Discovery Metals Limited

Maiden Mineral Resources at NE Mango 2

Highlights:

- Maiden NE Mango 2 Inferred Mineral Resources of 28.5 Mt @ 1.3% Cu and 14 g/t Ag located 20 km from the Boseto concentrator.
- Mineral Resources at NE Mango 2 extend over a 6.6 km strike length and are contained within a single mineralised layer.
- The copper-silver mineralisation thickens to true widths of up to 16m over a strike length of 1 km in the central portion of the deposit.
- The Deposit appears to have both open cut and underground mining potential. Mining potential and ongoing exploration plans are currently being assessed.
- Current Mineral Resources are estimated to approximately 300 metres below surface and copper-silver mineralisation remains open at depth.
- Total Boseto Zone regional Mineral Resources now increased to 76.2 Mt @ 1.2% Cu and 15 g/t Ag which is in addition to the Boseto Copper Project Mineral Resources of 131 Mt @ 1.3% Cu and 16.2 g/t Ag.

NE Mango 2 – Maiden Copper-Silver Mineral Resources estimate

Discovery Metals Limited (‘Discovery Metals’ or ‘Company’) reports the maiden Mineral Resources estimate at the NE Mango 2 Deposit. NE Mango 2 is located approximately 20 kilometres from the 100% owned Boseto Copper Project, and approximately 5 kilometres along strike from the NE Mango 1 Deposit (Figure 2). It extends over a strike length of approximately 6.6 kilometres.

The Managing Director of Discovery Metals, Mr Brad Sampson commented, “The NE Mango 2 deposit maiden Mineral Resources estimate continues to emphasise the growth potential in the Boseto zone. We will further define the mineralisation in this area and assess its suitability for both open cut and underground mining over the coming months. The existence of a thick high grade zone extending over approximately 1 kilometre should auger well for this mineral resource to become a key feature of the Boseto project expansion story.”
The NE Mango 2 Inferred Mineral Resources for copper-silver mineralisation below the base of oxidation are:

**TOTAL INFERRED MINERAL RESOURCE** 28.5 Mt @ 1.3% Cu and 14g/t Ag
(Mineral Resources are reported above a cut-off grade of 0.6% Cu.)

The estimate has been completed by independent consultants, Xtract Mining Consultants Pty Ltd, and reported in accordance with the guidelines of the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**NE Mango 2 Prospect (100%)**

Discovery Metals completed exploration drilling at the NE Mango 2 Prospect during 2012. Drilling comprised 45 drill holes, totalling 6,580 metres. All of these drill holes were reverse circulation (RC) collars with diamond drilling tails (DD) through the mineralisation. All drill holes are located within the area modelled for Mineral Resource estimation.

The mineralised zone at NE Mango 2 has been interpreted between 15 sections spaced approximately 400 metres apart, with one section spaced at 1,000m in the north confirming mineralisation continuity along the total 6.6 kilometre strike length. Copper-silver mineralisation is generally dipping at 80 degrees to the north-west, has been intersected at depths between 30 metres and 250 metres. It occurs as a discrete mineralised layer of approximately 2 metres to 16 metres in thickness, with a general thickening in the central portion of the Prospect over a strike length of 1,000 metres.

Approximately 30 metres of unconsolidated Kalahari Sands and calcrete overlay the mineralisation at NE Mango 2, with the top of the sulphide zone occurring at vertical depths of approximately 100 metres. For comparison, at the Zeta open pit sand cover typically is less than 10 metres and sulphide mineralisation is generally within 35 metres of the surface.

The sulphide copper mineralisation at NE Mango 2 is primarily chalcopyrite with lesser amounts of bornite and chalcocite.

The copper-silver mineralisation remains open at depth and the presence of a thick central core of copper-silver mineralisation may create opportunities for open pit and underground mining.

Further drilling is required to understand the nature of the copper-silver mineralisation in the oxidised zone which has not been included in this Mineral Resources estimate. At the nearby Zeta and Plutus Deposits the oxide and transitional zones contain economic copper-silver mineralisation and potential for this exists at NE Mango 2.

Work continues to assess the full potential of the NE Mango 2 Prospect with the copper-silver mineralised zone showing potential for open pit and underground mining.
All Mineral Resources are reported at a cut-off grade of 0.6% Cu.

**Boseto Mineral Resources**

<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>
</tr>
<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>
</tr>
<tr>
<td><strong>Subtotal M&amp;I</strong></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><strong>TOTAL RESOURCES</strong></td>
<td>44.1</td>
<td>1.3</td>
<td>22.1</td>
</tr>
</tbody>
</table>

1 Data as at 2 May 2012.

**Additional Boseto Zone Regional Mineral Resources**

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Mt</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selene(^2)</td>
<td>16.0</td>
<td>1.0</td>
<td>16</td>
</tr>
<tr>
<td>Zeta NE(^3)</td>
<td>12.9</td>
<td>1.3</td>
<td>22</td>
</tr>
<tr>
<td>Ophion(^4)</td>
<td>14.0</td>
<td>1.0</td>
<td>12</td>
</tr>
<tr>
<td>NE Mango 1(^5)</td>
<td>4.8</td>
<td>1.2</td>
<td>13</td>
</tr>
<tr>
<td>NE Mango 2(^6)</td>
<td>28.5</td>
<td>1.3</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>76.2</td>
<td>1.2</td>
<td>15</td>
</tr>
</tbody>
</table>

2 Data as at 12 January 2012. 3 Data as at 2 August 2012. 4 Data as at 11 October 2012. 5 Data as at 1 August 2012. 6 Data as at 16 October 2012.
Competent Persons Statement

The information in this report as it relates to the NE Mango 2, Selene, NE Mango 1, Zeta NE and Ophion Mineral Resources estimates (the **Boseto Zone regional Mineral Resources**) for the Boseto Copper Project has been compiled by Mr Matthew Readford, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Readford is employed full time by Xtract Mining Consultants Pty Ltd. Mr Readford 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 JORC Code, 2004.

Mr Readford consents to the inclusion in the report of the matters pertaining to the Boseto Zone regional Mineral Resources based on information provided by him, and in the form and context in which it appears.

The information in this report that relates to the Zeta and Plutus Mineral Resources estimate was reviewed by Mr Ivor Jones, who is a MAusIMM. Mr Jones is employed full-time by Snowden Mining Industry Consultants Pty Ltd (**Snowden**). Mr Jones 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 JORC Code.

Mr Jones consents to the inclusion in the report of the matters pertaining to the Zeta and Plutus Mineral Resources 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 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](http://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 4. Mango NE Resource Drilling Results