



Cathay Fortune Investment Limited

(company number 1686647)

4th Floor, Siu Ying Commercial Building
151 – 155 Queen's Road Central, Hong Kong
TEL: +852-25435795
FAX: +852-25417619

3 January 2013

The Manager
Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Fax: 1300 135 638

Dear Sir or Madam

**Company Announcement: Cathay Fortune Investment Limited - Takeover bid for
Discovery Metals Limited ("Offer") – Notice of variation extending offer period**

In accordance with section 650D of the Corporations Act, please find attached a notice of variation that extends the offer period, together with a copy of the covering letter being sent to Discovery Shareholders with the notice of variation.

This document relates to Cathay Fortune Investment Limited's bidder's statement dated 25 October 2012 (as supplemented) for all the shares in Discovery Metals Limited.

A copy of the notice of variation has been lodged with ASIC and will be given to Discovery Metals Limited. The notice of variation will also be sent to each of the Discovery Shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Zhang Zhenhao', is written over a horizontal line.

Zhang Zhenhao
Director

CATHAY FORTUNE INVESTMENT LIMITED (A BODY CORPORATE INCORPORATED IN HONG KONG SAR, PRC, COMPANY NUMBER 1686647) ("BIDDER")
NOTICE OF VARIATION EXTENDING THE OFFER PERIOD

TO: Discovery Metals Limited
Australian Securities and Investments Commission ("**ASIC**")
ASX Limited ("**ASX**")
Each person to whom an Offer was made

The Bidder gives notice under section 650D of the Corporations Act that it varies the Offer by extending the Offer Period so as to change the close of the Offer Period from 7:00pm (Sydney time) on 11 January 2013 to **7:00pm (Sydney time) (currently 10:00am Botswana time) on 8 February 2013** (unless further extended or withdrawn).

The Offer Period of the Offer was previously varied by notice dated 5 December 2012.

As this variation (combined with the variation on 5 December 2012) results in the Bidder varying the Offer in a way that postpones for more than 1 month the time when the Bidder has to meet its obligations under the bid, each person to whom the Bidder has made an Offer and who has accepted the Offer before the date of this notice, has the right to withdraw their acceptance within one month beginning on the day after the day on which this notice was received, in accordance with section 650E of the Corporations Act.

Any notice by a person withdrawing its acceptance of the Offer under section 650E of the Corporations Act must:

- a) if the securities are in a CHESS Holding, be in the form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding, specifying the number of ordinary shares to be released from the Offer Accepted Subposition in which the relevant ordinary shares have been reserved; or
- b) in any other case, be in writing.

If a person withdraws an acceptance in this manner, the Bidder must, before the end of 14 days after the day it is given the withdrawal notice:

- a) return to the person any documents that were sent by the person to the Bidder with the acceptance of the Offer; and
- b) if the ordinary shares are in a CHESS Holding, Transmit to ASX Settlement a Valid Message that authorises the release of those ordinary shares from the Offer Accepted Subposition in which the CHESS Holding has been reserved.

The new date for giving notice under section 630 of the Corporations Act of the status of the conditions set out in Section 10 of the bidder's statement dated 25 October 2012 ("**Bidder's Statement**") is 1 February 2013.

Unless the context requires otherwise, defined terms in the Bidder's Statement and in the ASX Settlement Operating Rules have the same meaning in this notice.

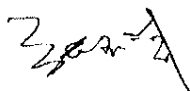
A copy of this notice was lodged with ASIC on 3 January 2013. ASIC takes no responsibility for the contents of this notice.

This notice is dated 3 January 2013.

Signed on behalf of Cathay Fortune Investment Limited.



Zhang Zhenhao
Director



Zhang Yufeng
Director



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3 January 2013

Dear Discovery Shareholder

**Cathay Fortune Investment Limited - Takeover bid for Discovery Metals Limited
("Offer") – Notice of variation extending offer period**

We are writing to advise you that Cathay Fortune Investment Limited has extended the offer period in relation to its offer to acquire all of your shares in Discovery Metals Limited ("Offer"). The Offer is now scheduled to close at **7:00pm (Sydney time) (currently 10:00am Botswana time) on 8 February 2013.**

A formal notice of the variation as required by the Corporations Act is attached.

Full details of how to accept the Offer can be found in section 9.4 of the bidder's statement dated 25 October 2012 ("**Bidder's Statement**").¹

If you have any questions, or if you require a replacement Australian Acceptance Form, please call the Australia Offer information line on 1800 132 009 (callers in Australia) or +61 2 8280 7581 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days or call the Botswana Offer information line on +267 395 2011 between 8:00am and 5:00pm (Botswana time) on Business Days.

We will continue to keep you informed as further developments occur in relation to the Offer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Zhang Zhenhao', is written over a horizontal line.

Zhang Zhenhao
Director

¹ The Bidder's Statement (as supplemented) is available at www.asx.com.au.