Boseto Notice to Proceed
Discovery Metals Limited
(‘Discovery Metals’ or ‘Company’)

Discovery Metals (ASX:DML, BSE:DML, AIM:DME) has issued Sedgman Limited a “Notice to Proceed” (Notice) in accordance with the fixed price Engineering Procurement and Construction (EPC) contract for the Company’s 100% owned Boseto Copper Project (Boseto Project). The Notice has been issued following the announcement of the results from the Boseto Project’s Bankable Feasibility Study (BFS) and the Boseto Development Plan (BDP) on 31 August 2010.

Brad Sampson, the Managing Director of Discovery Metals, commented, “With Sedgman, we have negotiated a well priced contract for a robust design with a proven capable EPC provider. We have chosen to issue the Notice now to maintain the Company’s development schedule for initial production Q1 2012. In doing so we believe that the Boseto Project will receive the approval from the Botswana government and the project funding to allow the advancement of the Sedgman fixed price EPC contract. Initially, Sedgman will be continuing with the detailed engineering and the placement of the long lead time orders.”

“Final Botswana government approvals, licences, debt and equity funding of the Boseto Project will proceed concurrently with the work throughout the next quarter. At the end of August 2010, Discovery Metals held in excess of US$33 million in cash, which enables the Company to commence this work from its cash reserve.”

Further information about Discovery Metals and the Boseto Project is available from the Company’s website:

www.discoverymetals.com.au

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 3877 1037
brad@discoverymetals.com.au

AIM Nominated Advisor – Fairfax I.S. PLC, Ewan Leggat/Laura Littley  Ph: +44 20 7460 4389 or 7460 4387
UK PR – Conduit PR, Jos Simpson/Emily Fenton  Ph +44 207 429 6603 or Mob +44 7899 870 450

ASX & BSE: DML  AIM: DME
SHARE PRICE: A$0.88  SHARES: 302M  Market Cap: A$266M