



DISCOVERY  
africa

ACN 147 324 847

## NOTICE OF ANNUAL GENERAL MEETING

**TIME:** 11.30 am WST  
**DATE:** Thursday, 27 November 2014  
**PLACE:** Bentleys, Level 1, 12 Kings Park Road, West Perth

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 9226 4500.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE AND TIME OF MEETING**

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The Annual General Meeting of the Shareholders of Discovery Africa Limited which this Notice of Annual General Meeting relates to will be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on Thursday, 27 November 2014 at 11.30 am WST.

**YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00 pm WST on 25 November 2014.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

## **Discovery Africa Limited.** ACN 147 324 847

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Discovery Africa Limited (ACN 147 324 847) (**Company**) will be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on Thursday 27 November 2014 at 11.30 am WST. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm WST on 25 November 2014.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial report of the Company for the year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR FRANK KNEZOVIC**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 8.1 of the Constitution, and for all other purposes, Mr Frank Knezovic, a Director who was appointed on 10 April 2014, retires, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR PETER LLOYD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 8.1 of the Constitution, and for all other purposes, Mr Peter Lloyd, a Director who was appointed on 10 April 2014, retires, and being eligible, is re-elected as a Director.”*

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**5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR GRAHAM WALKER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 8.1 of the Constitution, and for all other purposes, Mr Graham Walker, a Director who was appointed on 10 April 2014, retires, and being eligible, is re-elected as a Director.”*

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**6. RESOLUTION 5 – RATIFICATION OF SHARES ISSUED TO YUCCA INVESTMENTS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 400,000 Shares to Yucca Investments Sixty Three Close Corporation on the terms and conditions set out in the Explanatory Statement”.*

**ASX Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Yucca Investments Sixty Three Close Corporation and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 6 – RATIFICATION OF SHARES ISSUED TO RHINO MINING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 625,000 Shares to Rhino Mining & Exploration Close Corporation on the terms and conditions set out in the Explanatory Statement”.*

**ASX Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Rhino Mining & Exploration Close Corporation and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 7 - RATIFICATION OF SHARES TO ORCA EXPLORATION AND MINING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 200,000 Shares to Orca Exploration and Mining Limited, BVI, on the terms and conditions set out in the Explanatory Statement”.*

**ASX Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Orca Exploration and Mining Limited and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 8 - RATIFICATION OF SHARES TO WESTORIA RESOURCES INVESTMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 10,000,000 Shares to Westoria Resources Investments Ltd on the terms and conditions set out in the Explanatory Statement”.*

**ASX Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Westoria Resources Investment and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**10. RESOLUTION 9 – APPROVAL TO CONVERT FRANK KNEZOVIC LOAN NOTE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders authorise and approve the Loan Note to be convertible into up to 4,166,667 Shares at a conversion price of \$0.024 per Share to be issued to Mr Frank Knezovic (or his nominee) in the manner and on the terms and conditions as set out in the Explanatory Statement.”*

**ASX Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Frank Knezovic (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (A) a member of the Key Management Personnel; or
  - (B) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**11. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY**

To consider and, if thought fit, to pass, with or without amendment, as a **special resolution** the following:

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholder approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**12. RESOLUTION 11 – REMOVAL OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, as a **special resolution** the following:

*"That, pursuant to Section 329 of the Corporations Act and for all other purposes, approval is given for the removal of Hall Chadwick as the current auditor of the Company effective from the date of the Meeting."*

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**13. RESOLUTION 12 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, as a **special resolution** the following:

*"Subject to the passing of Resolution 11, that pursuant to and in accordance with section 327D of the Corporations Act and for all other purposes, Rothsay Chartered Accountants, having been nominated by a Shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company on the terms and conditions in the Explanatory Memorandum."*

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**DATED: 21<sup>st</sup> OCTOBER 2014**

**BY ORDER OF THE BOARD**



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**MR RANKO MATIĆ  
COMPANY SECRETARY  
DISCOVERY AFRICA LIMITED**

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**EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on 27 November 2014 at 11.30 am WST.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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**1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.discoveryafrica.com.au](http://www.discoveryafrica.com.au).

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**2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

**2.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

**2.2 Voting consequences**

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year was approved), other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### **2.4 Proxy voting restrictions**

Shareholders appointing a proxy for this Resolution should note the following:

*If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy*

*You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.*

*If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).*

*You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.*

*If you appoint any other person as your proxy*

*You do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.*

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## **3. RESOLUTION 2 – ELECTION OF FRANK KNEZOVIC**

Clause 8.1 of the Company's Constitution allows a Director to be appointed by the Company at a General Meeting. Clause 8.1 of the Constitution requires that any directors appointed at a General Meeting holds office only until the next following annual general meeting and are then eligible for re-election.

Mr Frank Knezovic was appointed a Director by the Company at a General Meeting held on 10 April 2014. Mr Knezovic retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Frank Knezovic is a lawyer and co-founding director of legal firm Nova Legal. Mr Knezovic has for more than 15 years advised public and private companies,

directors, corporate advisors, broking firms, insolvency practitioners and financial services providers on a broad range of corporate and commercial matters.

Mr Knezovic has extensive experience in advising on capital raisings (both IPO and post-IPO) asset acquisitions and disposals, takeovers, mergers and acquisitions, corporate reconstructions and insolvency, directors' duties, general corporate and commercial advice, and regulatory and strategic advice. Mr Knezovic has advised many companies and advisers (local, national and international) on a number of significant M&A, cross border acquisitions/divestments and capital raising transactions.

Mr. Knezovic is a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.

The other Directors of the Company unanimously recommend the re-election of Mr Knezovic.

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**4. RESOLUTION 3 – ELECTION OF PETER LLOYD**

Clause 8.1 of the Company's Constitution allows a Director to be appointed by the Company at General Meeting. Clause 8.1 of the Constitution requires that any directors appointed at a General Meeting holds office only until the next following annual general meeting and are then eligible for re-election.

Mr Peter Lloyd was appointed a Director by the Company at a General Meeting held on 10 April 2014. Mr Lloyd retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Mr Peter Lloyd, a lawyer by profession, is a founding member of Argosy Minerals Limited and has been involved in mining exploration for over 25 years. He has extensive experience in corporate life and has been involved in projects in Canada, United States of America, Eastern Europe, Africa, New Caledonia and Australia.

The other Directors of the Company unanimously recommend the re-election of Mr Lloyd.

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**5. RESOLUTION 4 – ELECTION OF GRAHAM WALKER**

Clause 8.1 of the Company's Constitution allows a Director to be appointed by the Company at General Meeting. Clause 8.1 of the Constitution requires that any directors appointed at a General Meeting holds office only until the next following annual general meeting and are then eligible for re-election.

Mr Graham Walker was appointed a Director by the Company at a General Meeting held on 10 April 2014. Mr Walker retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Prior to Mr Walker's 38 years of business experience in real estate, he was a Bank Manager. Mr Walker is currently the manager and director of a leading real estate franchisee in Western Australia which attained top office in Western Australia for 23 years and have achieved top Principal award. He is also presently a director of 3 companies with 20 years' experience as Chairman and Director of public companies.

The other Directors of the Company unanimously recommend the re-election of Mr Walker.

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**6. RESOLUTION 5 AND 6 - RATIFICATION OF SHARES ISSUED TO YUCCA INVESTMENTS AND RHINO MINING**

**6.1 General**

On 8 November 2013, the Company issued 1,025,000 fully paid ordinary Shares as part consideration for the acquisition of Namibian Incorporated companies holding Prospecting Licenses 4079 and 4335 as follows:

- (a) 400,000 Shares were issued to Yucca Investments Sixty Three Close Corporation and
- (b) 625,000 Shares were issued to Rhino Mining and Exploration Close Corporation.

Details of the terms and conditions were announced to the ASX on 30 April 2013, by Argosy Minerals Limited (ASX:AGY)

On 2 July 2013 Discovery Africa made a takeover bid for Argosy Minerals, which became unconditional on 17 September 2013. The original agreement entered into by Argosy Minerals Ltd provided that the consideration for the acquisition of Namibian Incorporated companies holding Prospecting Licenses 4079 and 4335 was \$22,500 in cash and 1,025,000 Shares in Argosy Minerals Ltd. Upon the takeover of Argosy Minerals Ltd, the vendor of the Namibian Incorporated companies holding the Prospecting Licenses, Argosy Minerals Ltd and Discovery Africa agreed that 1,025,000 Shares in Discovery Africa would be issued as part consideration, in substitute for the Argosy Minerals Ltd Shares previously agreed.

Pursuant to the substantial shareholder notice announced to ASX by Discovery Africa, as at 10 July 2014, Argosy Minerals Ltd was no longer a subsidiary of Discovery Africa.

Resolution 5 and 6 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares described above.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue under ASX Listing Rule 7.4, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the proposed ratification of the Shares:

- (a) 1,025,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration as part consideration for the acquisition by Argosy Resources Ltd of Namibian incorporated companies holding prospecting licences 4079 and 4335 at a deemed issued price of \$0.03 per share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Yucca Investments Sixty Three Close Corporation and Rhino Mining and Exploration Close Corporation who are not related parties of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued as part consideration of Namibian incorporated companies holding prospecting licences 4079 and 4335.

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**7. RESOLUTION 7 – RATIFICATION OF SHARES ISSUED TO ORCA EXPLORATION AND MINING**

**7.1 General**

On 10 December 2013, the Company issued 200,000 Fully Paid Ordinary Shares to Orca Exploration and Mining Limited, BVI, for work performed for the Company by a consultant, Oscar van Antwerpen.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares.

ASX Listing Rule 7.1 and 7.4 have been outlined above in Section 6.1.

By ratifying this issue under ASX Listing Rule 7.4, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the proposed ratification of the Shares:

- (a) 200,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in full payment for work completed for the Company, at a deemed issue price of \$0.36 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Orca Exploration and Mining Limited, BVI, who is not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued as payment for work completed for the Company by Oscar van Antwerpen.

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**8. RESOLUTION 8 – RATIFICATION OF SHARES ISSUED TO WESTORIA RESOURCES INVESTMENT LTD**

**8.1 General**

On 20 March 2014, the Company issued 10,000,000 Fully Paid Ordinary Shares to Westoria Resources Investment Ltd as part consideration for the acquisition of Hatua Resources (T) Limited which held 4 graphite exploration licenses located in Tanzania. This issue was pursuant to the Share Sale Agreement as announced to the ASX on 17 March 2014.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares.

ASX Listing Rule 7.1 and 7.4 have been outlined above in Section 6.1 above.

By ratifying this issue under ASX Listing Rule 7.4, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**8.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the proposed ratification of the Shares:

- (a) 10,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration part consideration for the acquisition of Hatua Resources (T) Limited which held 4 graphite exploration licenses located in Tanzania;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Westoria Resources Investment Ltd, who is not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued as part consideration for the acquisition of Hatua Resources (T) Limited which held 4 graphite exploration licenses located in Tanzania.

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**9. RESOLUTION 9 – APPROVAL TO CONVERT FRANK KNEZOVIC LOAN NOTE**

On 9 October 2014, the Company announced that subject to shareholder approval, it had agreed to issue \$100,000 via a convertible loan note to Frank Knezovic (or his

nominee). Mr Knezovic has provided services to the Company tantamount to that of an executive since his appointment on 10 April 2014 and has not been remunerated for them. It was therefore deemed appropriate by the remaining Directors, that he receive a consultation fee totalling \$100,000, which represented a fee of \$20,000 per month, for his considerable time, services and efforts over the previous 5 months. In order not to deplete the Company's cash reserves, Mr Knezovic agreed to be paid this consultation fee via the convertible loan note to Frank Knezovic (or his nominee) (**Loan Note**).

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 10.11 to issue a maximum of 4,166,667 Shares to Mr Knezovic (or his nominee) on the conversion to Shares of the outstanding balance of funds owed by the Company under the Loan Note at a conversion price of \$0.24 per Share.

## **9.1 Terms of Loan Note**

The key terms of the Loan Note are as follows:

- (a) the Loan note is unsecured and its repayable within two (2) years (**Repayment Date**);
- (b) the aggregate principal sum advanced under the Loan Note is \$100,000;
- (c) the conversion price for the Loan Note is the 30 day VWAP, being 2.4 cents each;
- (d) subject to Shareholder approval under this Resolution, the noteholder (Mr Knezovic or his nominee) will be entitled (but not obligated) to convert all or a portion of the Loan Note into Shares by delivering a conversion notice to the Company at any time prior to the Repayment Date;
- (e) the Loan Note may otherwise be repaid in cash or converted in whole or part, as agreed by the Company and the noteholder;
- (f) the Loan Note is transferable with the prior written consent of the Company;
- (g) there is no interest payable under the Loan Note
- (h) the noteholder has provided a number of warranties and representations in favour of the Company which are commonly agreed in unsecured loan notes of this nature;
- (i) the Company has provided a number of warranties and representations in favour of the noteholder which are commonly agreed in unsecured loan notes of this nature.

## **9.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Loan Note and the Shares on conversion of the Loan Note constitutes the giving a financial benefit and as described above, Mr Knezovic is a related party of the Company.

The Directors (other than Mr Knezovic who has a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Loan Note and the conversion of the Loan Note into Shares because the Loan Notes and Shares on conversion are being issued to Mr Knezovic are considered reasonable in the circumstances and were negotiated on an arm's length commercial basis.

### **9.3 Listing Rule Requirements**

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares on conversion of the Loan Notes under this Resolution.

### **9.4 Technical information required by ASX Listing Rule 10.11**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Related Party is Frank Knezovic (or nominee) who is a related party by way of his Directorship in Discovery Africa Ltd;
- (b) if Resolution 9 is passed, the Loan Note will become an equity security. The Loan Note will be convertible into a maximum of 4,166,667 Shares;
- (c) the Loan Note was issued on 9 October 2014 and is a debt security. If Resolution 9 is passed, the Loan Note will be converted into an equity security for the purposes of the Listing Rules at the time of the approval being obtained.
- (d) the issue price of the Loan Note is \$100,000. The Loan Note may be converted into Shares at a conversion price of 2.4 cents per Share. The key terms of the Loan Note are set out above. Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with all other Shares on issue at the time;
- (e) a voting exclusion statement is included in the Notice of Meeting; and
- (f) funds raised from the issue of the Note are being used to pay Mr Knezovic (or his nominee) a consultation fee totalling \$100,000, which represented a fee of \$20,000 per month, for his considerable time, services and efforts over the previous 5 months. In order not to deplete the Company's cash reserves, Mr Knezovic agreed to be paid this consultation fee via the convertible loan note.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the convert the Loan Note into Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares on conversion of the Loan Note will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

#### **9.5 What if Resolution 9 is not approved by Shareholders?**

It is a requirement under the Loan Note that the Company use its best endeavours to obtain the Shareholder approvals necessary to issue the Shares upon conversion of the Loan Note. If Resolution 9 is not approved by Shareholders then the Loan Note will not be convertible into Shares. Amounts not convertible into Shares will have to be repaid by the Company in cash. The Company considers that this could, depending on fluctuations in the Share price, materially decrease the amount of working capital available to the Company and may materially affect the Company's ability to seek further funding.

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### **10. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY**

#### **10.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 10, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 10.2 below).

The effect of Resolution 10 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

#### **10.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$3,412,490 based on the amount of Shares on issue and closing price of Shares on 21 October 2014.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: DAF).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (D) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### **10.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 10.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (A) 12 months after the date of this Meeting; and
- (B) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid);

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.008 50% decrease in Issue Price	0.017 Issue Price	0.025 50% increase in Issue Price
200,734,698 (Current Variable A)	Shares issued - 10% voting dilution	20,073,469 Shares	20,073,469 Shares	20,073,469 Shares
	Funds raised	\$170,625	\$341,249	\$511,874
301,102,047 (50% increase in Variable A)	Shares issued - 10% voting dilution	30,110,204 Shares	30,110,204 Shares	30,110,204 Shares
	Funds raised	\$255,937	\$511,874	\$767,810
401,469,396 (100% increase in Variable A)	Shares issued - 10% voting dilution	40,146,939 Shares	40,146,939 Shares	40,146,939 Shares
	Funds raised	\$341,249	\$682,498	\$1,023,747

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 200,734,698 Shares on issue;
2. The issue price set out above is the closing price of the Shares on the ASX on 21 October 2014.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 28 November 2012 (**Previous Approval**).

The Company has issued 14,998,545 Fully Paid Ordinary Shares pursuant to the Previous Approval. Further details of the shares issued pursuant to the previous approval are set out in Schedule 1.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2013, the Company otherwise issued a total of 1,851,602 Shares and 5,100,000 Options which represents approximately 1.15% of the total diluted number of Equity Securities on issue in the Company on 22 November 2013, which was 160,683,096.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### **10.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

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### **11. RESOLUTION 11 – REMOVAL OF AUDITOR**

#### **11.1 General**

Under Section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

Resolution 11 is an ordinary resolution seeking the removal of Hall Chadwick as the auditor of the Company. An auditor may be removed in a general meeting provided that the notice of intention to remove the auditor has been received from a member of the company.

In accordance with Section 329(2) of the Corporations Act, the Company has sent a copy of the notice to Hall Chadwick and the ASIC.

**12. RESOLUTION 12 – APPOINTMENT OF AUDITOR**

**12.1 General**

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act.

Resolution 12 is a special resolution seeking the appointment of Rothsay Chartered Accountants as the new auditor of the Company. As required by the Corporations Act, a nomination for Rothsay Chartered Accountants to be appointed as the auditor of the Company has been received from a member. A copy of the nomination of Rothsay Chartered Accountants as auditor is attached at Schedule 2.

Rothsay Chartered Accountants has given its written consent to act as the Company's auditor in accordance with Section 328A(1) of the Corporations Act subject to shareholder approval of this resolution. A copy of Rothsay Chartered Accountants' consent to act as auditor is attached at Schedule 3.

If Resolutions 11 and 12 are passed, the appointment of Rothsay Chartered Accountants as the Company's auditor will take effect at the close of this Meeting. Resolution 12 is subject to the passing of Resolution 11.

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**13. ENQUIRIES**

Shareholders may contact the Company Secretary on (+ 61 8) 9226 4500 if they have any queries in respect of the matters set out in these documents.

**SCHEDULE 1– ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2013**

Below is a list of all Equity Securities issued by the Company in the past 12 months:

<b>Date</b>	<b>Quantity and Class of Equity Securities Issued</b>	<b>Recipients</b>	<b>Issue price and discount to Market Price (if applicable)<sup>1</sup></b>	<b>Form of consideration</b>
28 November 2013	5,000,000 Options	Kevin Nicol	Nil cash consideration	The Options issued as part of Mr Nicol's performance based remuneration.
9 December 2013	1,851,602 Shares	AGY takeover acceptances	Nil cash consideration.  Issued at a deemed issue price of \$0.046	The Shares were issued as per the takeover agreement for Argosy Minerals Ltd.  Current value <sup>10</sup> : \$31,477
10 December 2013	200,000 Shares	Orca Exploration and Mining Limited, BVI  For services performed for the Company.	Nil cash consideration.  Issued at a deemed issue price of \$0.036	The Shares were issued to Orca Exploration for payment of services provided to the Company by Oscar van Antwerpen.  Current value <sup>10</sup> : \$3,400
23 December 2013	200,000 Options	Issued to Company Employee	Nil cash consideration	The Options were issued to employees under the Company's Employee Option Plan.
20 March 2014	10,000,000 Shares	Westoria Resources Investment Ltd	Nil cash consideration.  Issued at a deemed issue price of \$0.03	The Shares were issued for the part consideration of Hatua Resources .  Current value <sup>10</sup> = \$170,000
<b>EQUITY ISSUES MADE UNDER ASX LISTING RULE 7.1A</b>				
4 April 2014	18,500,000 Shares <b>(5,998,545 issued under ASX Listing Rule 7.1A)</b>	John Cross	Nil cash consideration.  Issued at a deemed issue price of \$0.036	The Shares were issued for the part consideration for Consolidated African Resources Ltd  Current value <sup>10</sup> = \$314,500
4 April 2014	9,500,000 Shares <b>(9,500,000 issued under ASX Listing Rule 7.1A)</b>	Frontier Exploration 2 Ltd	Nil cash consideration.  Issued at a deemed issue price of \$0.036	The Shares were issued as part consideration for EL 1143  Current value <sup>10</sup> = \$161,500

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: DAF (terms are set out in the Constitution).
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.017) on the ASX on 21 October 2014.

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**SCHEDULE 2 – NOTICE OF REMOVAL OF HALL CHADWICK AND NOMINATION OF ROTHSAY**

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20 October 2014

The Company Secretary  
Discovery Africa Limited  
PO Box 44  
WEST PERTH, WA 6872

Dear Sir,

**Re: Notice of Intention to Remove Auditor**

I hereby give Notice, as Shareholder of the Company, that I intend to request that the Board of Directors propose a resolution at the Annual General Meeting of the Company, for shareholders to consider, and if thought fit, remove Hall Chadwick as Auditor and to appoint Rothsay as replacement Auditor.



SUNBREAKER HOLDINGS PTY LTD  
<LLOYD SUPER FUND A/C>

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**SCHEDULE 3 – CONSENT OF ROTHSAY CHARTERED ACCOUNTANTS**

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Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 [www.rothsayresources.com.au](http://www.rothsayresources.com.au)

20<sup>th</sup> October 2014

The Directors  
Discovery Africa Ltd  
Level 1, 12 Kings Park Road West  
Perth WA 6005

**Re: CONSENT TO ACT**

Subject to receipt of professional clearance from your current auditors, Hall Chadwick, we hereby consent to act as auditors of Discovery Africa Ltd should we be appointed.

We confirm in our opinion we satisfy the independence obligations outlined in the Corporations Act 2001 and the Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Board in APES 110.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay Chartered Accountants

A handwritten signature in blue ink that reads 'G R Swan'.

Graham R Swan  
Registered Company Auditor 4153

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**GLOSSARY**

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 10.1 of this Notice.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Commencement Date** means the date on which the executive commenced their executive role with the Company.

**Company** or **Discovery Africa** means Discovery Africa Limited (ACN 147 324 847).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

# Discovery Africa Limited. ACN 147 324 847

**Employee Option Plan** means the employee option incentive scheme approved by Shareholders on the 22 November 2013.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Loan Note** means the convertible loan note between the Company and Mr Frank Knezovic, as described in section 9.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Options** means an option which enables the holder to subscribe for one Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Variable A** means "A" as set out in the calculation in section 10.2 of this Notice.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**PROXY FORM**

**APPOINTMENT OF PROXY  
DISCOVERY AFRICA LIMITED  
ACN 147 324 847**

**ANNUAL GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.30am, on Thursday, 27 November 2014 at Bentleys, Level 1, 12 Kings Park Road, West Perth, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

<b>Voting on business of the Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Director – Mr Frank Knezovic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Director – Mr Peter Lloyd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Election of Director – Mr Graham Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Share Issue - Yucca Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of Share Issue - Rhino Mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Ratification of Share Issue - Orca Exploration and Mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Ratification of Share Issue - Westoria Resources Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval of Convertible Notes issued to Frank Knezovic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10– Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11– Removal of Auditor – Hall Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12– Appointment of Auditor – Rothsay Chartered Accountants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Shareholder(s):** Date: \_\_\_\_\_

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Voting Restrictions applying to Key Management Personnel):** If you appoint a member of the Key Management Personnel of the Company or one of their closely related parties as your proxy, that person will not be able to cast your votes on Resolution 1 unless you direct them how to vote, or the Chairman of the Meeting is your proxy. "Key Management Personnel" is defined in the Explanatory Memorandum and includes each of the Directors of the Company, all those executives named in the Company's 2014 Remuneration Report, and any other persons who are the Company's Key Management Personnel at the date of the Meeting.
4. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Discovery Africa Limited, PO Box 44, West Perth 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9226 4300; or
  - (c) email to the Company at abetti@perth.bentleys.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**