Discovery Metals Limited

Discovery of Second Mineralised Zone of Interest at NE Mango

Highlights:

- Second zone of interest defined at NE Mango with significant copper-silver mineralisation intersected in three sections over a 3.5km strike length, within the 30km strike length of the Mango Prospect.

- Three diamond holes have intersected mineralisation over 20m or more drilled thickness, including some of the thickest intercepts returned to date from the Boseto Copper Project.

- Significant diamond drilling intercepts include:
  - MGDD1349 – 20m @ 1.1% Cu and 13 g/t Ag, including 11m @ 1.7% Cu and 21 g/t Ag (inclined hole)
  - MGDD1349 – 20.5m @ 0.9% Cu and 2 g/t Ag
  - MGDD1349 – 31m @ 0.5% Cu and 4 g/t Ag, including 8m @ 1.4% Cu and 6 g/t Ag (inclined hole).

- Copper-silver mineralisation remains open to the southwest and down dip.

- Infill drilling to prepare an initial Inferred Mineral Resource has commenced.

Second zone of interest at NE Mango

Discovery Metals Limited (‘Discovery Metals’ or the ‘Company’) reports the results of 13 diamond drill holes from the NE Mango Prospect.

The NE Mango Prospect is located in the Boseto Zone (Figure 2) and is less than 25 kilometres from the 100% owned Boseto Copper Project’s concentrator. The Boseto Copper Project is nearing completion of construction, and is scheduled to commence production before the end of June 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 represent some of the thickest intersections of copper-silver mineralisation we have intersected to date in the Boseto Zone. The Mango Prospect covers a strike length of more than 30 kilometres and the exploration completed to date has already identified a number of zones of interest, that have potential for open pit and underground mining and that may contribute to a larger longer life Boseto Copper Project.

Work is progressing immediately to drill sufficient holes to allow estimation of Inferred Mineral Resources in this area.”
A second copper-silver mineralised zone of interest (NE Mango 2) has been discovered at the NE Mango prospect, 8 kilometres southwest of the copper-silver mineralisation as announced on 27 September 2011 (NE Mango 1). Significant intercepts of copper-silver mineralisation have been returned in three sections over a 3.5 kilometre strike length.

This second zone of interest at NE Mango was first identified via following-up RAB drilling conducted in the third quarter of 2011. A total of 12 drill holes on six sections were completed in this programme, south-west of the known mineralisation. One drill hole, MGDD1340 was abandoned before intersecting the mineralised zone. Drilling in the last three sections intersected significant copper mineralisation (Table 1). The mineralised zone is now thought to be at least 3.5 kilometres long and is open to the southwest and down dip. Drilling between the two mineralised zones at NE Mango intersected low-grade and thinner zones of copper-silver mineralisation (Figure 3).

The copper-silver mineralisation at NE Mango 2 is similar to that seen at NE Mango 1. It is hosted in limestone approximately 15 metres above the contact between the D’Kar Formation and the Ngwako Pan Formation. Initial indications are that bornite is the dominant copper mineral with lesser chalcocite but chalcopyrite is common in the two south-western holes. The copper-silver mineralisation in NE Mango 2 appears thicker and lower grade than at NE Mango 1 (at the 0.3% Cu cut-off used to calculate intercept grades). The dip of the mineralisation varies between 60 and 80 degrees to the southeast (Figures 4 and 5).

The depth of cover, comprising Kalahari Sands and calcrite, varies between 25 metres to 35 metres. Vertical depth to the top of the sulphide zone is estimated to be approximately 70 metres.

Infill drilling between the south-western three sections is currently underway, with a goal of completing sufficient drilling in the second quarter of 2012 to allow the estimation of Inferred Mineral Resources. Infill drilling at NE Mango 1 has recently been completed, with the assay results expected by the end of the second quarter 2012. An estimation of Inferred Mineral Resources at NE Mango 1 is expected to be completed in the third quarter of 2012.
<table>
<thead>
<tr>
<th>HoleID</th>
<th>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>
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</thead>
<tbody>
<tr>
<td>MGDD1339</td>
<td>49450N</td>
<td>7714292/726243</td>
<td>-60 to 324</td>
<td>153.0</td>
<td>126.0</td>
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<td>2.0 m @ 1.2 % Cu &amp; 16 g/t Ag</td>
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<td>49450N</td>
<td>7714328/726209</td>
<td>-60 to 324</td>
<td>58.9</td>
<td>0.0</td>
<td>58.9</td>
<td>not sampled (abandoned)</td>
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<td>7714332/726213</td>
<td>-60 to 324</td>
<td>113.0</td>
<td>70.2</td>
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<td>1.8 m @ 1.2 % Cu &amp; 8 g/t Ag</td>
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<td>MGDD1342</td>
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<td>7713291/725059</td>
<td>-60 to 324</td>
<td>146.1</td>
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<td>144.0</td>
<td>no significant intersection</td>
</tr>
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<td>MGDD1343</td>
<td>47900N</td>
<td>7713314/725033</td>
<td>-60 to 324</td>
<td>108.3</td>
<td>81.0</td>
<td>108.3</td>
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<td>MGDD1344</td>
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<td>7712120/723825</td>
<td>-60 to 325</td>
<td>94.1</td>
<td>70.0</td>
<td>71.0</td>
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<td>7712039/723983</td>
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<td>134.0</td>
<td>171.0</td>
<td>no significant intersection</td>
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<td>7711085/722831</td>
<td>-60 to 324</td>
<td>101.3</td>
<td>66.3</td>
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<td>5.8 m @ 0.7 % Cu &amp; 6 g/t Ag including 0.5 m @ 1.1 % Cu &amp; 18 g/t Ag</td>
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<td>7711044/722859</td>
<td>-60 to 324</td>
<td>151.4</td>
<td>121.0</td>
<td>129.0</td>
<td>8.0 m @ 0.5 % Cu &amp; 6 g/t Ag including 0.9 m @ 1.1 % Cu &amp; 17 g/t Ag</td>
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<td>7709812/721517</td>
<td>-60 to 324</td>
<td>86.2</td>
<td>44.5</td>
<td>65.0</td>
<td>20.5 m @ 0.9 % Cu &amp; 2 g/t Ag including 2.9 m @ 1.1 % Cu &amp; insign. Ag and 4.8 m @ 1.7 % Cu &amp; 5 g/t Ag</td>
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<tr>
<td>MGDD1349</td>
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<td>7709733/721553</td>
<td>-60 to 324</td>
<td>221.3</td>
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<td>85.0</td>
<td>9.5 m @ 0.8 % Cu &amp; 9 g/t Ag including 0.8 m @ 1.1 % Cu &amp; 2 g/t Ag and 0.8 m @ 2.7 % Cu &amp; 54 g/t Ag</td>
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<td>31.0 m @ 0.5 % Cu &amp; 4 g/t Ag including 8.0 m @ 1.4 % Cu &amp; 6 g/t Ag</td>
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<td>142.0</td>
<td>150.0</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>171.0</td>
<td>172.0</td>
<td>1.0 m @ 0.3 % Cu &amp; 61 g/t Ag</td>
</tr>
</tbody>
</table>
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.

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 this report of the matters based on information provided by them and in the form and context in which it appears.

Discovery Metals Background

Discovery Metals is an ASX/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 11,872 km² along the Kalahari Copperbelt.

Further information on the Company including Mineral Resources and Ore Reserves is available on our website: www.discoverymetals.com

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

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Figure 2: Kalahari Copperbelt Exploration Targets
Drill hole results released 27 September 2011

- **MGDD1346**: 5.8 m @ 0.7% Cu & 6 g/t Ag including 0.5 m @ 1.1% Cu & 18 g/t Ag and 6.3 m @ 0.3% Cu & 3 g/t Ag
- **MGDD1344**: 1.0 m @ 0.5% Cu & 2 g/t Ag
- **MGDD1348**: 20.5 m @ 0.9% Cu & 2 g/t Ag including 2.5 m @ 1.1% Cu & insign. Ag and 4.8 m @ 1.7% Cu & 5 g/t Ag
- **MGDD1770**: 9.5 m @ 0.8% Cu & 9 g/t Ag including 0.8 m @ 1.1% Cu & 2 g/t Ag and 0.8 m @ 2.7% Cu & 54 g/t Ag
- **MGDD1341**: 1.8 m @ 1.2% Cu & 8 g/t Ag
- **MGDD1343**:
- **MGDD1342**:
- **MGDD1345**:
- **MGDD1347**: 8.0 m @ 0.5% Cu & 6 g/t Ag including 0.9 m @ 1.1% Cu & 17 g/t Ag
- **MGDD1349**: 4.5 m @ 1.0% Cu & 4 g/t Ag including 1.0 m @ 2.3% Cu & 8 g/t Ag and 20.0 m @ 1.1% Cu & 13 g/t Ag including 11.0 m @ 1.7% Cu & 21 g/t Ag
- **MGDD1771**: 31.0 m @ 0.5% Cu & 4 g/t Ag including 8.0 m @ 1.4% Cu & 6 g/t Ag

**Botswana Copper Projects**

**Exploration Progress Drilling**

**NE Mango Prospect**

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