

LENDERS UPDATE

Discovery Metals Limited (ASX/BSE: DML) (**Discovery Metals, DML or the Company**) announces that its lenders have requested further time to consider the updated financial model and development plan for the proposed underground mining operations (**Business Plan**) at the company's wholly owned Boseto copper Project.

Each party has agreed to this extension and continues to work co-operatively to finalise completion of this review, which is a condition subsequent to the Debt Re-Profile (refer to ASX announcement of 21 July 2014).

At the date of this announcement, DML is not aware nor has it been advised of any issues or concerns on the part of its lenders in regard to their review of the Business Plan. Rather, the lenders require more time than originally anticipated to review the extensive technical material provided by DML that underpin the assumptions in the Business Plan, relating to both the proposed Zeta underground mine and the overall life of mine operating schedule.

Business Plan

DML's wholly owned subsidiary, Discovery Copper (Botswana) (Proprietary) Limited (**DCB**) was required to deliver an updated Business Plan, in a form and substance acceptable to the lenders and a lender appointed independent technical expert by 31 August 2014 (**Condition**). The Company provided the updated Business Plan to the lenders on 15 August 2014 and has met all the deadlines required of it under the Debt Re-Profile process.

The lenders have requested that the date by which the Condition must be satisfied is extended to 12 September 2014.

Under the requirements of the Debt Re-Profile, the Lenders must as soon as practicable but no later than 20 business days following, advise the Company of the final repayment schedule in accordance with the agreed Business Plan. Given the extension to the Condition, the Company and the lenders have mutually agreed to reduce this time frame to 5 business days.

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 Operation.

The Kalahari Copperbelt sediment-hosted mineralisation of the Boseto Copper Operation 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:

Bob Fulker - CEO

Phone: +61 7 3218 0222 / Email: Bob.Fulker@discoverymetals.com

Kerry Parker - CFO and Company Secretary

Phone: +61 7 3218 0222 / Email: Kerry.Parker@discoverymetals.com
