This document is the fourth supplementary bidder’s statement ("Fourth 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"), a second supplementary bidder’s statement was lodged with ASIC on 5 December 2012 ("Second Supplement") and a third supplementary bidder’s statement was lodged with ASIC on 24 December 2012 ("Third Supplement") respectively (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and will close at 7:00pm (Sydney time) (currently 10:00am Botswana time) on 8 February 2013, unless further extended or withdrawn.

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

FOURTH 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 Fourth Supplement. This Fourth Supplement prevails to the extent of any inconsistency with the Bidder’s Statement.

A copy of this Fourth Supplement was lodged with ASIC on 9 January 2013. Neither ASIC nor any of its officers takes any responsibility for the contents of this Fourth Supplement.
1 **Material developments relating to the takeover bid**

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

2 **Authorisation**

The copy of this Fourth Supplement that is to be lodged with ASIC has been approved by a resolution passed by the directors of CF Investment on 8 January 2013.

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

Zhang Zhenhao  
Director  
9 January 2013
Schedule 1

Press Release
PRESS RELEASE

9 January 2013

UPDATE ON STATUS OF CONDITIONS AND RESPONSE TO SUPPLEMENTARY TARGET’S STATEMENT

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”).

Response to Supplementary Target’s Statement

CF Investment notes the following key issues from the Boseto Commissioning November Update released on 11 December 2012 (“November Update”) in relation to which neither relevant information nor an appropriate explanation has been provided by Discovery.

1. Based on the Independent Technical Report prepared by SRK (released on 23 November 2012), a quarter of the Zeta Open Pit has been mined. To date, Discovery has not provided any reconciliation of actual tonnes and grade to the original BFS (or the original JORC Reserves report provided by Snowden). CF Investment is concerned that the reported copper grade performance of the Zeta Open Pit (to 30 September 2012) is over 30% below the disclosed JORC Reserve copper grade and the silver grade is more than 50% below the disclosed JORC Reserve silver grade. Furthermore, milled copper grades in November inferred from the November Update were substantially lower than previous months, and remain substantially below the JORC Reserve copper grade. There has been no disclosure by Discovery of any internal or third party analysis or reconciliation of the reserves and grades as compared to what are actually being mined at Boseto; and

2. Discovery has not provided any updated cash cost details on an industry standard, dollar per pound of copper basis, either actual or forecast.

CF Investment is seriously concerned that the actual reserves and grades to be mined at Boseto during the mine life could be significantly lower from those stated in the original BFS. It is Discovery’s responsibility to disclose the above information to all shareholders immediately. These issues are relevant and the information is required no later than 18 January 2013 for the purposes of CF Investment’s consideration of its position in light of the breach of the condition in paragraph 10(l) of the Bidder’s Statement (change of control in Financial Arrangement) and the potential breach of the condition in paragraph 10(h) of the Bidder’s Statement (no material adverse effect).

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

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