Discovery Metals Limited

CATERPILLAR TO SUPPLY
FINANCE AND EQUIPMENT FOR
THE BOSETO COPPER PROJECT

Highlights

- Caterpillar Financial SARL has joined the Boseto Debt Syndicate with Standard Chartered Bank, Standard Bank and Credit Suisse as a Joint Lead Arranger on the same terms as the banks.
- Caterpillar Financial SARL is to be the largest supplier of mobile equipment to the Boseto Copper Project.
- The Debt amount required of US$180m remains as recently announced and in accordance with the Bankable Feasibility Study of August 2010.
- The Boseto Copper Project remains on track for production in the first half of 2012.

Boseto Debt Finance

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) is pleased to announce that Caterpillar Financial SARL has joined the Boseto Debt Facility syndicate as a Joint Lead Arranger. Caterpillar Financial SARL joins the other mandated joint lead arrangers of Standard Chartered Bank, Standard Bank and Credit Suisse. The debt facility will fund the completion of the Boseto Copper Project and is subject to completion of the project finance documentation and the usual credit approvals and conditions precedent for financing arrangements of this nature.

Funding will be applied to the Boseto processing plant for US$105 million and the Boseto mine mobile fleet for US$75 million with Caterpillar being the largest supplier of the mining fleet for the Boseto operations. In addition to project and equipment finance, the banking syndicate will provide a US$25 million overrun and working capital facility plus hedging lines for both copper and silver production.

The facility will be secured over the Boseto Copper Project assets and 100% of the shares the Company owns in the project entity (Discovery Copper Botswana Proprietary Limited).
The Boseto Copper Project is currently under construction and is expected to be commissioned in the first half of 2012.

Discovery Metals’ Managing Director, Brad Sampson, commented; “Adding Caterpillar Financial SARL to the Debt syndicate reflects the on-going commitment that Caterpillar has to the Boseto project. The incorporation of all debt facilities into one facility completes the funding for Boseto and simplifies the documentation and security arrangements significantly.”

Caterpillar Financial SARL, Zurich is the structured trade and project finance arm of Cat Financial. For nearly 30 years, Cat Financial, a wholly-owned subsidiary of Caterpillar Inc., has been providing a wide range of financing alternatives to customers and Caterpillar dealers for Cat machinery and engines, Solar® gas turbines and other equipment and marine vessels. Cat Financial has offices located throughout the Americas, Asia, Australia and Europe, with headquarters in Nashville, Tennessee in the U.S.A.

Discovery Metals 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](http://www.discoverymetals.com)

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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.
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Standard Chartered PLC is a leading international bank, listed on the London, Hong Kong and Mumbai stock exchanges. It has operated for over 150 years in some of the world’s most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank’s growth in recent years.

With 1,700 offices in 70 markets, Standard Chartered offers exciting and challenging international career opportunities for more than 80,000 staff. It is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity.

Standard Chartered’s Award Winning Project Finance Solutions - Standard Chartered offers project finance solutions ranging from financial advisory, valuation and modelling to structuring and underwriting of financing solutions. ThomsonReuters’ Project Finance International (PFI) magazine most recently named Standard Chartered the Bank for the Year 2010. Deals led by the Bank have also won several awards including Americas Mining Deal of the Year 2010, which is testament to the strength of the Bank’s franchise in mining and metals project financing.

For more information, please visit: standardchartered.com

ABOUT STANDARD BANK

Rooted in Africa with strategic representation in key sub-Saharan and other emerging markets, Standard Bank is a bank with a global sweep. A mainstay of South Africa’s financial system for over 145 years, its international expansion has taken it to 17 countries on the African continent and 15 countries outside Africa including Brazil, Russia and China. Its headquarters are in Johannesburg and it is listed on the Johannesburg Stock Exchange. Standard Bank’s Corporate and Investment Banking division is a leading global emerging markets corporate and investment bank and offers its clients banking, trading, investment, risk management and advisory services in developing economies throughout the world. It has specific sector expertise in mining & metals; oil, gas & renewables; telecommunications & media; power & infrastructure and financial institutions. In Turkey, Standard Ülûş (a member of the Standard Bank Group) is a market leader in corporate finance transactions specializing in cross border merger and acquisitions, disposals, formation of strategic alliances and joint ventures, and public offers. Standard Bank Plc in London is the bank’s principal international subsidiary. It is authorized and regulated by the Financial Services Authority, and is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange, the London Platinum and Palladium Market and the New York Mercantile Exchange (COMEX Division).

For further information, visit: standardbank.com/cib.

ABOUT CREDIT SUISSE

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Further information about Credit Suisse can be found at: credit-suisse.com