Discovery Metals Limited (‘Discovery Metals’ or the ‘Company’) (AIM: DME) (ASX/BSE: DML) announces the successful delineation of groundwater resources which are more than sufficient to meet the processing and other operational needs of its 100% owned Boseto Copper Project (Figure 1).

The groundwater resources were defined after an extensive program which included the drilling of eleven water exploration boreholes (Figure 2). The water resources planned for use at Boseto (referred to as “GRA 5”, and “GRA 1” - Figure 3) are contained within two of the five potential groundwater resource areas identified during the water exploration program undertaken as part of the Bankable Feasibility Study on the Boseto Copper Project. Borefields which will tap these resources will be situated within 15 km of the proposed plant site.

“GRA 5”, and “GRA 1” are together capable of sustaining pumped flow rates of approximately 12,000 megalitres of water per annum over a 15 year time frame. With the water requirement for the current base case for the Boseto Copper Project (10 year project at 2Mtpa processing rate) estimated at 2,500 megalitres of water per annum, these two areas alone have the capacity to deliver more than four times the annual water requirement of the Boseto Copper project for five years longer than the currently planned project life.
The main ground water resources defined to date are located in sediments of the Ecca Group, a productive aquifer known to be present across large areas of Botswana. In the Boseto Copper Project area, the Ecca Group occurs in a 45 km long northeast – southwest trending graben which varies in width between 4 km in the northeast to 14 km in the southwest. Sediments of the Ecca Group have a thickness of at least 150 m and occur beneath 50 m of younger sediments belonging to the Lebung and Kalahari Groups (Figure 4). Sediments of the latter two groups generally do not represent aquifers in the graben as they are located largely above the water table and, in the case of the Lebung, also consist predominantly of mudstone.

Water contained in the aquifers of GRA1 and 5 has total dissolved solids content estimated to vary between 16,000 and 33,000 milligrams per litre. This water quality is suitable for process water usage at Boseto and samples of water from the Ecca Aquifer have been used to assess flotation reagent consumption and impact on metallurgical recoveries.

The water resource contained in the Ecca Graben is not currently being utilised by other parties in the area and no issues have been identified that might preclude Discovery Metals successfully applying for licences to exploit this saline water resource.

**Implications for Boseto Project:**

Discovery Metals’ Managing Director, Brad Sampson stated, “This is an important milestone for the Boseto Copper Project. A water resource has been identified with capacity to more than meet the project’s operational requirements, thus eliminating a key project risk. In addition, we have now demonstrated that neither the life nor scale of the project is likely to be constrained by water supply.”

**Water Exploration Programme**

The groundwater exploration program for the Bankable Feasibility Study commenced in the second half of 2008, following an initial assessment during the Pre-feasibility Study. SRK Consulting provided the technical support to discover and define the water resource required for Project development. The water exploration program included collation and assessment of all available geology, geophysical and water resource information for the region and identification of geological structures and formations likely to have suitable aquifer characteristics for production well field development.

Five areas (referred to as groundwater resource areas GRA 1 to 5 in Figure 3) were identified as having potential for water supply to the project.

For each of these five groundwater resource areas, SRK Consulting assessed the storage potential, recharge potential, exploitation potential, current discharge, groundwater balance and water quality as well as proximity to the proposed location of the Boseto Copper Project processing facilities.
Following completion of the review of the available information, a pilot drilling and test pumping program was conducted. In addition, water chemistry, isotope studies and numerical modelling were conducted to assess hydraulic connectivity with any potentially environmentally sensitive water resources in the area.

The exploration program resulted in the establishment of a number of boreholes that will form part of the well field for operational requirements for the Boseto Copper Project. These existing boreholes are estimated to be capable of providing approximately two thirds of the projected water consumption of the Boseto Copper Project. Additional boreholes are planned to be drilled in advance of operational requirements.

**Boseto Project Background:**

Discovery Metals’ Boseto Copper Project (100% owned) is located in north-west Botswana, approximately 80 km south-west of the town of Maun, within the district of Ngamiland. A seven tenement package was granted to Discovery Metals in September 2005 and fieldwork on this tenement package commenced in October 2005. The Government of Botswana approved the Company’s renewal of these tenements in September 2008 and all prospective areas were retained by the Company. In June 2008, Discovery Metals was granted an additional seven tenements extending from the south-west boundary of the original 2005 granted tenements through to the Namibian border, adding 5,700 km² to the area held under prospecting licenses, to bring the total current tenement area to 10,100 km². The outer limit of the exploration licence area starts approximately 60 km south-west of Maun and stretches in a south-westerly direction for approximately 300 km to the Namibian border.

The Boseto Copper Project is located within a belt of significant copper-silver mineralisation that extends from the well known and more highly developed Zambian Copper Belt across north-west Botswana and into Namibia. The poorly explored and undeveloped portion of this belt in north-west Botswana is known as the Kalahari Copper Belt.

Copper in the Boseto Project area occurs predominantly in chalcocite, with minor amounts of bornite and other copper sulphides present. At shallow depths, malachite and chrysocolla exist in significant proportions within some areas of the mineral resource.

The total **Mineral Resource** for the **Boseto Copper Project**, reported in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, “2004 Edition”) at a cut off of 0.6% Cu is:

50.2 Mt @ 1.5% Cu and 17.8 g/t Ag containing 753 kt Cu metal and 29 Moz silver

(which consists of Indicated Mineral Resources of 4.7 Mt @ 1.6% Cu and 24.0 g/t Ag and Inferred Mineral Resources of 45.5 Mt @ 1.4% Cu and 17.2 g/t Ag)

A Pre Feasibility Study for the Boseto Copper Project was completed on time and on budget in July 2008. Discovery Metals is currently undertaking a Bankable Feasibility Study for the Boseto Copper Project.
Further information on the Company is available on its website: www.discoverymetals.com.au

Competent Persons Statement
The information in this report as it relates to the Zeta, Plutus and Petra Mineral Resources for the Boseto Copper project was compiled by Mr Jason Hosken and reviewed by David Arnott, both Members of The Australasian Institute of Mining and Metallurgy. Mr Arnott is a full time employee of Snowden Mining Industry Consultants and Mr Hosken was a full time employee of Snowden Mining Industry Consultant at the time the mineral resources were reported. Mr Arnott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the 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”. The information in this report that relates to Exploration Results is based on information compiled by Mr Fred Nhiwatiwa who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Nhiwatiwa is a full-time employee of the Company. Mr Nhiwatiwa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the 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”. Mr Arnott and Mr Nhiwatiwa consent to the inclusion in the report of the matters based on information provided by them and in the form and context in which it appears.

For further information on this release and Discovery Metals Limited generally, please contact:

Brad Sampson MANAGING DIRECTOR Ph: +61 7 3218 0200 or Mob: +61 4 38 771 037
brad@discoverymetals.com.au

AIM Nominated Advisor/Broker – Fairfax I.S. PLC, Contact Ewan Leggatt/Laura Littley/Marc Elliot Ph: +44 20 7598 5368
UK PR – Conduit PR, Contact Jos Simson/Emily Fenton Ph +44 20 7429 6603/ +44 7899 870 450

ASX & BSE: DML
SHARE PRICE: A$0.25
SHARES: 194M
Market Cap: A$48.5

AIM: DME
Figure 4  Simplified lithostratigraphic section, GRA5