

Cathay Fortune Investment Limited

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8 February 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 - Notice of status of conditions

In accordance with section 630(3) of the Corporations Act, please find attached a notice of status of conditions.

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 attached notice will be given to Discovery Metals Limited today.

Yours faithfully

Zhang Zhenhao

Director

CATHAY FORTUNE INVESTMENT LIMITED (A BODY CORPORATE INCORPORATED IN HONG KONG SAR, PRC, COMPANY NUMBER 1686647) ("BIDDER")

NOTICE OF STATUS OF CONDITIONS

TO:

Discovery Metals Limited ("Discovery")

ASX Limited ("ASX")

In relation to the Offer made pursuant to the bidder's statement dated 25 October 2012 by the Bidder for all the shares in Discovery ("Bidder's Statement"), 1 the Bidder gives notice under section 630(3) that:

- as stated in notices dated 30 October 2012, 5 December 2012, 24 December 2012 and
 29 January 2013:
 - the conditions in paragraphs (b), (c), (e) and (m) of Section 10 of the Bidder's Statement have been satisfied
 - the condition in paragraph (d) of Section 10 of the Bidder's Statement has been waived,

and, accordingly, the Offer is now free of those conditions; and

 so far as the Bidder knows, none of the other conditions of the Offer set out in Section 10 of the Bidder's Statement have been fulfilled or waived.

Accordingly, the Offer remains subject to those conditions and will lapse at 7pm Sydney time (currently 10am Botswana time) on 15 February 2013. In the case of acceptances received, these will cease to have any effect and those shareholders will retain their Discovery shares.

As at the date of this notice, the Bidder's voting power in Discovery is 16.20%, comprising 78,893,491 Discovery Shares out of a total of 486,986,451 presently on issue.

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this notice.

This notice is dated 8 February 2013.

Signed on behalf of Cathay Fortune Investment Limited.

Zhang Zhenhao

Director

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