ASX/BSE: DML

MARKET CAPITALISATION
- Shares on Issue: 484m
- Share Price: A$1.245
- Market Cap: A$602m
- Cash (31 July): US$42.2m
- Debt (31 July): US$205m

ABN 29 104 924 423

CONTACTS
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WEBSITE
discoverymetals.com

BOARD OF DIRECTORS
- Chairman: Gordon Galt
- Managing Director: Brad Sampson
- Non-Executive Director: Morrice Cordiner, Ribson Gabonowe, Niall Lenahan, Jeremy Read, John Shaw

Company Secretary: Greg Seeto

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Discovery Metals Limited
Cleansing Notice – Placement and Share Purchase Plan

Share purchase plan

Discovery Metals Limited (Company) confirms that it will today dispatch offers under the share purchase plan (SPP) announced to ASX on 8 August 2012.

Under the SPP, eligible shareholders will be invited to subscribe for up to AUD$15,000 worth of fully paid ordinary shares in the Company at an issue price of AUD$1.20 per share (New Shares), to raise up to AUD$15 million before costs.

Discovery Metals reserves the right (in its absolute discretion) to scale back the maximum participation amount per shareholder. Discovery Metals reserves the right to raise more than the Cap under the SPP and accept subscriptions in excess of AUD$15 million if there is overwhelming shareholder demand.

Placement

The Company also confirms that it has today issued 41,666,667 New Shares at an issue price of AUD$1.20 per New Share by way of a placement to qualified and sophisticated institutional investors to raise AUD$50 million (before costs) (Placement), first announced to the market on 8 August 2012.

The Company confirms that:

1. The New Shares under the Placement and the SPP have been and will be offered for issue without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Act).

2. This notice is being given:
   (a) under section 708A(5)(e) of the Act; and
   (b) in compliance with the requirements of Part 6D.2 of the Act, as modified by ASIC Class Order 09/425.

3. As at the date of this notice, the Company has complied with:
   (a) the provisions of Chapter 2M of the Act; and
   (b) section 674 of the Act, as they apply to the Company.

4. As at the date of this notice, the Company confirms that it has no excluded information (as that term is defined in subsections 708A(7) and (8) of the Act) to disclose.
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 production company focused on the emerging Kalahari Copperbelt in north-west Botswana. The Company is a copper producer at its 100% owned Boseto Copper Project.

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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UK PR – Tavistock PR, Contact Jos Simson/Emily Fenton  Ph +44 207 920 3150 or +44 778 855 4035
Figure 1. Discovery Metals’ Botswana Projects