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 13 December 2012 to 7:00pm (Sydney time) (currently 10:00am Botswana time) on 11 January 2013 (unless further extended or withdrawn).

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 4 January 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 5 December 2012. ASIC takes no responsibility for the contents of this notice.

This notice is dated 5 December 2012.

Signed on behalf of Cathay Fortune Investment Limited.

Zhang Zhenhao
Director

Zhang Yufeng
Director
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 CF Investment 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 11 January 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").

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

Zhang Zhenhao
Director

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1 The Bidder’s Statement is supplemented by and should be read together with the First Supplementary Bidder’s Statement dated 29 November 2012 and the Second Supplementary Bidder’s Statement dated 5 December 2012. This document is available at www.asx.com.au