BSE ANNOUNCEMENT

Discovery Metals Limited

New Zone of Higher Grade Copper and Silver at Zeta North East

Highlights:

- Higher grade copper-silver mineralisation confirmed at the Zeta North East Prospect, seven kilometres north-east of the Zeta deposit.
- Mineralised strike length of 3 kilometres remains open at depth.
- Significant diamond drilling intercepts include:
  - GDDD1328 - 6.0 m @ 3.9% Cu & 74 g/t Ag;
  - GDDD1333 - 4.7 m @ 2.2% Cu & 109 g/t Ag and 8.0 m @ 1.4% Cu & 33 g/t Ag;
  - GDDD1334 - 5.2 m @ 1.9% Cu & 45 g/t Ag.
- Silver intercepts include 145 g/t Ag over 3.5 m.
- Receipt of further assay results is anticipated in December 2011.

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) reports highly encouraging results from 6 diamond drill holes of a 12 hole programme at the Zeta North East Prospect which is situated within the Company’s 100% owned Prospecting Licences in the Kalahari Copperbelt in north-west Botswana (Figure 1).

The Zeta North East Prospect is located in the Boseto Zone (Figure 2) and is centered approximately 11 kilometres away from the 100% owned Boseto Copper Project’s concentrator. The Boseto Copper Project is currently under construction and is scheduled to commence production in the first half of 2012. Planned production is approximately 36,000 tonnes of copper and more than 1 million ounces of silver per annum over an initial evaluated mine life of 15 years.

Discovery Metals’ Managing Director, Brad Sampson said, “These results confirm the existence of a potentially significant new zone of mineralisation located only 11 kilometres from the Boseto Concentrator. We have intersected copper and silver grades in this set of results that are higher than we have generally identified in the Boseto area. This mineralisation does not currently form part of the Mineral Resources for the Boseto Copper Project and we now intend to progress the evaluation of this area as a priority so a JORC compliant Mineral Resource estimate can be prepared. Discoveries like this demonstrate why we remain excited by the prospectivity of the Kalahari Copperbelt and the potential to find new Mineral Resources that can contribute to a larger, longer life Boseto Copper Project as well as new standalone projects”.

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The drilling programme at Zeta North East is part of Discovery Metal’s regional exploration strategy. The Company is committed to progressing exploration within the Boseto Zone to support both an extension of the current mine life and an increase in capacity of the Boseto concentrator.

Drilling is currently in progress at both the north-eastern and the south-western portions of the Mango Prospect within the Boseto Zone.

Separate exploration activity within the Mid Kalahari and South West Kalahari Zones is aimed at discovering Mineral Resources to support a second standalone processing facility.

Preparations are currently underway to commence an initial drilling programme at the Coeus and Gaia Targets within the Mid Kalahari Zone.

North East Zeta Drilling Programme

Discovery Metals initially drilled the Zeta North East Prospect in 2007 following up on results from three historic drill holes and identified copper silver mineralisation over a strike length of approximately two kilometres (Figure 4). A review of near-mine prospects in mid-2011 highlighted Zeta North East as having potential to add to the Mineral Resources base for the Boseto Copper Project.

An additional 12 diamond drill holes have now been drilled at the Zeta North East Prospect completing a programme that commenced in August 2011 and the results of six of these holes are reported here in Table 1. These 12 holes were designed to intersect copper-silver mineralisation at depths of between 15 metres and 130 metres below surface along a strike length of approximately three kilometres.

The copper-silver mineralisation at Zeta North East remains open at depth.

All hole locations are shown in plan view in Figure 4 and a selection of results are displayed in cross section in Figures 5 and 6.

All drill holes have intersected copper-silver mineralisation. The main sulphide minerals identified from geological logging of core are chalcocite and bornite.

Mineralisation intersected at Zeta North East has returned a number of high silver assay results including drill hole GDDD1333 which returned an assay of 505 g/t Ag in a 0.8 m interval. Examination of the drill core determined that silver in that particular interval is present as native silver hosted by a quartz-calcite vein.

The outstanding assay results from the Zeta North East drill programme are expected to be available in December 2011.
Table 1: Drill hole intercepts for the Zeta North East Prospect

<table>
<thead>
<tr>
<th>Hole ID</th>
<th>Section</th>
<th>Northing/ Easting (m) WGS84 SUTM34</th>
<th>Azi/Dip</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>GDDD1326</td>
<td>47400N</td>
<td>7725008/ 714589</td>
<td>-60 to 149.5</td>
<td>128.0</td>
<td>113.0</td>
<td>118.0</td>
<td>5.0 m @ 1.1 % Cu &amp; 13 g/t Ag including</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>128.0</td>
<td>114.9</td>
<td>117.0</td>
<td>2.1 m @ 1.8 % Cu &amp; 22 g/t Ag including</td>
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<tr>
<td>GDDD1328</td>
<td>48450N</td>
<td>7725642/ 715381</td>
<td>-60 to 140</td>
<td>78.0</td>
<td>62.0</td>
<td>68.0</td>
<td>6.0 m @ 3.9 % Cu &amp; 74 g/t Ag including</td>
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<td></td>
<td></td>
<td></td>
<td>78.0</td>
<td>63.0</td>
<td>68.0</td>
<td>5.0 m @ 4.5 % Cu &amp; 85 g/t Ag including</td>
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<tr>
<td>GDDD1329</td>
<td>50050N</td>
<td>7726629/ 716640</td>
<td>-60 to 150</td>
<td>138.0</td>
<td>124.0</td>
<td>125.0</td>
<td>1.0 m @ 0.3 % Cu &amp; 11 g/t Ag</td>
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<td></td>
<td></td>
<td></td>
<td>138.0</td>
<td>121.0</td>
<td>122.0</td>
<td>1.0 m @ 0.3 % Cu &amp; 6 g/t Ag</td>
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<tr>
<td>GDDD1332</td>
<td>48950N</td>
<td>7725960/ 715800</td>
<td>-60 to 140</td>
<td>57.0</td>
<td>14.5</td>
<td>22.0</td>
<td>7.5 m @ 1.4 % Cu &amp; 3 g/t Ag</td>
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<td></td>
<td>57.0</td>
<td>16.0</td>
<td>20.6</td>
<td>4.6 m @ 2.0 % Cu &amp; 4 g/t Ag</td>
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<td></td>
<td>57.0</td>
<td>29.0</td>
<td>34.0</td>
<td>5.0 m @ 1.3 % Cu &amp; 2 g/t Ag</td>
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<td></td>
<td>57.0</td>
<td>29.6</td>
<td>33.0</td>
<td>3.4 m @ 1.7 % Cu &amp; 1 g/t Ag</td>
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<tr>
<td>GDDD1333</td>
<td>48950N</td>
<td>7725981/ 715776</td>
<td>-60 to 140</td>
<td>100.4</td>
<td>78.0</td>
<td>86.0</td>
<td>8.0 m @ 1.4 % Cu &amp; 33 g/t Ag</td>
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<td></td>
<td>100.4</td>
<td>80.0</td>
<td>84.0</td>
<td>4.0 m @ 2.3 % Cu &amp; 56 g/t Ag</td>
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<td></td>
<td>100.4</td>
<td>89.0</td>
<td>93.7</td>
<td>4.7 m @ 2.2 % Cu &amp; 109 g/t Ag</td>
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<td></td>
<td></td>
<td>100.4</td>
<td>90.2</td>
<td>93.7</td>
<td>3.5 m @ 2.8 % Cu &amp; 145 g/t Ag</td>
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<tr>
<td>GDDD1334</td>
<td>48450N</td>
<td>7725669/ 715353</td>
<td>-60 to 140</td>
<td>126.0</td>
<td>114.0</td>
<td>119.2</td>
<td>5.2 m @ 1.9 % Cu &amp; 45g /t Ag</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>126.0</td>
<td>116.0</td>
<td>119.2</td>
<td>3.2 m @ 2.7 % Cu &amp; 71 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 a full-time employee of 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 the 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
New Results

Project Area

NE ZETA PROSPECT, KALAHARI COPPER PROJECT
DRILL HOLE CROSS SECTION
Section: 48450N

FIGURE 5