

This document is the third supplementary bidder's statement ("**Third Supplement**") to the Bidder's Statement dated 25 October 2012 ("**Bidder's Statement**") issued by Cathay Fortune Investment Limited (a company incorporated in Hong Kong SAR, China with company number 1686647) ("**CF Investment**") and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 25 October 2012, in relation to the offer by CF Investment ("**Offer**") for the ordinary shares in Discovery Metals Limited (ABN 29 104 924 423).

A supplementary bidder's statement was lodged with ASIC on 29 November 2012 ("**First Supplement**") and a second supplementary bidder's statement was lodged with ASIC on 5 December 2012 respectively ("**Second Supplement**") (collectively, the "**Previous Supplements**").

The Offer is dated 8 November 2012 and will close at 7.00pm (Sydney time) (currently 10:00am Botswana time) on 11 January 2013, unless further extended or withdrawn.

This Third Supplement supplements, and is to be read together with, the Bidder's Statement as despatched to Discovery Shareholders and the Previous Supplements.

## THIRD SUPPLEMENTARY BIDDER'S STATEMENT

in respect of the cash Offer by

### Cathay Fortune Investment Limited

(a body corporate incorporated in Hong Kong SAR, China,  
company number 1686647, being an entity indirectly owned by Cathay Fortune Corporation Co., Ltd  
and in which a wholly-owned special purpose vehicle of China-Africa Development Fund will acquire  
shares after the Offer becomes unconditional)



to purchase all your shares in:

## Discovery Metals Limited

ABN 29 104 924 423



Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this Third Supplement. This Third Supplement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this Third Supplement was lodged with ASIC on 24 December 2012. Neither ASIC nor any of its officers takes any responsibility for the contents of this Third Supplement.

## **1 Material developments relating to the takeover bid**

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Please see the press release attached as Schedule 1 which contains details of some material developments in relation to the takeover bid.

## **2 Authorisation**

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The copy of this Third Supplement that is to be lodged with ASIC has been approved by a resolution passed by the directors of CF Investment on 23 December 2012.

Signed by Zhang Zhenhao for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.



Zhang Zhenhao  
Director  
24 December 2012

# Schedule 1

Press Release

PRESS RELEASE

24 December 2012

### UPDATE ON STATUS OF CONDITIONS

On behalf of Cathay Fortune Investment Limited (“**CF Investment**”), we provide an update on CF Investment’s offer to acquire your shares in Discovery Metals Limited (“**Discovery**”) for A\$1.70 cash per share, as detailed in the Bidder’s Statement dated 25 October 2012 (as supplemented) and the Offer we sent to you dated 8 November 2012 (“**Offer**”).

#### **Botswana Regulatory Approvals and Boseto Copper Project**

CF Investment is pleased to advise that it has received a letter from the Ministry of Minerals, Energy and Water Resources in Botswana (“**MMWER**”) informing CF Investment that the Offer has been approved under sections 23 and 50 of the Mines and Minerals Act, 1999 (“**Act**”). There are no conditions to that approval that are required to be satisfied apart from requiring CF Investments to show proof that the Offer has received the required approval of the shareholders of Discovery such that CF Investments will hold more than a 51% shareholding in Discovery.

CF Investments is also required to provide various particulars to MMWER through the completion (to the extent applicable) of certain statutory and compliance forms in respect of any proposed change of directors, shareholding and capital structure of Discovery.

This approval satisfies the condition in paragraph 10(c)(i) of the Bidder’s Statement.

CF Investment will not waive the condition set out in paragraph 10(a) (minimum ownership of 51%) of the Bidder’s Statement unless it is satisfied that it will hold more than 51% of Discovery. Discovery Shareholders should **ACCEPT** the Offer or indicate their intention to accept the Offer under an Institutional Acceptance Facility (if one is established).

CF Investment has also confirmed to the MMWER that it intends to undertake a full technical and operational review and/or due diligence of Discovery if the Offer becomes unconditional and upon being able to have access to material information relating to the officers of Discovery and, in particular significantly, to the Boseto Copper Project. CF Investment expects that this review will take approximately 4 to 6 months. When the evaluation is completed (as stated in section 4.2 of the Bidder’s Statement), CF Investment will engage with the Government of Botswana on its findings. In the event that as a result of the review, there is a need to effect modifications (including any additional capital investment required) to the current mine plans or approved programme of mining operations, or the exploration programmes in respect of the prospecting licenses, CF Investment will engage with the MMWER to agree the changes requiring approval.

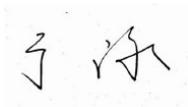
The MMWER has also confirmed that the Government of Botswana’s option to acquire up to a 15% working capital interest in the Boseto Copper Project under Section 40 of the Act does not exist. CF Investments will waive the condition set out in paragraph 10(d) of the Bidder’s Statement.

CF Investment has not yet received Botswana regulatory approval from the Botswana Competition Authority which satisfies the condition in paragraph 10(c)(ii) of the Bidder’s Statement. However, CF Investments is confident such condition will be satisfied or waived prior to the end of the Offer Period (including any extension).

**More information about this Offer**

If you require additional assistance or have questions, please contact the Australia Offer information line on 1800 132 009 (for callers in Australia) / +61 2 8280 7581 (for callers outside Australia) or the Botswana Offer information line on +267 395 2011 or consult your professional adviser.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Yu Yong', written on a light-colored background.

Yu Yong  
Chairman  
Cathay Fortune Corporation  
On behalf of Cathay Fortune Investment Limited