Discovery Metals Limited

Boseto Commissioning Update, September 2012

Highlights:

- Ore mined from the Zeta open pit totalled 180,000 tonnes in August, up from 150,000 tonnes in July. First sulphide ore was mined at the end of the month.

- Crushing and milling circuits achieved throughputs rates in line with the commissioning and ramp up plan. Milling achieved 75% of design throughput and is expected to increase further in September.

- More than 2,500 tonnes of copper-silver concentrate was produced in August (up from 1,440 tonnes in July) at an average grade of 41% copper with 650 g/t silver.

Discovery Metals Limited reports continued good progress on the commissioning and the ramp up of copper-silver concentrate production at its 100% owned Boseto Copper Project in north-western Botswana (Figure 1).

The Project is designed to produce an average of approximately 36,000 tonnes copper and 1.1 million ounces silver per annum in concentrate from 3 million tonnes per year (3Mtpa) of ore feed.

Mining Status

Open pit mining production at the Zeta Deposit was approximately 180,000 tonnes of ore in August, up from 150,000 tonnes in July.

The third 350 tonne excavator was commissioned mid-August and commenced excavation with immediate positive impact on production.

The proportion of sulphide copper minerals continues to increase with depth in line with the mine plan.

Concentrator Status

Crushing, milling and production of copper-silver concentrate commenced at Boseto in June 2012. August results and commissioning progress included:

- Approximately 2,550 tonnes of copper-silver concentrate was produced in August at an average grade of 41% Cu and 650 g/t Ag.

- The crushing and milling circuits each achieved more than 190,000 tonnes throughput for August up from 130,000 tonnes in July. These results are in line with the expectations of the commissioning and ramp up plan.
- Work continues to optimise floatation performance.
- Based on current trends, the operations are forecast to be cash-flow positive for the month of September.

During September, concentrator throughput is expected to continue to increase towards the design of 250,000 tonnes per month. Increased quantities of sulphide ore are planned to be fed into the concentrator and, based on current trends, concentrate production is forecast to continue to increase to the September target of 4,000 tonnes of copper-silver concentrate.

Discovery Metals’ Managing Director, Brad Sampson said, “We are pleased to see the mine and process plant continue to improve during the commissioning phase. Our team are continuing to work towards optimising the plant to its nameplate capacity. On current predictions we expect to generate positive cash flow after all costs, excluding capital, in the month of September”.

Further, the Boseto Copper Project was officially opened by the President of the Republic of Botswana His Excellency Seretse Khama Ian Khama, accompanied by Vice President and Minister for Mines, Energy & Water Resources Dr Ponatshego Kidikilwe on Friday, 7 September 2012.

The official opening was attended by more than 500 guests, including members of the Botswana Government, the Australian High Commissioner to Botswana, local and traditional leaders and business partners.

Photos of the Boseto Copper Project official opening will be available on the Company’s website shortly: www.discoverymetals.com
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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