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31 July 2015

QUARTERLY ACTIVITIES REPORT JUNE 2015

Discovery Africa Limited (ASX: DAF) ("the Company"), is an Australian based mineral exploration company that is focused on the exploration and development of the Nachingwea Graphite Project in Tanzania.

Exploration Activities

Nachingwea Graphite Project

The Nachingwea Graphite Project is located in southeast Tanzania and comprises five granted tenements covering approximately 520km². The region has access to high quality infrastructure including access via mainly sealed roads from the coastal towns of Lindi and Mtwara, which also boast an airport and deepwater port facilities (see Figure 1).

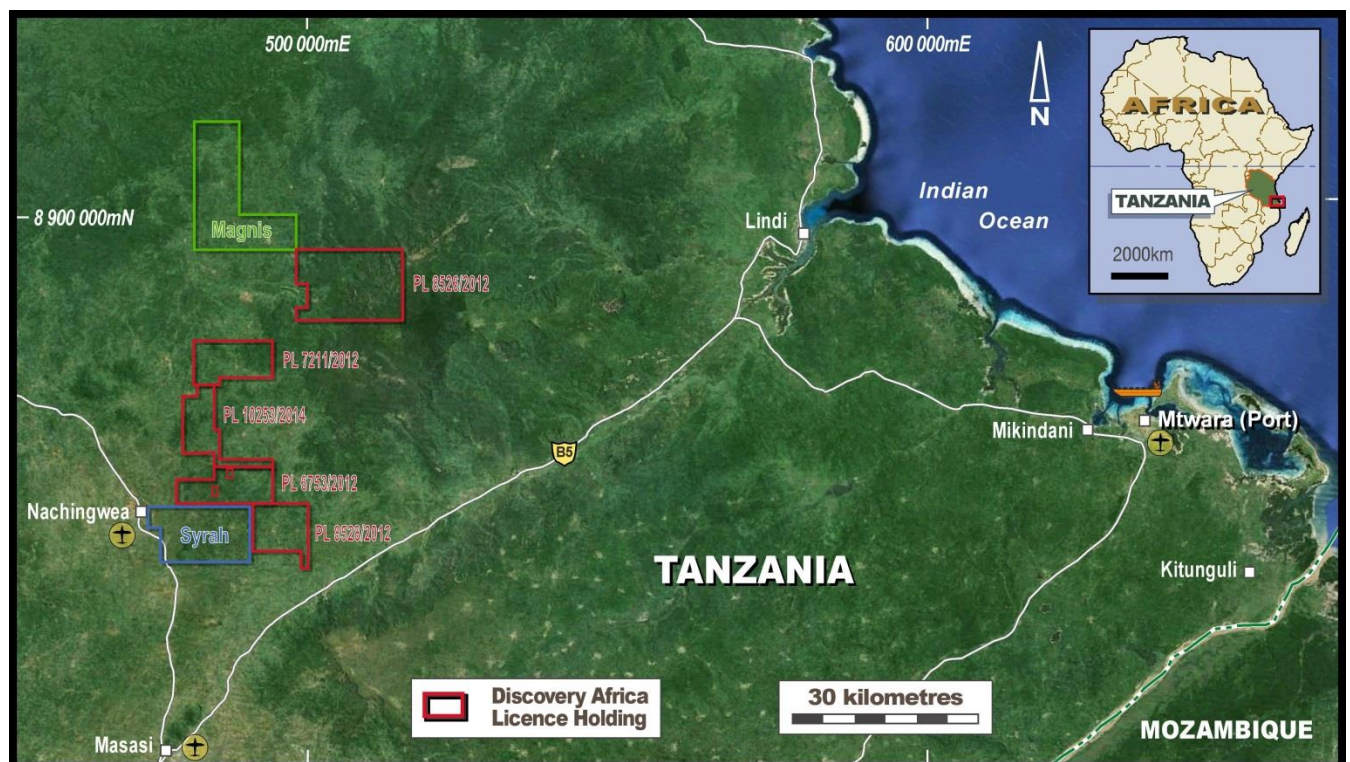


Figure 1. Location Map showing Nachingwea townsite, Mtwara port facility and DAF granted Prospecting Licences in relation to Magnis (green) and Syrah (blue).

The Company has a dominant tenement position at Nachingwea located between and adjacent graphite projects held by Syrah, Magnis and IMX Resources, which will allow a



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consolidated approach to exploration of the entire project area and cements DAF's position as an emerging graphite explorer in Tanzania.

The Project substantially overlays the graphite prospective Mozambique Mobile Belt, with graphitic schist located both within and surrounding the Project. The prospect areas within the project tenements are highly prospective for graphite mineralisation, including outcrops of graphitic schist identified at numerous localities. At the Injaa Hill prospect area, outcrops of graphitic schist have been mapped by the Geological Survey of Tanzania.

Other Projects

The Kitgum Graphite Project, located in northern Uganda, comprises Exploration Licence 1173 (EL1173). The Company is continuing due diligence enquiries to review legal documentation on EL1173 to determine the Company's ownership status of the exploration licence.

The Company is continuing to investigate the decisions and actions of its former directors in entering into an MOU and HOA, and the significant expenditure of Company funds on the Brandberg Lithium Project in Namibia.

Other Matters

The Company previously announced that it had commenced Federal Court Proceedings seeking final relief against Kevin Nicol and Danie van den Bergh, two of the previous directors of Discovery Africa Limited, in the form of damages and equitable compensation for breaches of Common Law and Statutory duties owed to the Company.

The Company has recently added additional parties to the Federal Court Proceedings.

Key Objectives for September 2015 Quarter

- ✦ The Company will consider its strategy at the Nachingwea Graphite Project to ensure it enhances and increases the overall value proposition of the Company;
- ✦ The Company will continue to review its strategic options over the remaining projects; and
- ✦ The Company will consider new business opportunities to enhance the Discovery Africa asset portfolio.

ENDS

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Competent Person's Statement

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy (Chartered Professional) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Zuvela is a Director of Discovery Africa Limited and has consented to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix A: Discovery Africa Limited - Interest in Mining Tenements

Below is a listing of tenements held by the Company as at 30 June 2015:

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
PL6753/2012 ¹	Tanzania	100%		
PL7211/2012 ¹	Tanzania	100%		
PL8526/2012 ¹	Tanzania	100%		
PL8528/2012 ¹	Tanzania	100%		
PL10253/2014 ¹	Tanzania	100%		
EL1173	Uganda	100%		

¹ Interest in mining tenement held through 100% shareholding in Hatua Resources (Tanzania) Limited, a Tanzanian incorporated Company.