Discovery Metals is pleased to provide a further update on the commissioning of its 100% owned Boseto Copper Project in north western Botswana. Commissioning has been underway since late June 2012. Further progress on the ramp up of mining operations and the commissioning of the concentrator in the month of October is set out below.

**Mining**

Mining production (waste plus ore) for October was 2.6Mt. This is the highest monthly production figure recorded to date at the site and represents approximately 85% of final design production rate. All major mining equipment is on site. Recruitment and training of operators is continuing and further improvement in mine production is expected over the next three months.

Mining continued through mainly lower grade, transitional ore during October as the Zeta pit was lengthened towards its full strike length of 1,850 metres and deepened progressively. Mining of predominantly sulphide ore from the Zeta pit is expected from December 2012.
Concentrator

A planned 7-day plant shutdown was completed successfully. Work during the shutdown was mainly aimed at making adjustments to the primary crusher feed bin. The shutdown also provided the opportunity to make other adjustments to enhance concentrator performance.

Tonnes milled for the month was 162kt. For the operating days, the average daily processing rate was 7,349 tpd which represents 88% of the design production rate. The plant has run at rates higher than the design capacity.

Metal Production

Concentrate production for October was 2,718 tonnes at 38% Cu containing 1,037 t Cu and 40,431 oz Ag. A 7-day planned shutdown of the concentrator led to the decrease in production in October, compared to September.
Looking forward

A programme of ongoing operational initiatives is being implemented by Discovery Metals targeting the achievement of steady state production rates at, and beyond, design capacity (currently 3mtpa).

In addition, the Company is:

- preparing for the completion of the Performance Test required under the Project Finance Facilities which are in place with the Boseto banking syndicate. The Performance Test is carried out over a three month period and is currently planned for the period between February and April 2013; and
- continuing with its debottlenecking investigations at the concentrator so that capacity of the currently installed plant can be more accurately determined and results included in ongoing production planning and expansion planning. Indications to date are that a higher than design processing rate could be obtained if sufficient ore is made available.

Pursuant to the above, Discovery Metals has decided to increase the rate of mining at Boseto in the period leading up to the Performance Test by hiring additional mining fleet and operations. The first of this equipment is already on site and the first use of this equipment is anticipated in December. The additional equipment will be deployed to complete the lateral extension of the Zeta pit so that the Company’s mining fleet can concentrate on pit deepening and on building up stockpiles at the ROM area so that the rate of feed to the plant can be increased as desired. Some preliminary work will also be carried out in the Plutus pit area, mainly concentrating on the removal of the Kalahari sand layer above the weathered zone.

This equipment and trained operators are being hired from Basil Read, a southern African mining contracting and equipment hire company.
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

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