

ANNEXURE A

OPT OUT AND CLAIM REGISTRATION NOTICE

NOTICE OF RIGHTS TO:

(1) REGISTER YOUR INTEREST TO PARTICIPATE IN ANY SETTLEMENT

OR

(2) OPT OUT OF THE CLASS ACTION

This notice is an important document which may affect your legal rights. **You should read this notice carefully** and, if you do not understand any part of it, you may wish to seek legal advice in relation to its content.

1. What is this Notice?

On 2 August 2017, a class action was commenced in the Supreme Court of New South Wales by Alan Smith on his own behalf and behalf of the all persons who are “Group Members”, as defined below in section 2 of this notice. The action is against KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007 363 215) (**KPMG Advisory**) and relates to an expert valuation of Discovery Metals Limited (**DML**) prepared by KPMG Advisory in November 2012.

The valuation was commissioned by the DML board to support a recommendation to shareholders in respect of an off-market takeover bid made in October 2012 by Cathay Fortune Investment Limited.

The Plaintiff alleges in the further amended statement of claim filed in the New South Wales Supreme Court, proceedings no 2017/00234966, that he and other Group Members suffered loss and damage as a result of KPMG Advisory:

- making misleading or deceptive statements within the meaning of section 670A(1)(h) of the *Corporations Act 2001* (Cth) in its Report which supplemented DML’s target statement released to the ASX on 23 November 2012; and
- breaching its duty of care to the Plaintiff and Group Members in forming and expressing the opinion that the takeover offer of \$1.70 per share made by Cathay Fortune Investment Limited was not fair and reasonable.

KPMG Advisory denies these allegations and is defending the class action.

On 17 November 2017, the Supreme Court of New South Wales made orders regarding the issue of an Opt Out Notice. A Notice approved by the Court attaching an Opt Out Notice was sent to each of the security holders recorded on the Australian share register of DML who held securities between 23 November 2012 and 15 February 2013, other than those persons referred to in sub-paragraphs 3.3, 3.4 and 3.5 of the further amended statement of claim.

Since that time, the solicitors for the Plaintiff became aware of the ASX Clearing Rule known as the 'T+3' rule, which means that the settlement and registration of share trades are taken to occur three days after the execution of the purchase or sale contract. This means that shareholders who bought or sold DML shares on 13, 14 and 15 February 2013 were not recorded on the DML share register showing security holders between 23 November 2012 and 15 February 2013 and were not sent an Opt Out Notice in accordance with the orders made on 17 November 2017.

You have received this notice because it appears the settlement and registration of your shareholding in DML was affected by the 'T+3' rule and so you were not sent an Opt Out Notice previously.

(A) Participation in any Settlement

The Supreme Court has referred the DML Class Action to a mediation which is to occur by no later than 30 November 2018.

The Supreme Court has ordered that this Notice be published for the information of persons who are members of the group on whose behalf the DML Class Action is brought.

If you held shares in DML listed on the Australian Securities Exchange (**ASX**) in the period between 23 November 2012 and 15 February 2013 and continued to hold those shares after 15 February 2013 for a period of time, you should read this Notice carefully as it will affect your ability to receive a share of settlement monies which may result from an in principle settlement of the DML Class Action (subject to the approval of the Court).

If you wish to have your claim considered as part of any Settlement and receive a share of settlement monies resulting from any Settlement, you must apply to register by completing and submitting the online DML Group Member Registration Form. More information concerning claims registration appears in Section 5 below.

(B) Opt Out

If you do not wish to remain a Group Member you must opt out of this class action by completing an "Opt Out Notice" in the form shown at Annexure 1 to this notice. More information concerning Opting Out appears in Section 6 below.

2. Who are the "Group Members"?

The Supreme Court of New South Wales has ordered that this notice be published for the information of persons who might be members of the class on whose behalf the action is brought and may be affected by the action. You are a member of the class (**Group Member**) if you:

- held shares in DML in the period between 23 November 2012 and 15 February 2013 and continued to hold shares in DML after 15 February 2013 for a period of time;

3.

- have suffered loss or damage by or resulting from the conduct of KPMG Advisory alleged in the further amended statement of claim;
- are not those persons listed in s 159(2) of the *Civil Procedure Act 2005* (NSW);
- are not Cathay Fortune Corporation, China-Africa Development Fund or Cathay Fortune Investment Limited, and are not related entities of those companies, within the meaning of section 9 of the *Corporations Act 2001* (Cth); and
- were not a director of DML at the relevant time, or any companies related to any director of DML.

If you are unsure whether or not you are a class member, you should contact Piper Alderman by email at discoverymetals@piperalderman.com.au or seek your own legal advice without delay.

3. What is a class action?

A class action is an action that is brought by one person (“the Plaintiff”) on his or her own behalf and on behalf of a group of people (“Group Members”) against another person (“the Defendant”) where the Plaintiff and the Group Members have similar claims against the Defendant.

Group Members in a class action **are not** individually responsible for the legal costs associated with bringing the class action. In a class action, only the Plaintiff is responsible for the costs.

Group Members are bound by any judgment or settlement entered into in the class action unless they have opted out of the proceeding. This means that:

- if the class action is successful, Group Members may be eligible for a share of any settlement monies or Court-awarded damages;
- if the class action is unsuccessful, Group Members are bound by that result; and
- regardless of the outcome of the class action, Group Members will not be able to pursue their claims against the Defendant in separate legal proceedings unless they have opted out.

4. Will you be liable for legal costs if you remain a Group Member?

You will **not become liable for any legal costs** simply by remaining as a Group Member for the determination of the common questions. However:

- if the preparation or finalisation of your personal claim requires work to be done in relation to issues that are specific to your claim, you will need to engage a solicitor to do that work for you. Piper Alderman will be in a position

to provide that service. A copy of the terms on which Piper Alderman are acting in the class action may be obtained from them on request; and

- if any compensation becomes payable to you as a result of any order, judgment or settlement in the class action, the Court may make an order that some of that compensation be used to help pay a share of the costs which are incurred by the Plaintiff in running the class action but which are not able to be recovered from the KPMG Advisory, referred to as a “common fund order”. Be advised, the Plaintiff intends to make an application to the Court for this type of order prior to any distribution to Group Members is made in the proceedings.

Class actions are often settled out of court. If this occurs in the class action, you may be able to claim from the settlement amount without retaining a lawyer.

5. If you wish to remain a Group Member

If you have already signed a Member Agreement with LCM in relation to the DML Class Action, you are deemed to have already registered and are automatically eligible to receive a share of settlement monies (if any) which may result from a Settlement, provided you contact Piper Alderman to provide full details concerning your dealings in DML shares.

If you are a Group Member in the DML Class Action, and have not signed a Member Agreement with LCM, you must select one of the following options by 12 October 2018:

Option 1 – Register your interest to participate in a Settlement

If you wish to make a claim for any loss you may have suffered as a result of KPMG Advisory’s alleged conduct and for your claim to be considered at any negotiations in connection with a Settlement and for you to receive a share of settlement monies which may result from a Settlement, you must complete the online DML Group Member Registration Form available on the DML Class Action website, accessible at www.DMLClaimRegister.com.

When you register, you will be asked to submit the following information:

- (a) your name, address, and either a telephone number or email address;
- (b) your Holder Identification Number (HIN) or Security Reference Number (SRN);
- (c) the number of DML securities you held prior to the commencement of trading on the ASX on 23 November 2012 and any trades in DML securities that occurred on or after this date;
- (d) for each purchase of DML securities between 23 November 2012 and 31 August 2015, all transactional information regarding the purchase including:
 - (1) the date of your purchase;

- (2) the quantity of securities you purchased; and
 - (3) the consideration you paid (including brokerage).
- (e) for each sale of DML securities between 23 November 2012 and 31 August 2015, all transactional information regarding the sale, including:
- (1) the date of your sale;
 - (2) the quantity of securities you sold; and
 - (3) the consideration you received (net of brokerage).

Failure to provide the information referred to at (b), (c), (d) or (e) above will not invalidate your registration, but you may be asked to provide some or all of the information after you have registered in order to verify your claim prior to any Settlement. If your claim cannot be verified, it may not be accepted in any Settlement.

Importantly, DML Group Member Registration Forms must be completed online before 4.00 pm on **12 October 2018**. Registration Forms completed after this time will not be accepted and, subject to any order of the Court, you will be treated as having not responded to this Notice (see Option 3 below). If you have difficulties in completing the online Registration Form, you can call the DML Class Action Information Line on 1300 070 736 (within Australia) or +61 3 9415 4130 (outside Australia) Monday to Friday 8.30am to 5.00pm (EST).

Option 2 – Apply to the Supreme Court to vary orders regarding registration protocol

If you wish to challenge the orders made by the Supreme Court in relation to Option 1 above, you must send a written notice to Piper Alderman setting out the challenge you will make and the reasons for that challenge. You will be required to attend the Supreme Court in Sydney at a later date in order to have your challenge heard and decided by the Court.

Any notice challenging the Supreme Court orders must be delivered to Piper Alderman before 4.00 pm on 21 September 2018. Any such notice received after this time will not have any effect.

Option 3 – Not respond to this Notice

If you do nothing, i.e. you do not act in accordance with Options 1 or 2 above, you will remain a Group Member in the DML Class Action and be bound by any judgment or Settlement in the proceeding. However if there is a Settlement, you will not be entitled to seek any benefit from that Settlement.

In other words, if you do nothing, you will lose your right to share in the proceeds of a Settlement with KPMG Advisory in relation to the matters the subject of the allegations made against KPMG Advisory in the DML Class Action.

If Mr Tredrea and KPMG Advisory reach a Settlement, Mr Tredrea will seek orders that are commonly sought in relation to the settlement of class actions. The effect of these orders will be that all Group Members as defined in the DML Class Action will be bound by the Settlement of that proceeding and will be prohibited from bringing a further claim against KPMG Advisory in relation to the same issues as are raised in the DML Class Action. If these orders are made, this will mean that Group Members in the DML Class Action will not be permitted to continue claims against KPMG Advisory in relation to the same issues as are raised in the DML Class Action.

6. If you **do not** wish to remain a Group Member

If you do not wish to remain a Group Member you must “opt out” of the class action. If you opt out you will not be bound by or entitled to share in the benefit of any order, judgment or Settlement in the class action, but you will be at liberty to bring your own claim against KPMG Advisory, provided that you issue Court proceedings within the time limit applicable to your claim. If you wish to bring your own claim against KPMG Advisory, you should seek your own legal advice about your claim and the applicable time limit **prior** to opting out.

If you wish to opt out of the class action you **must** do so by completing an “Opt-Out Notice” in the form shown below (Form 115.v2 UCPR 58.2 of the Supreme Court’s approved forms), then returning it to the Registrar of the New South Wales Supreme Court at the address on the form.

IMPORTANT: the Opt Out Notice must reach the Registrar by no later than 12 October 2018 otherwise it will not be effective.

Each Group Member wishing to opt out should fill out a separate form. If you are opting out on behalf of a company or business please provide your name, the name of the company or business and your position within the company or business (e.g. director or partner).

7. Where can you obtain copies of relevant documents?

Copies of relevant documents, including the further amended statement of claim and the defence may be obtained by:

- contacting Piper Alderman on: discoverymetals@piperalderman.com.au; or
- inspecting them between 9am and 5pm at one of the offices of Piper Alderman, contact details for which are available from www.piperalderman.com.au.

Please consider the above matters carefully. If there is anything of which you are unsure, you should contact Piper Alderman by email on: discoverymetals@piperalderman.com.au or seek your own legal advice. You should not delay in making your decision.

8. Important Note regarding Funding Equalisation Orders and Common Fund Orders

If any compensation becomes payable to you as a result of any order, judgment or Settlement in the DML Class Action, the Court may order that some of that compensation be used to pay a portion of the legal costs incurred by Mr Smith and Mr Tredrea in running the DML Class Action against KPMG Advisory.

Mr Tredrea may also seek an order that part of any compensation that becomes payable to Group Members who have not signed a Member Agreement with LCM is paid to LCM in return for LCM funding the DML Class Action. Alternatively, Mr Tredrea may apply for orders that entitle LCM to recover an equal amount from each Group Member, whether or not they have signed a Member Agreement with LCM.

9. Legal Work specific to your claim

If the DML Class Action resolves by way of a judgment in favour of Mr Tredrea or by way of a negotiated Settlement, then the finalisation of your individual claim may require work to be done which is specific to your claim. If such work is required, you may need legal assistance. You may enter into a retainer agreement with Piper Alderman (or other solicitors) to do that work, if it becomes necessary, and you will be liable for legal costs associated with the determination of issues concerned only with your individual claim.

Questions

Any questions you have concerning the matters contained in this Notice should not be directed to the Court.

If you are unclear about whether you are a Group Member, or if you have any other questions regarding the DML Class Action or this Notice, you can visit the website at www.DMLclaimregister.com, or you can call the Information Line on 1300 070 736 (within Australia) or +61 3 9415 4130 (outside Australia) Monday to Friday 8.30am to 5.00pm (EST).

OPT OUT NOTICE

COURT DETAILS

Court	Supreme Court of New South Wales
Division	Equity
List	Equity General
Registry	Supreme Court Sydney
Case number	2017/00234966

TITLE OF PROCEEDINGS

Plaintiff	Edgar George Tredrea
Defendant	KPMG Financial Advisory Services (Australia) Pty Ltd ACN 007 363 215

FILING DETAILS

Filed for

(Name of person opting out of representative proceedings)

Legal representative

(If applicable)

#Legal representative reference

(If applicable)

Contact name and telephone

Contact email

OPT OUT NOTICE

Name of person opting out

Address of person opting out

I,, a group member in these representative proceedings, opt out of the proceedings.

I understand that in opting out:

- 1 I forego the right to share in any relief obtained by the representative party in the representative proceedings;
- 2 I am not entitled to receive any further notification about the conduct or disposition of the proceedings; and
- 3 To the extent that I have a claim against the defendant, any limitation period suspended by the commencement of the representative proceedings has recommenced to run.

SIGNATURE

Signature of legal representative

Signature of or on behalf of
person opting out if not legally
represented

Capacity

.....
(eg solicitor, authorised officer of person opting out,
person opting out)

Date of signature

NOTICE TO PERSON OPTING OUT

You must, within the time specified in the notice to group members:

- 4 file this form in the registry of the court at the address below, or in the manner provided in the notice to group members; and
- 5 serve a copy of this form on the representative party at the address, or in the manner provided, in the notice to group members.

REGISTRY ADDRESS

Street address	Supreme Court of NSW Law Courts Building, Queen's Square 184 Phillip Street Sydney NSW 2000
Postal address	Supreme Court of NSW GPO Box 3 Sydney NSW 2001
Telephone	1300 679 272