Discovery Metals Limited

Boseto Operations Update

May 2013

Highlights

- **Record metal production** of **1,713 tonnes** of contained copper and **75,348 oz** of contained silver.
- **Record material movement** of **3.24 Mt** from the two operating open pits.
- **168 Kt ore** processed at average head grade of **1.21% Cu** and **15.3 g/t Ag** included Zeta high grade ore, Zeta low grade ore and Plutus transitional ore.
- **Overall copper recovery of 84%** and **silver recovery of 91%**.
- **Production outcomes in line with the plan for the month.**

Mining

Mining production (waste plus ore) for May 2013 was 3.24 Mt.

![Material Mined (tonnes)](image)

This is the largest material movement for any month to date and is the fourth consecutive improvement in production since January 2013.

At the end of May blasted stocks (Ore + Waste) of 1.1 million tonnes were available for mining in the two open pits.
Mining during May was undertaken in both the Zeta and Plutus Open Pits. The strategy adopted at the end of 2012 to accelerate the establishment of the first stage of the Plutus Open Pit has now positioned the operation with two sources of ore and improved operational flexibility.

Within the Zeta Open Pit both sulphide ore and low-grade material were mined during the month. Within the Plutus Open Pit only oxide and transitional ores have been exposed to date and first sulphide ores are planned for mining in June.

With ore exposed in both Open Pits, continued excavation at the design rate of approximately 3.1 Mt per month will deliver increasing quantities of ore to the concentrator over the next 3 months and continue the production ramp up. Current scheduling fills the concentrator (to design capacity) with ore for the first complete month in July.

**Concentrator**

During May 168 kt of ore was processed containing 1.21% Cu and 15.3% Ag.

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

![Graph showing mill throughput and milling rate]  

Total mill throughput consisted of:

- Zeta sulphide ore: 136.6kt @ 1.35% copper and 17 g/t
- Zeta low grade material 19.4kt @ 0.4% copper and 5 g/t Ag
- Plutus transitional ore 11.7kt @ 0.93% copper and 12 g/t Ag

The mill has previously demonstrated the ability to process ore at rates in excess of the 3 Mtpa nameplate. With the planned ore delivery in May not requiring full mill utilisation, the mill has been operated at conservative throughput rates during the days it operated in May.

Average metallurgical recoveries of 84% of copper and 91% of silver were achieved for the month. Overall copper recovery is in line with expectations and silver recovery continues to outperform the original estimates.
Metal production

Concentrate production in May was 4,112 tonnes at 41.7% copper and 570g/t silver containing 1,713 tonnes of copper and 75,348 ounces of silver.

This was the highest monthly metal production figure from the Boseto Copper Project to date and was in line with the plan for the month.
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 approximately 26,919 km² in Botswana.

Further information on the Company including Mineral Resources and Ore Reserves is available on our website: www.discoverymetals.com

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