Discovery Metals Limited has completed a placement with brokers in Australia and the UK raising AUD$13.1 million.

The funds raised will be primarily applied towards the completion of the Bankable Feasibility Study at the Boseto Copper Project.

Discovery Metals Limited (“Company”) (ASX/BSE:’DML’)(AIM:’DME’) is pleased to announce it has placed a total of 29.1M shares at AUD$0.45 (approx UK 22.5 pence) each to raise AUD$13.1 million (before expenses) to institutions and sophisticated investors. The placement was jointly managed by RBS Morgans Corporate Limited and Blackswan Equities Limited in Australia and Fairfax I.S. PLC in the UK.

Funds raised from the placement will be applied towards completing the Company’s Bankable Feasibility Study at the Boseto Copper Project and for on-going corporate costs.

Discovery Metals’ Managing Director, Mr Brad Sampson said “It is very pleasing to receive continued support from investors and strong recognition for the economic strength of the Boseto Copper Project.”

“Our continued positive news flow during October, including the Boseto Copper Project Bankable Feasibility Study Economics Update, the Dikoloti Project Joint Venture and Upgrade of the Copper-Silver resource at our Zeta Prospect, is evidence of our continued progress and commitment to completing our projects in Botswana”.

“We are now well placed to complete the Bankable Feasibility Study in March 2010 and progress to the funding and project stage of the Boseto Copper Project.”

**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:

60.4 Mt @ 1.4% Cu and 19.5 g/t Ag containing 846 kt copper metal and 38 Moz silver

consisting of:

Measured Mineral Resource of 3.9Mt @ 1.6% Cu and 23.0 g/t Ag;
Indicated Mineral Resource of 7.8 Mt @ 1.5% Cu and 22.8 g/t Ag; and
Inferred Mineral Resource of 48.7 Mt @ 1.4% Cu and 18.7 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 which is planned for completion in March 2010.

Further information on the Company is available on its website: [www.discoverymetals.com.au](http://www.discoverymetals.com.au)