Discovery Metals Limited

Rights Issue Successfully Completed Raising A$91 million

Highlights

- Rights Issue successfully completed raising approximately A$91 million
- Strong demand received from shareholders with 90% take-up.
- All additional entitlements from retail shareholders were accepted.
- Funds will be applied to the construction of the Boseto copper project in northwest Botswana.

Details

Discovery Metals announces that it has successfully completed its 1 for 4 non-renounceable Rights Issue which was announced on 4 November 2010. The Rights Issue raised proceeds of approximately A$91 million (before expenses) at an issue price of A$1.05 (BWP6.825) per share. This follows the successful completion of the underwritten Placement which raised approximately A$51 million.

Discovery Metals accepted applications for approximately A$82.1 million being 78,183,434 shares, including applications for up to 50% additional entitlements from existing shareholders. We are pleased to announce we have accepted all complying additional entitlement requests from our retail shareholders.

As the Rights Issue was fully underwritten, subscriptions for the remaining 8,692,212 Rights Issue Shares have been obtained under the terms of the underwriting agreement.

Managing Director of Discovery Metals, Brad Sampson said that “This successful Rights Issue completes the equity raising requirements for the Boseto copper project and reflects the strong shareholder support we received. The debt portion of the project financing is progressing well.”

Discovery Metals will issue 86,875,646 shares in relation to the Rights Issue. Final allocations are subject to a reconciliation and audit process currently being conducted by Discovery Metals’ share registry. The allotment of Rights Issue Shares will be completed on 10 December 2010. The Rights Issue Shares are expected to commence normal trading on the Australian Securities Exchange on 13 December 2010. Holding statements will be despatched to participants from 16 December 2010.

The Company still requires Botswana Department of Mines approval for the mining licence, with discussions and exchange of information with the department well advanced.
Boseto Project Background

Discovery Metals is an ASX/AIM/BSE listed copper exploration and development company focused on the emerging Kalahari Copperbelt in northwest Botswana. The Company is currently developing its 100% owned Boseto copper project towards production in the first half of 2012.

The Kalahari Copperbelt sediment-hosted mineralisation of the Boseto copper project is similar in style to the well-known and large deposits of the Central African Copperbelt of Zambia and the Democratic Republic of the Congo.

Discovery Metals has prospecting licences covering 9,656 km² along the Kalahari Copperbelt.

Further information on the Company including Mineral Resources and Ore Reserves is available on its website: www.discoverymetals.com.au

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