Discovery Metals Limited

Boseto Commissioning November Update

Progress continues on the commissioning of the mine and concentrator in the month of November at Discovery Metals’ 100% owned Boseto Copper Project in north-western Botswana. Commissioning progress to date can be summarised as:

- the concentrator has demonstrated that it can operate at or above its daily design throughput rate across the range of ore types treated to date (oxide, transition and sulphide) and is capable of meeting its monthly design throughput rate of 250kt/mth when ore presentation is sufficient; and
- mining production has reached just over 80% of design rate, but at this rate the mine is not maintaining sufficient ore feed to the concentrator. A number of initiatives are being progressed to increase mining production to above the total design rate as soon as possible.

Details are set out below.

Mining

Mining production (waste plus ore) for November was 2.4Mt. This is slightly down on the previous month and represents 81% of the design production rate. The major cause of under production for November was excavator downtime.

![Material Mined (tonnes)](image)

Lower than planned production over the last quarter has had a cumulative impact on the tonnage and quality of ore available, so ore mining in November took place mainly in the thinner, lower grade, transitional ore near the ends of the Zeta pit rather than having a significant proportion of sulphide ore from the middle of the pit as had been planned.
With the concentrator now having reached its design capacity, the focus is now on mining, and a number of initiatives are underway to increase production to above the design level in the short term.

These include increasing the pace of hiring and training Discovery Metals operators and maintenance personnel, early development of the Plutus Open Pit to increase operational flexibility and the procurement of larger capacity excavator buckets for working in the upper areas of the open pit where the specific gravity of the material is lower. Deployment of the additional mining equipment and operators flagged last month (as being organised in advance of the H1/13 mine performance test) has been accelerated and as many as possible of these resources are planned to start work at the Zeta Open Pit during December.

Towards the end of the month, a small localised failure of a section of interim hanging wall (reported separately) occurred (see picture).

Subsequent to the failure the Botswana Department of Mines, Minerals, Energy and Water Resources requested that Discovery Metals temporarily suspend deepening of the Zeta Open Pit. A geotechnical investigation into the cause of the failure has been conducted and discussions with the Department of Mines are proceeding. The failure area was cleared in less than 24 hours and mining activity within the Zeta Pit is continuing in an unrestricted manner in the large working areas on the higher benches of the open pit. Discovery Metals does not expect that the failure to have any material effect on mining, but access to the sulphide ore in the middle of the pit is expected to be restricted until the investigations and discussions with the Department of Mines are completed.
Concentrator

Milled tonnage for the month of November was 171kt at an average daily rate of 8,549tpd over 20 days of operation. The average daily rate represents 100% of the daily design production rate, so the mill is now performing at design capacity. The loss of production days was due to ore shortage from the mine and a decision to restrict excessive milling of low grade stockpiles, which currently stand at over 400,000t, to preserve concentrate quality.

Mill Production & Milling Rate per day

Metal Production

Reduced mine production and ore quality restricted concentrate production in November to 2,010 tonnes at 38% Cu containing 767 t Cu and 31,415 oz Ag. The proportion of copper in the concentrate produced remains high and well above industry averages despite the processing of lower grade oxide and transitional ore.

Concentrate Production and Grade
Looking forward

The Boseto concentrator is expected to be able maintain or exceed design throughput rates going forward, when supplied with sufficient ore feed. Debottlenecking investigations are continuing so that the upside capacity of the currently installed plant can be more accurately determined and that upside included in ongoing production and expansion planning. Indications to date are that a higher than design processing rate may be obtained when sufficient ore is made available.

The mining rate is expected to improve as the initiatives described above are completed and the Company is aiming to achieve design mining rates in January 2013. In respect of the localised failure on the interim pit wall, the Company is working through the results of the geotechnical investigation with the Department of Mines with a view to allowing the deepening of the pit into sulphide ore as soon as possible. Further updates will be provided as available.

Metal production is expected to improve above the October level in December. Milling of some low grade ore from stockpiles is also expected to occur in December.

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:

Brad Sampson  Managing Director  Ph: +61 7 3218 0222  brad@discoverymetals.com

UK PR – Tavistock PR, Contact Jos Simson/Emily Fenton  Ph +44 207 920 3150 or +44 778 855 4035