Discovery Metals Limited

Zeta Mineral Resources Upgrade

Highlights

- Mineral Resources at Zeta increased by 9 million tonnes (25%) to 44.1 million tonnes
- 56% increase in Measured & Indicated Mineral Resources tonnes at Zeta
- Zeta Measured and Indicated Mineral Resources increased to 17 million tonnes @ 1.5% Cu and 25.4 g/t Ag
- Robustness of Zeta Mineral Resources confirmed by 54 hole infill drill programme with mineralisation open at depth
- Contained Copper in the Zeta Mineral Resource increased by 16%
- Total Mineral Resources at the Boseto Copper Project increased to 111.5 Million tonnes @ 1.4% Cu and 17.6 g/t Ag
- Upgraded Zeta Mineral Resources form basis of Definitive Feasibility Study for development of an underground mine at Zeta, planned for completion in December 2011

Zeta Mineral Resources Upgrade

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) reports an upgrade of the Mineral Resources at the Zeta Deposit, following re-estimation by Snowden Mining Industry Consultants (‘Snowden’), which includes recent infill drilling results.

The Managing Director of Discovery Metals, Mr Brad Sampson commented, “This upgrade of the Zeta Mineral Resources is another important step towards the completion of the Definitive Feasibility Study for development of an underground mine at Zeta and further increases confidence in the Mineral Resources planned for open pit mining, which is expected to commence later this year.”

The Zeta Deposit, combined with the Plutus and Petra Deposits, form the Mineral Resources base for the Company’s 100% owned Boseto Copper Project (Figure 1 and Figure 2) located in north western Botswana.
The Zeta Mineral Resources update includes the results from 54 infill drill holes which provide additional information within the Mineral Resources at the interface between the bottom of the planned open pit mining and the area planned for underground mining. The results from three holes drilled by the Company in late 2009, which intersected mineralisation at depths of approximately 600 metres below surface, were also included in this estimate.

The Zeta Mineral Resources now comprise:

**Measured Mineral Resources**  
4.6 Mt @ 1.6% Cu and 23.5 g/t Ag

**Indicated Mineral Resources**  
12.4 Mt @ 1.5% Cu and 26.1 g/t Ag

**Inferred Mineral Resources**  
27.1 Mt @ 1.2% Cu and 20.0 g/t Ag

**TOTAL MINERAL RESOURCES**  
44.1 Mt @ 1.3% Cu and 22.1 g/t Ag

All Mineral Resources are reported at a cut off grade of 0.6%Cu.

The Zeta Mineral Resources are compared to those reported in October 2009 are shown in Table 1 below.

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Zeta Mineral Resources</th>
<th>Previous (Oct 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu(%)</td>
</tr>
<tr>
<td>Measured</td>
<td>4.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Indicated</td>
<td>12.4</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>M&amp;I subtotal</strong></td>
<td><strong>17.0</strong></td>
<td><strong>1.5</strong></td>
</tr>
<tr>
<td>Inferred</td>
<td>27.1</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44.1</strong></td>
<td><strong>1.3</strong></td>
</tr>
</tbody>
</table>

**Table 1: Comparison of new Zeta Mineral Resources to October 2009 Estimate**

Measured and Indicated Mineral Resources (M&I) at Zeta have increased by 56%. The areas classified as M&I, now extend down dip from that reported previously (Figure 3), and also now extend below the base of the currently planned open pit and into the area being considered for underground mining. Copper grades within the M&I categories have changed by 0.02% Cu (from 1.55 to 1.53% Cu) and “rounding off” results in the 0.1% change indicated in the table above.

Long sections through the Zeta Mineral Resources are shown in Figures 3 and 4. Figure 3 shows the change in boundaries between Measured, Indicated and Inferred Mineral Resources resulting from this upgrade of the Mineral Resource.
The distribution of grades within the Zeta Mineral Resource is shown in Figure 4. A central core of high grade copper mineralisation (+1.2% Cu) is apparent. It is this “central core” that contains the open pit Ore Reserves that formed the basis for mining in the Bankable Feasibility Study and upon which the Company’s development efforts are currently focused.

It now appears that the latest drilling programme has closed off further potential for underground Mineral Resources to both the south west and north east of the central high grade zone.

Potential remains for high grade copper silver mineralisation to extend down dip below the areas drilled to date.

The Mineral Resources currently forming the basis for the Definitive Feasibility Study for underground mining at Zeta are situated within this central high grade area, below the base of the currently planned open pit.

The Mineral Resources defined within the underground portion of the Mineral Resources are shown in Table 2.

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>1.2</td>
<td>1.5</td>
<td>28.5</td>
</tr>
<tr>
<td>Indicated</td>
<td>10.8</td>
<td>1.5</td>
<td>26.8</td>
</tr>
<tr>
<td>Inferred</td>
<td>19.0</td>
<td>1.4</td>
<td>24.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31.0</td>
<td>1.4</td>
<td>25.3</td>
</tr>
</tbody>
</table>

*Table 2: Zeta Underground Mineral Resources at cut off grade of 0.6% Cu*

The distribution of grades within this area is shown in long section in Figure 4 and high grade zones (>1.2% Cu) represent significant potential for underground exploitation.

The previous Zeta Underground Inferred Mineral Resources reported in conjunction with the Underground Scoping study results in March 2010 were 25Mt @1.4%Cu and 23.1g/t Ag at a 0.6%Cu cut off grade.

This upgrade of the Zeta Mineral Resources has resulted in categorization of Measured & Indicated underground mineral resources of 12.0 Mt @ 1.5% Cu and 26.9 g/t Ag and increased the total underground mineral resources to 31.0 Mt @ 1.4% Cu and 25.3 g/t Ag at a 0.6% Cu cut off grade.
The results of this re-estimation of the Zeta Mineral Resources are being used to progress work on the Definitive Feasibility Study for the development of an underground mine at Zeta. This study is now planned for completion late in December 2011.

No additional drilling is planned at depth in the Zeta Deposit for the remainder of 2011. Further drilling is anticipated upon completion of the Definitive Feasibility Study and development of detailed mine plans.

**Boseto Copper Project Mineral Resources**

The total Mineral Resources at the Boseto Copper Project are shown in Table 3 below.

<table>
<thead>
<tr>
<th>Mineral Resources</th>
<th>Zeta</th>
<th>Plutus and Petra</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
<td>Ag (g/t)</td>
</tr>
<tr>
<td>Measured</td>
<td>4.6</td>
<td>1.6</td>
<td>23.5</td>
</tr>
<tr>
<td>Indicated</td>
<td>12.4</td>
<td>1.5</td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Subtotal M&amp;I</strong></td>
<td><strong>17.0</strong></td>
<td><strong>1.5</strong></td>
<td><strong>25.4</strong></td>
</tr>
<tr>
<td>Inferred</td>
<td>27.1</td>
<td>1.2</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44.1</strong></td>
<td><strong>1.3</strong></td>
<td><strong>22.1</strong></td>
</tr>
</tbody>
</table>

*Table 3: Boseto Copper Project Mineral Resources at cut off grade of 0.6% Cu*

**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 the Discovery Metals Ltd. 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 (CP) as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code,2004). The information in this report as it relates to the Zeta, Plutus and Petra Mineral Resources for the Boseto Copper Project was reviewed by Mr David Arnott, who is a MAusIMM. Mr Arnott is employed fulltime by Snowden Mining Industry Consultants Pty Ltd. Mr Arnott 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 CP as defined in The JORC Code, 2004. Messrs Nhiwatiwa and Arnott consent to the inclusion in the report of the matters based on information provided by them and in the form and context in which it appears.
Figure 1: Botswana and Boseto Location Plan
Figure 3: Zeta long section showing previous and new mineral resource boundaries

Figure 4: Zeta long section showing copper grades
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 our website: www.discoverymetals.com

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.