Progress continued on the ramp up of production at Discovery Metals’ 100% owned Boseto copper project in north-western Botswana during February 2013.

- The highest monthly copper production to date was recorded, with concentrate production of 3,834 t containing 1,529 t Cu and 63,024 oz Ag.
- Concentrator throughput was approximately 91% of design rate for the 23 days operated.
- Mining material movements was 2.4 Mt.

**Mining**

Mining production (waste plus ore) for February 2013 was 2.4 Mt. This was slightly above January mining production. The main contributor to lower than planned production was the lack of blasted stocks at the beginning of the month due to rain.

**Material Mined (tonnes)**

Progress on initiatives to improve mining production and reduce dilution included:

- Changes made to drill and blast designs have improved blasting outcomes. Blasted stocks ahead of mining increased from nil at the start of February to approximately 500,000 tonnes by month end.
- Use of the 18 m³ capacity buckets on the 350 tonnes excavators as reported in January is improving loading cycles and further improvement is anticipated.
- Additional maintenance staff have been engaged and work is continuing to improve OEM support.

In January, one 350 tonne excavator was moved to the Plutus Open Pit, in conjunction with the trucks hired from Basil Read. To date approximately 380,000 tonnes of material have been removed from the first stage of the Plutus Open Pit.

**Concentrator**

Milled tonnage for the month was 187,994 t at an average daily rate of approximately 8,173 t/d for the 23 days operated in February. This rate is 91% of the overall design capacity.

**Mill Production & Milling Rate per operating day**

Ore was milled from normal grade and low grade sources during February as follows:

- 160,138 tonnes of normal grade mill feed produced 3,557 tonnes of concentrate (at 40% Cu). The concentrator recovered 80% of the copper and 80% of the silver from the normal grade ore milled.

- In addition, 27,856 tonnes of low grade material (<0.6% Cu) was campaign milled and processed from stockpile during the month producing 277 tonnes of concentrate (at 39% Cu). The concentrator recovered 54% of the copper and 59% of the silver from this low grade material.
Metal production

Concentrate production in February was 3,834 tonnes at 40% copper containing 1,529 tonnes of copper and 63,024 ounces of silver. This was the highest monthly metal production figure from the Boseto copper project to date.

Power supply update

The Boseto power station comprises eight diesel engine/generator sets with total capacity of approximately 21 MW. The diesel engines were formerly used to power railway locomotives and all were fully rebuilt prior to delivery to Boseto. The concentrator (which draws approximately 12 MW) can be operated at full design capacity when six of the eight units are operating.

A further 5 MW of generating capacity was hired in July 2012 to provide contingency during the power station/concentrator commissioning phase. This capacity was, in effect, the early delivery of the power supply that will be needed at the Zeta underground mine site in Q3/2013.

The power station was fully commissioned by August 2012 and has reliably supplied power to the entire Boseto copper project since that time, with only insignificant interruptions being experienced by the concentrator. The back-up 5 MW capacity has been used since August 2012 to allow for maintenance of the Boseto power station generator sets.

Following commissioning of the main power station, site management has identified changes that can be made to the turbo charger and engine cooling systems to improve generating efficiency and reduce fuel consumption. These changes are expected to be completed by the end of June 2013.

For the medium to long term, it has always been the Company’s plan to replace diesel power generation at Boseto with an onsite coal fired power station or with grid power. The Company submitted an amended environmental impact assessment that included the Zeta underground mine and a coal fired power station at Boseto to the Government of Botswana in 2012.

The Department of Environmental Affairs has now moved this application to a four week phase of public access to the documents, which is a normal phase on route to approval.
In parallel with this process, the Company continues to liaise with the Government of Botswana on Government plans to construct new power lines into north-west Botswana that would allow the supply of grid power to Boseto. The Government has recently informed the Company that it has completed a feasibility study on this project and details will be provided as soon as they become available for release.

**Looking forward**

Mine production, concentrator feed and concentrate production are all expected to increase further towards design rates in March 2013.

The mill continues to demonstrate its overall capability. In the three months since 1 December 2012 the mill has processed 444 kt over 54 operating days at an average rate of 8,222 t/d, which is equal to 98% of design capacity. The Company remains confident that the mill will be able to exceed design capacity when sufficient ore feed is available from the mine.

The key area being targeted to achieve the required amount of ore feed is the mine, where the Company continues to advance initiatives for improving drilling, blasting and truck loading cycles. The ability to increase blasted stocks in February is indicative of the improvements being made.

Cost management and cash generation are also key focus areas. Cost management is being assisted by the Company’s ERP system (Pronto) which is now fully operational. Concentrate shipments are continuously being expedited to minimise working capital requirements.
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