

DISCOVERY METALS LIMITED



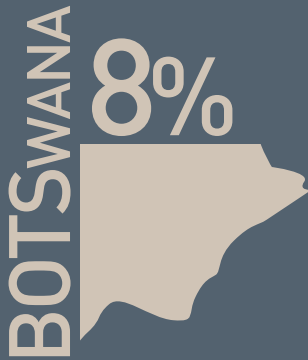
COPPER PRODUCTION COMMENCES 2012

# ANNUAL REPORT 2011

dml

DISCOVERY METALS LIMITED

# SHAREHOLDERS BY DOMICILE



## SHAREHOLDER DISSECTION 2011

\*Based on top 100 investors



## A YEAR OF ACHIEVEMENTS

- |                    |   |                     |  |                     |   |                   |   |                    |  |                   |  |
|--------------------|---|---------------------|--|---------------------|---|-------------------|---|--------------------|--|-------------------|--|
| <b>13 AUG 2010</b> | Boseto Initial Reserve                  | <b>2 SEPT 2010</b>  | Boseto Notice to Proceed with construction | <b>28 SEPT 2010</b> | Renewal of Copper Tenements in Ngamiland      | <b>1 NOV 2010</b> | Surface rights granted at Boseto Copper Project                                     | <b>10 NOV 2010</b> | Exploration success 40km away from the Boseto Copper Project | <b>2 DEC 2010</b> | Boseto Project receives 3Mtpa Environmental Approval |
| <b>31 AUG 2010</b> | Boseto BFS and Development Plan Booklet | <b>20 SEPT 2010</b> | Kalahari Copperbelt Exploration Update     | <b>28 OCT 2010</b>  | Zeta Drilling enhances Underground Mine Plans | <b>4 NOV 2010</b> | Fully Underwritten Institutional Placement and Rights Issue to raise A\$142 million | <b>21 DEC 2010</b> | Boseto Mining Licence Approved                               |                   |  |

# STATEMENT OF FINANCIAL POSITION

US\$000's	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11
<b>Assets</b>								
Cash	2,304	1,004	1,021	2,433	5,320	7,085	33,530	88,807
Other current	39	55	59	289	378	354	670	5,857
Botswana tenements	0	1,676	2,319	5,247	11,140	18,523	28,878	37,771
Australian tenements	1,009	1,118	557	637	674	0	0	0
Property, Plant & Equipment	1	28	109	228	411	415	1,157	95,159
<b>TOTAL ASSETS</b>	<b>3,353</b>	<b>3,881</b>	<b>4,065</b>	<b>8,833</b>	<b>17,924</b>	<b>26,377</b>	<b>64,235</b>	<b>227,594</b>
<b>Liabilities</b>								
Payables	116	174	110	1,039	1,260	1,113	829	19,425
Provisions	0	0	16	21	22	128	264	3,807
<b>TOTAL LIABILITIES</b>	<b>116</b>	<b>174</b>	<b>126</b>	<b>1,060</b>	<b>1,282</b>	<b>1,241</b>	<b>1,093</b>	<b>23,232</b>
<b>EQUITY</b>								
Retained Earnings	0	(930)	(2,404)	(4,379)	(5,924)	(9,162)	(12,480)	(16,592)
Current Year Earnings	(930)	(1,474)	(1,975)	(1,546)	(3,238)	(3,317)	(4,112)	(14,546)
Contributed Equity	4,450	6,056	8,311	12,628	22,371	35,130	75,480	213,017
Reserves	(283)	55	7	1,070	3,433	2,487	4,254	22,483
<b>TOTAL EQUITY</b>	<b>3,237</b>	<b>3,707</b>	<b>3,939</b>	<b>7,774</b>	<b>16,641</b>	<b>25,136</b>	<b>63,142</b>	<b>204,362</b>
Shares issued - Million	39.0	54.0	72.2	95.8	130.1	190.1	301.0	437.1
Price - A\$	\$0.17	\$0.21	\$0.19	\$0.44	\$0.47	\$0.25	\$0.68	\$1.20
<b>Market Capitalisation A\$M</b>	<b>\$7</b>	<b>\$11</b>	<b>\$14</b>	<b>\$42</b>	<b>\$61</b>	<b>\$49</b>	<b>\$205</b>	<b>\$525</b>
<b>Net Assets US\$ Million</b>	<b>\$3</b>	<b>\$4</b>	<b>\$4</b>	<b>\$8</b>	<b>\$17</b>	<b>\$25</b>	<b>\$63</b>	<b>\$204</b>

24 DEC 2010

High Grades Persist in Second Set of Results at Zeta

10 FEB 2011

Boseto Debt Finance mandated

28 APR 2011

Zeta Underground Infill Drilling Success

13 JUL 2011

New areas of Mineralisation delineated by drilling in the Boseto Zone

27 JUL 2011

Boseto Debt Drawdown & Hedging complete

1 SEPT 2011

Ghanzi Copper Licences Renewed

4 JAN 2011

New Manganese Prospecting Licences Granted in Botswana

11 MAR 2011

Zeta Underground Infill Drilling Complete

2 JUN 2011

Mineralised Depth Doubled at Plutus with High Grade Copper Intersections

24 JUN 2011

Boseto Financing received Credit Approval

21 JUL 2011

Encouraging Drilling Results confirm Copper-Silver Mineralisation in the mid Kalahari Zone

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**MARKET CAP**  
AND ENTERPRISE VALUE JUNE 11

**437m** **77%**  
SHARES ON ISSUE INCREASE

**MARKET CAP** **A\$529M**  
**SHARE PRICE** **A\$1.21**

**US\$477M** **US\$89M**  
ENTERPRISE VALUE NET CASH



**SIGNIFICANT**

SHAREHOLDERS VALUE SEPTEMBER 11

13.4%  
MACQUARIE BANK

9.6%  
TAURUS FUND

NATIONAL 5%  
AUSTRALIA BANK

M&G 6.0%  
INVESTMENTS

8.2%  
TRANSAMINE