Discovery Metals Limited (Discovery Metals or Company) has today received notification from Cathay Fortune Corporation (CFC) and China-Africa Development Fund (CAD Fund) announcing their intention to make an off-market bid through Cathay Fortune Investment Limited (the Bidder) to acquire all the ordinary shares (not currently held by CFC) of Discovery Metals for A$1.70 per share (Proposed Offer).

Pursuant to this, Discovery Metals understands that an announcement regarding the Proposed Offer was released to the ASX by the Bidder earlier today.

The Proposed Offer is unsolicited and follows an indicative, non-binding, conditional proposal received by Discovery from CFC and CAD Fund on 21 September 2012. On 4 October 2012, the Directors advised representatives of CFC and CAD Fund that the proposal was inadequate and did not reflect, in the context of a change of control:

- the value of the Company’s operations and expansion plans;
- the potential to increase the resources on the Company’s tenements through further exploration;
- the strategic value of the Company with an operating project and management team in Botswana; and
- the scarcity value of the Company.

No formal documents have been received from the Bidder.

Accordingly, shareholders do not need to take any action in respect to the Proposed Offer.

The company will inform the market upon service of a Bidder’s Statement. UBS Investment Bank is acting as financial advisor and GRT Lawyers is acting as legal advisor to Discovery Metals.
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:

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