BSE ANNOUNCEMENT

Discovery Metals Limited

Further encouraging underground drilling results at Plutus Deposit

Highlights:

- Assay results from 3 new diamond drill holes at the Plutus Deposit confirm high grade copper-silver mineralisation at depth.
- Potential for underground mining identified along a 1,400 metre strike length from the 3 kilometre zone drill tested.
- All 3 holes intersected copper-silver mineralisation at depths of approximately 200 metres below surface.
- Mineralised intercepts include:
  - PSDD1318: 7.0 metres @ 1.4% Cu & 12 g/t Ag including 5.1 metres @ 1.9% Cu and 16 g/t Ag;
  - PSDD1317: 13.4 metres @ 0.9% Cu and 8 g/t Ag including 1.4 metres @ 2.1% Cu and 27 g/t Ag;
  - PSDD1316: 3.9 metres @ 1.4% Cu & 17 g/t Ag including 1.9 metres @ 2.1% Cu & 28 g/t Ag.
- Enhanced opportunities for project scale expansion and/or extension of mine life and greater mine scheduling flexibility.

Discovery Metals Limited (‘Discovery’ or ‘Company’) reports assay results for 3 diamond drill holes at the Plutus Deposit. These holes were planned to confirm the continuity of mineralisation between the base of the planned open pit and a series of deeper holes that intersected mineralisation at a vertical depth of approximately 350 metres below surface, and which were reported on 2 June 2011.

The Plutus Deposit is part of the 100% owned Boseto copper project, which is currently being constructed and is scheduled to commence production in the first half of 2012. Planned production is approximately 36,000 tonnes of copper and more than one million ounces of silver per annum over an initial 15 year mine life.

Discovery Metals Managing Director Brad Sampson said, “The results from these infill holes at Plutus suggests a zone of high grade copper-silver mineralisation exists, with potential for economic underground mining at depth over a long strike length of at least 1,400 meters at the Plutus Deposit”.

“It is our intention to leverage off the results of the Definitive Feasibility Study for underground mining (currently being undertaken on the Zeta Deposit and due for completion in December 2011), to better assess the economic potential for an underground mining operation at Plutus,” he added.
Complete assay results from the 3 diamond infill holes at the Plutus deposit are shown in Table 1. These assay results complement the results of the 11 hole deep drilling programme released on 2 June 2011 and which confirmed copper-silver mineralisation at the Plutus Deposit extended to approximately 350 metres in depth along the approximately 7 kilometres of strike length tested (Figure 3).

A zone of higher grades and thicker copper-silver mineralisation was defined at the north-eastern end of the Plutus deep drilling. Three additional holes were then drilled to test the mineralisation at an intermediate depth of approximately 200 metres within this higher grade zone, the results of which are reported herein.

All 3 drill holes have intersected copper-silver mineralisation at a vertical depth of approximately 200 meters below surface (Figure 4). Cross-sections for the 3 holes show continuity of grade and thickness (Figures 5, 6 and 7). All holes show a similar pattern of distribution of grades, with higher grades at the base of the mineralisation and grade decreasing into the hanging wall, which is defined by a grade cut-off. This grade distribution is beneficial to underground mining as any dilution is with rock that contains some mineralisation.

PSDD1318 also has a narrow high grade zone, 0.9 m @ 5.4% Cu and 25 g/t Ag, situated five metres above the footwall.

Drill results to date have defined mineralisation at the Plutus Deposit extending to a depth of at least 350 metres below surface along 7 kilometres of strike length tested. The high grade copper mineralisation within this zone is open both along strike and at depth.

Assessment of the potential for underground mining at Plutus Deposit is planned to follow completion of the definitive feasibility study for underground mining at the nearby Zeta Deposit in late 2011. Successful delineation of economic underground mineral resources at Plutus will provide additional mining opportunities to those considered in the Boseto Development Plan and may contribute to increasing both the scale and/or life of operations at Boseto and also enable enhanced mine scheduling flexibility.

Further drilling below the 200 metre level at Plutus Deposit will be conducted once the assessment for the potential of underground mining is complete.

**Table 1 - Plutus Deposit Prospect Drilling Results**

<table>
<thead>
<tr>
<th>Hole ID/ Section</th>
<th>Northing/ Easting (m) WGS84 SUTM34</th>
<th>Dip/Azi</th>
<th>Total Depth (m)</th>
<th>Min. From (m)</th>
<th>Min. To (m)</th>
<th>Geochemical Results over down hole thickness (0.3% Cu cut-off)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSDD1316/43400N</td>
<td>7728750/706220</td>
<td>-60 to 140</td>
<td>315</td>
<td>299.1</td>
<td>303.0</td>
<td>3.9 m @ 1.4 % Cu &amp; 17 g/t Ag including</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>301.1</td>
<td>303.0</td>
<td>1.9 m @ 2.1 % Cu &amp; 28 g/t Ag</td>
</tr>
<tr>
<td>PSDD1317/42950N</td>
<td>7728460/705820</td>
<td>-60 to 140</td>
<td>303</td>
<td>279.2</td>
<td>292.6</td>
<td>13.4 m @ 0.9 % Cu &amp; 8 g/t Ag including</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>285.0</td>
<td>289.0</td>
<td>4.0 m @ 1.4 % Cu &amp; 14 g/t Ag and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>291.2</td>
<td>292.6</td>
<td>1.4 m @ 2.1 % Cu &amp; 27 g/t Ag</td>
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<tr>
<td>PSDD1318/42250N</td>
<td>7728094/705269</td>
<td>-60 to 140</td>
<td>343</td>
<td>274.0</td>
<td>275.0</td>
<td>1.0 m @ 0.3 % Cu &amp; 3 g/t Ag</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>325.0</td>
<td>332.0</td>
<td>7.0 m @ 1.4 % Cu &amp; 12 g/t Ag including</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>326.9</td>
<td>332.0</td>
<td>5.1 m @ 1.9 % Cu &amp; 16 g/t Ag</td>
</tr>
</tbody>
</table>
**Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Wallace Gordon Mackay who is a Member of the Australian Institute of Geoscientists. Mr Mackay is employed full-time by Discovery Metals Limited. Mr Mackay 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 Mackay consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**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 a near-term copper producer 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 8,877 km² along the Kalahari Copperbelt.

**Further information on the Company including Mineral Resources and Ore Reserves is available on our 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.
FIGURE 2: KALAHARI COPPER BELT EXPLORATION TARGETS
Kalahari Sand Cover

PSDD1318
1.0 m @ 0.3 % Cu & 3 g/t Ag

7.0 m @ 1.4 % Cu & 12 g/t Ag
Including
5.1 m @ 1.9 % Cu & 16 g/t Ag

PSDD334
5.0 m @ 1.9 % Cu & 18 g/t Ag
Including
4.0 m @ 2.2 % Cu & 20 g/t Ag

PSDD276
4.5 m @ 1.7 % Cu & 15 g/t Ag
Including
1.9 m @ 3.6 % Cu & 29 g/t Ag

PSDD280
6.5 m @ 1.6 % Cu & 18 g/t Ag

PSDD295
6.9 m @ 1.0 % Cu & 12 g/t Ag
Including
1.0 m @ 1.0 % Cu & 9 g/t Ag
And
2.9 m @ 1.7 % Cu & 22 g/t Ag