BSE ANNOUNCEMENT

Discovery Metals Limited

BOTSWANA COPPER EXPLORATION UPDATE

Highlights:

- “Three Zone” Exploration Strategy adopted for north-west Botswana copper-silver tenements
  - Boseto Zone, Mid Kalahari Zone and South West Kalahari Zone

- Nine new targets defined by recent regional exploration programmes, including
  - Boseto - Mango I (7 km), Mango II (11km) and Selene (7 km)
  - Mid Kalahari - Ophion (added 10km - now 22km), Kronos (10km), Hemera (23km), Notus (11km)

“THREE ZONE” EXPLORATION STRATEGY ADOPTED

Discovery Metals’ exploration tenements in the Kalahari Copperbelt of northwest Botswana (Figure 1) have a total strike on prospective horizons estimated at approximately 1,300 km (Figure 2). Discovery Metals has now adopted a “Three Zone” exploration strategy to prioritise targets, with activity in each zone being based on a specific “most likely” development objective. In future, exploration results will be reported both in detail and also within context of these zones.

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The exploration methodology for each zone consists of a combination of soil geochemical sampling and geophysics. Soil geochemical sampling is normally more effective in areas of shallow sand cover than in areas of deep sand cover. Typically geophysical mapping is used in combination with soil sampling to define new exploration targets and to plan drill holes.

The current status of each of the three exploration zones is described below. Details of recent progress and future exploration strategy in each zone is also highlighted.
STATUS OF EXPLORATION ZONES

Boseto Zone

The Boseto Zone covers an area within approximately 30 kilometres of the Boseto concentrator (Figure 3), which is currently under construction. The Boseto zone has variable sand cover, which can range between from 0 to 25 metres thick.

The potential strike extent of exploration targets currently defined within the Boseto Zone is approximately 300 kilometres. At the end of May 2011, approximately 250 kilometres of strike length had been tested by soil sampling and 87 kilometres by drilling.

Exploration targets within the Boseto Zone currently include:

- Underground targets at down dip extensions of the mineral resources at Zeta (2km) and Plutus (7km),
- New open pit targets at Selene (7 km), Mango I (7 km), and Mango II (11 km),
- Potential strike extensions of Hana Mining’s Zone 5 and 6 mineral resources into Discovery Metals Prospecting Licences, and
- Previously reported open cut targets Quirinus (16 km), Nexus (26 km), and Nyx (5 km).

During 2011, exploration in the Boseto Zone has comprised:

- Drilling of 11 holes to approximately 350 metres vertical depth at the Plutus Deposit. Drilling is complete. Three assays are reported and the remaining 8 assays are expected in June 2011.
- Geochemical sampling which has identified the Mango I and Mango II targets. Mango is located approximately 20 kilometres southeast of the Zeta Deposit and along strike from the Hana Mining prospects on an adjacent Prospecting Licence. The Mango area appears to be structurally complex and results of an airborne magnetic survey (planned for completion in July) are expected to provide information that will improve the geological interpretation of the target area prior to commencement of drilling.
- An isolated geochemical anomaly was recognised at the Selene historical prospect. Selene is located approximately 20 kilometres north east of the Zeta Deposit. An initial drill test of this target has been completed and results are anticipated late in June.

Planned activity in the Boseto Zone during the remainder of calendar 2011 currently includes:

- Follow up drilling at depth in the Plutus Deposit,
- Additional drilling to the north east of Zeta where initial drilling suggests a thick zone of mineralisation may exist over a 1.5 km strike length,
- Initial drill testing in Discovery Metals areas immediately adjacent to Hana Mining’s Zone 5 and 6 areas of mineral resources, and
- Initial drill testing of the Mango I and II target areas.

Mid Kalahari Zone

The Mid Kalahari Zone covers an area within approximately 40 km of Kuke (Figure 3). Exploration in the Mid Kalahari Zone is currently aimed at identifying one or more open pit targets which could be developed (singularly or collectively) over the next 5 years to form a stand-alone project. Based upon the economics of developing the Boseto Copper Project, an open cut target is approximately 20 Mt of 1-2% copper mineralisation at 5 metres thickness to 100 metres vertical depth. Underground targets will be pursued after the initial open cut focused exploration depending upon exploration results.
Current open pit targets identified within the Mid Kalahari Zone include the Ophion, Gaia, Kronos, Notus, Hemera, and Ourea and the Coeus area, which appears to be along strike from Hana Mining’s Chalcocite Zone. This zone generally appears to have shallow sand cover (typically 0-10 metres).

During 2011, exploration in the Mid Kalahari Zone has comprised:

- Identification of 6 new zones of anomalous copper in soils in a south west extension of the Ophion exploration target. These anomalies extend this target from 12 kilometres to 22 kilometres strike length. Initial drill testing of Ophion (reported November 2010) successfully intersected copper sulphides. A drilling programme to extend preliminary testing over the full strike length of the Ophion target is underway and first results are expected in July 2011.
- Two additional targets have been defined immediately southeast of Ophion. Three geochemical anomalies define a 23 kilometre long exploration target at Hemera and three anomalies define an 11 kilometre long target at Notus. An initial drill test of these targets has commenced and first assay results are expected by the end of July 2011.
- An aeromagnetic survey was completed over the southwest portion of the Kronus target during May 2011.

Planned activity in the Mid Kalahari Zone during the remainder of 2011 currently includes:

- completion of initial drill testing at Notus and Hemera,
- analysis of drilling results from initial drill testing of Ophion, Notus and Hemera,
- initial drill testing at the Orea target (target defined September 2010).
- soil sampling and aeromagnetic survey over the Coeus, Gaia and Theia areas.

South West Kalahari Zone

This Zone covers the area to the west of the Mid Kalahari Zone across to the Botswana border with Namibia - a distance of approximately 100 kilometres. Sand cover in this zone is variable and can range to over 50 metres thick with the majority of the zone appearing to have sand cover in excess of 10 metres.

Exploration in the South West Kalahari to date has focused on determining the depth of cover and collecting information on what directly underlies the sand cover. Work has included an aircore drilling programme conducted late in 2010 and an aeromagnetic survey over the western third of the zone that was completed in May 2011. As a result of the cover depth, exploration within the South West Kalahari zone will focus mainly on identifying targets with potential for underground mining.

Current targets within the South West Kalahari Zone include Hermes and Apollo with further targets expected to be identified from additional aeromagnetic surveys to be completed later this year.

Planned activities in this Zone within the next 2 years include:

- Soil geochemical sampling in the Hermes area planed for completion in September
- Initial drill testing of targets defined via geochemical sampling and aeromagnetic surveys.
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

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

Brad Sampson  Managing Director  Ph: +61 7 3218 0200
brad@discoverymetals.com

AIM Nominated Advisor — Fairfax I.S. PLC, Contact Ewan Leggat/Laura Littley  Ph: +44 20 7460 4389 or 7460 4387

UK PR — Tavistock Communications, Contact Jos Simpson/Emily Fenton  Ph +44 20 7920 3150 or 778 855 4035

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Fred Nhiwatiwa who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Nhiwatiwa is a full-time employee of Discovery Metals Limited. Mr Nhiwatiwa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Nhiwatiwa consents to the inclusion in this report of the matters based on information provided by them and in the form and context in which it appears.
FIGURE 2: KALAHARI COPPER BELT PROSPECTIVE AREAS
FIGURE 3: KALAHARI COPPER BELT EXPLORATION ZONES