Discovery Metals Limited

29% Increase in Contained Copper at Plutus Deposit with Resource Upgrade

Highlights:

- New Plutus Mineral Resource is 87 Mt @ 1.4% Cu and 13.2 g/t Ag, a 29% increase over the 2010 Mineral Resource of contained 67.4 Mt@ 1.4% Cu and 14.7 g/t Ag.

- Measured and Indicated Mineral Resources are 19.2 Mt @ 1.4% Cu and 13.6 g/t Ag, a 66% increase over the previous tonnage.

- The Plutus Deposit (total Mineral Resource) now contains 1.2 Mt of copper metal and 36.7 Moz of silver (2010 Mineral Resource contained 0.9Mt of copper metal and 31.8 Moz silver).

- Higher grade zones of greater than 1% Copper mineralisation that may have potential for underground mining at Plutus.

- The Plutus Deposit has a strike length in excess of 28 km.

- The Mineral Resources extend to 450 metres below surface and copper-silver mineralisation remains open at depth and along strike.

- Boseto Copper Project Measured and Indicated Mineral Resources are 36.2 Mt at 1.4% Cu and 19.1 g/t Ag.

- The Plutus Deposit has previously been referred to as Plutus and Petra Deposits.

Plutus Petra Copper Mineral Resource Estimate Upgrade

The Managing Director of Discovery Metals, Mr Brad Sampson commented, “This upgrade to the Plutus Deposit represents another step towards increasing the life and the scale of the Boseto Copper Project. In addition, the identification of Mineral Resources at depth with potential for underground mining creates an opportunity to leverage off the recently completed Definitive Feasibility Study for underground mining at Zeta. Discovery Metals intends to undertake a Scoping Study for underground mining at Plutus”.

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) reports the updated Mineral Resource estimate at the Plutus Deposit. The estimate has been completed by the independent consultants, Snowden Mining Industry Consultants Pty Ltd, in accordance with the principles of the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
The Plutus Deposit has previously been referred to as Plutus and Petra Deposits. These Deposits are contiguous and the Mineral Resources are reported as consolidated numbers here as the Plutus Deposit. It is anticipated that the Company will continue to use “Plutus Deposit” to refer to the combined Plutus and Petra Deposits in future.

The Plutus Deposit is located adjacent to the Boseto copper concentrator (Figures 1 and 2) in north-western Botswana. This Plutus Mineral Resource upgrade includes results from 33 new drill holes that extended copper-silver mineralisation at Plutus to 450 metres below surface. The deposit remains open along strike and at depth.

Importantly, infill drilling continues to confirm the consistency of copper grades and continuity of mineralisation which provides greater confidence to the robustness of the Mineral Resources at Boseto.

The Plutus Mineral Resources are:

- Measured Mineral Resource: 11.1 Mt @ 1.4% Cu and 13.9 g/t Ag
- Indicated Mineral Resource: 8.1 Mt @ 1.4% Cu and 13.3 g/t Ag
- Inferred Mineral Resource: 67.7 Mt @ 1.3% Cu and 13.0 g/t Ag
- TOTAL MINERAL RESOURCE: 86.9 Mt @ 1.4% Cu and 13.2 g/t Ag

(All Mineral Resources are reported above a cut-off grade of 0.6% Cu.)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu%</td>
<td>Ag g/t</td>
</tr>
<tr>
<td>Measured</td>
<td>0.1</td>
<td>1.3</td>
<td>11.4</td>
</tr>
<tr>
<td>Indicated</td>
<td>11.5</td>
<td>1.4</td>
<td>14.1</td>
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<tr>
<td>Measured + Indicated</td>
<td>11.6</td>
<td>1.4</td>
<td>14.1</td>
</tr>
<tr>
<td>Inferred</td>
<td>55.8</td>
<td>1.4</td>
<td>14.8</td>
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<tr>
<td>TOTAL</td>
<td>67.4</td>
<td>1.4</td>
<td>14.7</td>
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</table>

The Plutus Deposit is shown in long section with the areas of Measured, Indicated and Inferred Mineral Resources demarcated in Figure 3.

**Plutus – Underground Mine Potential**

Previous drilling results (released June 2011) intersected copper-silver grades and mineralised widths at depths that may have potential for underground mining.

The 33 drill holes included in this upgrade were all drilled within the Plutus Deposit beneath the previous Measured and Indicated Mineral Resources, along a strike length of approximately 6 kilometres.
It can be seen in the long section (Figure 4) that almost this entire strike length contains copper mineralisation with grades in excess of 1% Cu and that multiple areas have been delineated with copper grades in excess of 1.5%. These results further strengthen the potential for underground mining at Plutus.

A Scoping Study for underground mining at Plutus is currently being planned to leverage off the recently completed Definitive Feasibility Study for underground mining at the Zeta Deposit and work on this is anticipated to commence in 2013.

**Boseto Copper Project Mineral Resources**

The new combined Mineral Resources for the Boseto Copper Project are shown in the table below:

<table>
<thead>
<tr>
<th>Mineral Resources</th>
<th>ZETA</th>
<th>PLUTUS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>Cu (%)</td>
<td>Ag (g/t)</td>
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<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>
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<tr>
<td>Subtotal M&amp;I</td>
<td>17.0</td>
<td>1.5</td>
<td>25.4</td>
</tr>
<tr>
<td>Inferred</td>
<td>27.1</td>
<td>1.2</td>
<td>20.0</td>
</tr>
<tr>
<td>Total Mineral Resources</td>
<td>44.1</td>
<td>1.3</td>
<td>22.1</td>
</tr>
</tbody>
</table>

Mineral Resources are reported at a cut-off grade of 0.6% Cu. Please refer to Competent Persons Statement.
Competent Persons Statement

The information in this report as it relates to the Mineral Resources estimate for the Boseto Copper Project has been reviewed by Mr David Arnott, who is a Member of the Australasian Institute of Mining and Metallurgy (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 Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Mr Arnott consents to the inclusion in the report of the matters pertaining to the Plutus Mineral Resource estimate based on information provided by him, and in the form and context in which it appears.

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.

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 1. Discovery Metals’ Botswana Projects
Figure 2. Kalahari Copperbelt Exploration Targets
Figure 3. Plutus Long Section: Resource Categories – March 2012
Figure 4. Plutus Long Section: Copper Grade Contours – March 2012