



DISCOVERY
africa

ASX Announcement

24 September 2015

Update on Uganda Kitgum Graphite Project – EL1173

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

The Company is pleased to announce that it has cancelled the agreement with the vendor of the Kitgum Graphite Project - tenement Exploration Licence (EL) 1173 located in Uganda, to terminate the transaction whereby the Company acquired EL1173.

EL1173 Kitgum Graphite Project (Uganda)

On 4th April 2014, the Company entered into a Tenement Sale Agreement to purchase the Ugandan Exploration Licence (EL) 1173 by paying the vendor US\$25,000 and 9,500,000 DAF shares.

A further US\$75,000 final payment was due in April 2015. The Company did NOT make this payment, and has recently executed an agreement with the vendor to waive the US\$75,000 payment, in consideration of the Company returning tenement EL1173 to the vendor.

The original Tenement Sale Agreement, including the issue of the 9,500,000 shares, was negotiated by the former Directors of the Company, at a time when their removal was being sought at a Shareholders Meeting in April 2014.

The Board of Discovery Africa consider this decision a sound strategy to conserve the Company's limited funds, given the technical review of the tenement did not support the Company making the final payment nor our continued involvement with EL1173. The Company is continuing to work diligently to ensure it is best placed to deliver value and upside potential for all its shareholders.

ENDS

For further information:

Peter Lloyd, Director
Jerko Zuvela, Director

T | +61 8 9226 4500

E | peter@discoveryafrica.com.au

E | jerko@discoveryafrica.com.au

W | www.discoveryafrica.com.au

Discovery Africa Limited
ACN 147 324 847 ABN 50 147 324 847
Level 1, 12 Kings Park Road, West Perth, WA 6005
PO Box 44, West Perth, WA 6872
Ph: (08) 9226 4500 Fx: (08) 9226 4300
Website www.discoveryafrica.com.au

