



DISCOVERY
africa

Discovery Africa Limited

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4 April 2014

Disclosure under ASX LR 3.10.5A and 7.1A.4(b)

Board of Directors

Danie Van Den Bergh

(Executive Chairman)

Kevin Nichol

(Managing Director)

Philip Thick

(Non-Executive Director)

Ian Lovett

(Non-Executive Director)

Company Secretary

Melanie Leydin

Securities on Issue:

DAF: 191,234,698 ordinary shares

DAFO: 43,998,005 20c listed

options

DAFAK: 12,500,000 9c unlisted

options

DAFAL: 5,000,000 9c unlisted

options

About Discovery Africa Limited

Discovery Africa Limited ("Discovery" or "the Company") is an Australian public company that is focused on the exploration and development of the Kitgum Graphite Project in Uganda, Area 51 Graphite Project in Namibia, the Tanzanian Graphite Project and the Brandberg Lithium Project in Namibia.

Discovery Africa Limited (ASX: "DAF" or "Discovery") advises that following the Appendix 3B lodged on this day in relations to the acquisition of the remaining 75% interest in the Kitgum Graphite Project, the share issue utilised a portion of the Company's placement capacity under ASX Listing Rule 7.1A. DAF provides the following information in accordance with Listing Rules 7.1A.4(b) and 3.10.5A:

- (a) Details of the dilution to existing holders of ordinary securities caused by the issue:

The Company issued a total of 18,500,000 fully paid ordinary shares ('FPOs') with 5,498,545 FPOs issued under ASX Listing Rule 7.1A and the remaining 13,001,455 FPOs issued in line with the Company's 15% placement capacity under Listing Rule 7.1. The amount of shares issued under Listing Rule 7.1A resulted in the following dilution to existing holders of ordinary securities:

- Number of fully paid ordinary shares on issue prior to ASX LR 7.1A securities issued was 185,736,153.
- Number of fully paid ordinary shares on issue following this issue is 191,234,698.
- Percentage of voting dilution post the issue under ASX LR 7.1A: 2.96%

- (b) The issue of fully paid ordinary shares utilising a portion of the Company's capacity under ASX LR 7.1A was the most time efficient way to secure 100% of the Kitgum Graphite Project located in Uganda.

- (c) There were no funds raised through this issue and no underwriting arrangements were entered into.

- (d) There were no capital raising costs associated with this transaction.

For further information, contact:

Discovery Africa Limited

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