Discovery Metals Limited

Plutus Ore Reserves Increased

Highlights

- **New Plutus Open Pit Ore Reserves of 13.3 Mt @ 1.3% Cu and 13.4 g/t Ag**, an 18% increase over the 2010 Ore Reserves of 11.3 Mt @ 1.3% Cu and 13.7 g/t Ag.
- **Proved Ore Reserves have increased to 12.0 Mt @ 1.3% Cu and 13.1 g/t Ag**, a 6,000% increase over the 2010 Ore Reserve of 0.2 Mt @ 1.3% Cu and 11.7 g/t Ag.
- **Total Boseto Copper Project (Proved and Probable) Ore Reserves increased to 31.1 Mt at 1.4% Cu and 19.2 g/t Ag.**
- The Plutus Deposit remains open at depth and a scoping study is planned to be completed in 2013 to assess the potential for an underground mine.

Plutus Open Pit Copper Ore Reserves Increased

Discovery Metals Limited (Discovery Metals or Company) reports an updated Ore Reserves estimate at the Plutus Open Pit deposit.

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

Discovery Metals’ Managing Director Mr Brad Sampson commented, “This upgrade to the Plutus Deposit represents another step towards increasing the life and the scale of the Boseto Copper Project. As the Plutus Deposit remains open at depth, it also creates additional potential for underground mining and an opportunity to leverage off the recently completed Definitive Feasibility Study for underground mining at Zeta. Discovery Metals is planning to undertake a Scoping Study for underground mining at Plutus in 2013”.

The Plutus Deposit is located in north-western Botswana (Figures 1) and is adjacent to the Boseto copper concentrator (Figure 2). This Plutus Ore Reserves upgrade includes results from 33 additional drill holes that extended copper-silver mineralisation at Plutus to 450 metres below surface. The deposit remains open along strike and at depth.

Importantly, infill drilling confirmed the consistency of copper grades and continuity of mineralisation which provides greater confidence to the robustness of the Ore Reserves at Boseto.

The Plutus Ore Reserves are:

- **Proved Ore Reserves 12.0 Mt @ 1.3% Cu and 13.1 g/t Ag**
- **Probable Ore Reserves 1.3 Mt @ 1.5% Cu and 15.7 g/t Ag**

**TOTAL PLUTUS ORE RESERVES 13.3 Mt @ 1.3 % Cu and 13.4 g/t Ag**

(All Ore Reserves are reported above a cut-off grade of 0.6% Cu.)
Ore Reserves
The total Ore Reserves for the Boseto Copper Project, reported in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition), at a cut-off of 0.6% Cu, are:

**Boseto Ore Reserves**

<table>
<thead>
<tr>
<th>Ore Reserves</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>Open Pit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>4.0</td>
<td>1.6</td>
<td>22.1</td>
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<tr>
<td>Probable</td>
<td>6.5</td>
<td>1.5</td>
<td>23.5</td>
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<tr>
<td>Under Ground</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>1.0</td>
<td>1.3</td>
<td>24.0</td>
</tr>
<tr>
<td>Probable</td>
<td>6.3</td>
<td>1.3</td>
<td>24.6</td>
</tr>
<tr>
<td>Underground Ore Reserves</td>
<td>7.3</td>
<td>1.3</td>
<td>24.5</td>
</tr>
<tr>
<td>TOTAL ORE RESERVES</td>
<td>17.8</td>
<td>1.4</td>
<td>23.6</td>
</tr>
</tbody>
</table>

All Ore Reserves are reported at cut-off grade of 0.6% Cu. Please refer to Competent Persons Statement.

1 Zeta Open Pit data as at 31 August 2010. Recent mining from the Zeta open pit has not been depleted from this Ore Reserves estimate. Plutus Open Pit data as at 11 December 2012. 2 Zeta Underground data as at 27 April 2012.
Competent Persons Statement

The information in this report that relates to the Open Pit Zeta and Plutus Ore Reserves was reviewed by Mr Frank Blanchfield, who is a fellow of the AusIMM. Mr Blanchfield is employed full-time by Snowden. Mr Blanchfield 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.

The information in this report that relates to the Zeta Underground Ore Reserves has been reviewed by Mr Andrew Gasmier, who is a MAusIMM. Mr Gasmier is employed full-time by Mining Plus Pty Ltd. Mr Gasmier 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.

Messrs Blanchfield and Gasmier consent to the inclusion in this report of the matters based on information provided by them 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

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

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DISCOVERY METALS LIMITED

Developing a new

copper frontier
Figure 1. Discovery Metals’ Botswana Projects
Figure 2. Kalahari Copperbelt Exploration Targets