

SUCCESSFUL TRANSAMINE PLACEMENT RAISES \$2.8 MILLION

Highlights

- > Placement to Transamine Trading S.A. successfully completed, raising AUD\$2.8 million.
- > Placement completed at a price of AUD\$0.03451 per share, which is an 8% premium to the closing price on 28 May 2014.
- > Transamine Trading S.A. will increase its stake in Discovery Metals to 18.6%.

Placement to Transamine Trading S.A.

Discovery Metals Limited (ASX/BSE: DML) (**Discovery Metals, DML or the Company**) is pleased to announce that it has successfully completed a placement with Transamine Trading S.A. (**Transamine**), raising AUD\$2.8 million for the Company (**Placement**).

The Company issued 84,005,163 fully paid ordinary shares at the price of AUD\$0.03451 cents per share (**Placement Price**). The Placement Price was calculated according to the 5-day volume weighted average price for the Company up to and including 27 May 2014, which is an 8% premium to the closing share price on 28 May 2014. Prior to the Placement, Transamine held 6.4% in the Company and was the second largest shareholder. Transamine will now hold an 18.6% stake in the Company, making it the largest shareholder in Discovery Metals.

As part of the Placement, the Company has agreed to appoint a nominee of Transamine to the Company's Board.

Discovery Metals Chairman, Mr Jeremy Read, commented "It is pleasing to announce that one of the Company's largest investors and most important strategic partners has made this investment in the Company. We have a productive and value adding relationship with Transamine and we appreciate their continued support. I look forward to working with the Transamine nominee on the Board of Discovery Metals, as this will further strengthen our commercial relationship."

It is intended that the proceeds from the equity raising will be used to strengthen the Company's working capital. The Company still intends to offer a pro-rata rights issue to shareholders before the end of the year to raise funds to commence the development of the Zeta Underground Mine (**Entitlement Offer**). Details of the Entitlement Offer will be released in due course.

About Transamine Trading S.A.

In 2010, the Company established a long term strategic alliance with Transamine through a copper concentrate sales contract. The contract covers 100% of the Boseto concentrate for a minimum 5 year period, with an option to renew for a further 12 months. There are currently three years remaining under the contract.

29 May 2014

Transamine is one of the oldest, independent, privately held commodities trading companies in the world specialising in raw materials. It provides services in marketing, raw material sourcing, finance and investment worldwide, with a core business focus on non-ferrous metals. Founded in 1953, Transamine has proven its adaptability, reliability and flexibility in increasingly globalised markets and the changing needs of its client base. Today headquartered in Geneva Switzerland, Transamine is an energetic and alert outfit that moves quickly with the times while remaining true to its core values. Throughout the decades Transamine continues to be a trusted and acknowledged name in the mining industry.

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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