Discovery Metals Limited is pleased to advise that its existing lenders have formally consented to a series of amendments to the Company’s Project Finance and Corporate Revolver facilities, including extensions to repayment schedules and waivers on debt covenants.

The amendment package agreed with the Company’s lenders cures all technical breaches of the Company’s financing facilities reported in the financial report for the half year ended 31 December 2012, and demonstrates the ongoing commitment of the Company’s lenders to the Boseto Copper Project.

Specifically, the amendment package achieves a significant improvement in working capital by deferring the Project Loan principal repayments of approximately US$17.5m each which were previously due at the end of March and June 2013. The current Debt Service Reserve Account (DSRA) funding of US$19m will be applied toward principal payments on those dates. The DSRA is then planned to be re-funded in September 2013. The balance of the March and June 2013 principal payments has also been shifted to the maturity date of the loan (31 March 2015) as a balloon payment.

Discovery Metals is finalising plans for debt capital markets issuance to raise between US$200 million and US$250 million to replace existing project linked debt. The issuance will extend Discovery’s debt maturity, provide additional working capital for the Company’s development projects and better reflect the long term nature of the Company’s cash flows.
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 10,554 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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