

ASX RELEASE

31 August 2010

Boseto Bankable Feasibility Study & Development Plan

Discovery Metals Limited (AIM: DME) (ASX/BSE: DML)
(‘Discovery Metals’ or ‘Company’)

Discovery Metals (ASX:DML, BSE:DML, AIM:DME) announces the results for the completed studies on the technical and economic feasibility of the Company’s 100% owned Boseto Copper Project.

- The **Bankable Feasibility Study (BFS)** examines the open pit mining of proved and probable ore reserves only for an initial 5 year period, with power provided by diesel generation.
 - The **Boseto Development Plan (BDP)** examines the continuation of mining beyond the BFS period, with mining of reserves plus inferred mineral resources via open pit methods and inclusion of the Zeta underground mine. The BDP covers a 15 year period and establishment of a coal fired power station to provide power.
 - **Feasibility Study Outcomes** are:
 - **BFS** Net Present Value (5 years): US\$ 251M at a C1 cash cost of US\$1.28/lb*².
 - **BDP** Net Present Value (15 years): US\$ 375M at a C1 cash cost of US\$1.23/lb*².
- *² Costs are per pound of copper during debt repayment period July 2012 to December 2014.
- **Payback** for both studies is less than 2 years after production commences.
 - Demonstrated economic potential for operations to continue beyond 15 years.

The board of Discovery Metals has instructed management to proceed to bank the Boseto copper project and commence placement of long lead items and limited early works.

Brad Sampson, the Managing Director of Discovery Metals comments, “These studies demonstrate that the Boseto copper project is economically robust over a range of copper prices. The large resource base remains only partially depleted in both studies and the Boseto copper project may offer shareholders optionality on the copper price for an extended period.”

Details are contained in the **attached booklet** which is available from the Company’s website:

www.discoverymetals.com.au

A recorded Boardroom Radio interview with Brad Sampson is also available from both the Company’s and the www.brr.com.au website.

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

Brad Sampson Managing Director Ph: +61 7 3218 0200 or Mob: +61 4 3877 1037

brad@discoverymetals.com.au

AIM Nominated Advisor – Fairfax I.S. PLC, Ewan Leggat/Laura Littlely Ph: +44 20 7460 4389 or 7460 4387

UK PR – Conduit PR, Jos Simpson/Emily Fenton Ph +44 207 429 6603 or Mob +44 7899 870 450

ASX & BSE: **DML**

AIM: **DME**

SHARE PRICE: **A\$0.92**

SHARES: **302M**

Market Cap: **A\$279M**