BSE: DML  
AIM: DME  
ASX: DML

MARKET CAP AND ENTERPRISE VALUE
- Shares on Issue: 436m
- Share Price: $1.36
- Market Cap: $593m
- Net Cash: $165m

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BOARD OF DIRECTORS
- Chairman: Gordon Galt
- Managing Director: Brad Sampson
- Non-Executive Director: Morrice Cordiner, Ribbon Gabonovwe, Jeremy Read, John Shaw
- Company Secretary: Rodlynn Shand

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21 December 2010

BSE ANNOUNCEMENT

Discovery Metals Limited

Boseto Mining Licence Approved

Highlights

- The Botswana government has awarded the Boseto Mining Licence required to allow construction and operation of the mine and copper-silver concentrator.
- The Botswana government has not exercised its ‘once only’ option to purchase a share of the Boseto copper project and Discovery Metals retains 100% ownership of the project.
- The Boseto copper project construction timeline remains on track for commissioning in the first half of 2012.
- Annual production is forecast to be in excess of 35,000 tonnes of copper and 1 million ounces of silver.

Details

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) announces that it has been awarded the mining licence for the Boseto copper project in northwest Botswana. The mining licence has been granted by the Ministry of Minerals, Energy and Water Resources after the Company submitted its application in mid-October. The licence has been granted for a period of 15 years, which was the period of evaluated mining life presented by the Company in accordance with the published Boseto Development Plan. Extension of the mining lease relies on the Company demonstrating scheduled reserves and resources beyond the 15 years and including these in the mine plan, which are presented annually in accordance with the Environment Management Plan.

This is the last major approval the Company requires for the Boseto copper project following the grant of the surface rights by the Tawana Land Board in October 2010. Since that time the Discovery Metals owner’s team has built the temporary access track to the Boseto plant site and cleared topsoil from the site.

This latest approval from the Department of Mines allows Sedgman, in the New Year, to commence excavation and foundation works in preparation for delivery of the processing plant major items which are all on order and in progress in various locations around the world.

Managing Director of Discovery Metals, Brad Sampson said, “The approval of the Mining Licence represents the achievement of another major milestone in the development of the Boseto copper project, and the Kalahari Copper Belt.”

“We thank the Government of Botswana for their confidence in Discovery Metals and for their rapid decision making with regards to the Mining Licence. We and our EPC partner, Sedgman, can now focus on delivering the project into production on time.”
Removal of topsoil from Boseto Plant site

Boseto temporary access track from old Ghanzi road
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

For further information on this release and Discovery Metals Limited, please contact:
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Forward Looking Statements

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that Discovery Metals expects, are forward-looking statements. Although Discovery Metals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.