and BCL.

Further information on the Dikoloti Project can be found on the Company's website [www.discoverymetals.com](http://www.discoverymetals.com).

#### About JOGMEC

JOGMEC was established on 29 February 2004 as a merger of several Japanese government agencies. JOGMEC's charter incorporates that of the former Metal Mining Agency of Japan, which was in charge of ensuring a stable supply of nonferrous and mineral resources.

Further information on JOGMEC and its operations can be found on JOGMEC's website [www.jogmec.go.jp](http://www.jogmec.go.jp).

#### About BCL Limited

BCL Limited own and operate a nickel-copper mine and smelter located in the Selebi-Phikwe town, which lies approximately 410 kilometres north of Gaborone, Botswana.

The mine's annual production is 2.8 million tonnes (Mt) of ore, with the smelter operating since 1980 at an annual rate of approximately 50,000 tonnes of a nickel copper matte.

Further information on BCL and its operations can be found on BCL's website [www.bcl.bw](http://www.bcl.bw).

## COMPETENT PERSONS STATEMENT

The information in this announcement that relates to the Dikoloti Project is based on information compiled by Fredrick Nhiwatiwa, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Fredrick Nhiwatiwa is a full-time employee of Discovery Metals Limited. Fredrick Nhiwatiwa has sufficient experience which is relevant to the style of mineralisation and type of 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'. Fredrick Nhiwatiwa consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## 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 km<sup>2</sup> in Botswana.

**Further information on the Company including Mineral Resources and Ore Reserves is available on our website:  
[www.discoverymetals.com](http://www.discoverymetals.com)**

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