BSE RELEASE

7 August 2008

MASSIVE COPPER ANOMALIES DEFINED AT QUIRINUS BY DISCOVERY METALS

Highlights

- Geochemical soil sampling has identified 13.4 kilometres of copper anomalism at Quirinus
- The northern limb of Quirinus, previously reported at 3.3 kilometres is now extended to 8 kilometres
- 18 kilometres of prospective strike length at Quirinus still to be tested
- Assay results from four diamond drill holes at Quirinus expected later this quarter

Discovery Metals Limited (ASX/BSE: “DML”) (AIM: “DME”) is pleased to announce further results from the soil geochemical survey being carried out at the Quirinus prospect (Figure 1). The Quirinus prospect is located approximately 15 kilometres south west of the existing Zeta, Plutus and Petra Prospects which contain Indicated and Inferred Mineral Resources of 49.1 million tonnes @ 1.2% copper at a cut off of 0.6% Cu (Figure 2). The aim of exploration at Quirinus is to define additional resources for the Boseto copper project.

Quirinus is a recent copper-silver discovery by Discovery Metals. Three reverse circulation (RC) holes were drilled at Quirinus in December 2007 with assays being reported on 5th June 2008. The holes investigated a strike length of 600 metres and all three holes intersected copper-silver mineralisation similar in nature to that contained in the existing Indicated and Inferred mineral resources at the Zeta, Plutus and Petra prospects. Assay results from two of the three Quirinus holes were 4m @ 1.7% Cu and 13g/t Ag and 6m @ 0.9% Cu and 14 g/t Ag.

New Copper Anomalies

Three discrete anomalous copper zones (greater than 100ppm Cu) have now been delineated at Quirinus, with the total anomalous copper signature now extending to 13.4 kilometres in length (Figure 3) significantly increased from the 3.3 kilometre anomaly previously reported. These anomalies have been defined from soil samples taken on 200 metre sections along the strike of the Quirinus prospect. The anomalous copper signatures cover 61% of the strike length tested to date, representing a very high success rate in converting prospective strike length into drill targets.

Within the northern limb of Quirinus (Zone 1), an anomalous copper geochemical signature covering in excess of 8 kilometres has been identified. On the southern limb, two separate and newly identified areas of copper anomalism have been defined covering strike lengths of 3.8 kilometres and 1.6 kilometres respectively. Neither of these anomalies has been drill tested.

The length of these anomalies is significant when compared to the length of the geochemical anomaly at the Plutus prospect, which was initially 6 kilometres long at surface and delivered an inferred mineral resource of 14.5Mt @ 1.3% Cu and 13 g/t Ag at a cut off of 0.6% Cu.
Importantly, Discovery Metals has a successful 100% track record of conversion of copper soil geochemical anomalies into mineralisation defined in drill holes beneath these anomalies at the Boseto Copper Project.

These soil geochemical results were acquired in less than 30 days of field time by a single geologist and 2 field assistants using an innovative, lightweight, handheld assay device, a Thermo Scientific XRF analyser. The Discovery Metals’ geological team can now acquire and interpret high quality soil geochemical data extremely rapidly and at very low cost. The development of this approach should enable Discovery Metals to conduct soil geochemical surveys over all of the strike length of interest across its 12,100 square kilometre tenement package within the next three years.

Discovery Metals’ Managing Director, Mr Brad Sampson, said, “Quirinus is developing into a very exciting prospect with potential to provide an additional copper–silver mineral resource within trucking distance of the proposed concentrator location at the Boseto Copper Project”.

“Discovery Metals has 1,300 kilometres of prospective strike length to explore within its 100%-owned tenement package. A diamond drilling program has commenced at Quirinus and we look forward to the initial assay results by the end of the quarter” he added.

The soil geochemical survey will continue over the remaining 18,000 metres of the 40,000 metre strike length of geological structure identified as prospective at Quirinus. This work is expected to be complete by the end of the quarter.

Four diamond drill holes have been completed at the Quirinus prospect and the first assay results from the mineralised intersections are anticipated to be received this quarter.

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**Competent Persons Statement**

The information in this report as it relates to the Plutus and Petra Mineral Resources for the Boseto Copper project was compiled by Mr Stefan Mujdrica and Mr Jason Hosken, who are Members of The Australasian Institute of Mining and Metallurgy. Mr Mujdrica and Mr Hosken are full time employees of Snowden Mining Industry Consultants. Mr Mujdrica 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”. The information in this report as it relates to the Zeta Mineral Resources for the Boseto Copper project was compiled by Mr Ferdinando Camisani, who is an Honorary Life Fellow of The South African Institute of Mining and Metallurgy, a recognised overseas professional organisation. Mr Camisani is an Associate of A&B Global Mining. Mr Camisani 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”. The information in this report as it relates to Exploration Results is based on information compiled by Mr Fred Nhikawiwa who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Nhikawiwa is a full-time employee of the company. Mr Nhikawiwa 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 Mujdrica, Mr Camisani and Mr Nhikawiwa consent to the inclusion of the matters based on information provided by them and in the form and context in which it appears.

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

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ASX & BSE: DML

SHARE PRICE: A$0.41

SHARES: 130.1M

Market Cap: A$53.3M

AIM: DME
COPPER ANOMALIES

Soil sampling traverse line

>100 ppm Copper in soils (NiT0N XRF results)

Drill hole

UTM Projection. Zone 34. WGS84 Datum.