



DISCOVERY
africa

31 October 2019

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2019

Discovery Africa Limited (ASX: DAF) ("the Company"), is an Australian based mineral exploration company with an interest in the Pinyalling Gold Project in Western Australia.

The Company provides the following update for the Quarter;

Exploration Activities

Pinyalling Gold Project

In October 2019, the Company entered into an agreement with Bruce Robert Legendre to acquire the Pinyalling Gold Project tenement (100% interest) in Western Australia for a cash consideration of \$5,000. The tenement was previously under option.

The Pinyalling Project consists of Exploration Licence 59/2112 covering 18 blocks (54km²) and is located ~400km northeast of Perth. Access is via the Great Northern Highway from Perth to Paynes Find-Yalgoo Road. This road gives access to the Pinyalling Mining Centre, about 30km west of Paynes Find.

The Company completed a high level interpretation and review of open file aeromagnetic data over the Pinyalling Project area and immediate surrounds to delineate structural trends and zones of potential interest earlier this year and in the previous Quarter conducted works to consider an appropriate work programme to test the target areas identified from the geophysical review, and also follow up anomalous results obtained from the 2018 soil sampling programme. Field inspection of the targets may include preliminary soil sampling to ascertain the presence of any gold anomalism.

Following the recent tenement purchase, the Company is currently preparing a field work program to further advance the works conducted during this year.

Legal Proceedings

As announced on 26 June 2019, the ongoing legal proceedings against former directors, Mr Kevin Nichol, Mr Danie Van den Bergh, Mr Phillip Thick and Mr Peter Avery, and solicitors, CBP Pty Ltd were resolved, with no admission of liability, by a payment to the Company of \$2 million and mutual releases between all parties.

Funds of \$1.85m (net of costs) were received by the Company during the quarter ended 30 September 2019, thereby finalising the matter in full.

Discovery Africa Limited
ACN 147 324 847 ABN 50 147 324 847
18 Sangiorgio Court, Osborne Park WA 6017
Locked Bag 4, Osborne Park DC WA 6916
Ph: (08) 6165 4000 Fax: (08) 6165 4067
Website www.discoveryafrica.com.au





DISCOVERY africa

Corporate

Capital raising

In August 2019, the Company finalised a placement of 10 million shares at 1 cent each, raising \$100,000, to assist with working capital, as announced in June 2019.

Other

The Company is currently working to identify and review new projects or asset acquisition opportunities, to enhance its project portfolio with an aim to increase the overall value proposition of the Company and ensure it is best placed to deliver value and upside potential for all its shareholders.

ENDS

For further information:

Peter Lloyd, Director

T | +61 8 6165 4000

E | peter@discoveryafrica.com.au

W | www.discoveryafrica.com.au

Appendix A: Discovery Africa Limited - Interest in Mining Tenements

Below is a listing of tenements held by the Company as at 30 September 2019:

Mining Tenement	Location	Beneficial Percentage held
EL59/2112 ¹	Western Australia	0% - tenement under option ¹

¹ Tenement was acquired by Discovery Africa Ltd in October 2019.

Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847
18 Sangiorgio Court, Osborne Park WA 6017
Locked Bag 4, Osborne Park DC WA 6916
Ph: (08) 6165 4000 Fax: (08) 6165 4067
Website www.discoveryafrica.com.au



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

DISCOVERY AFRICA LIMITED

ABN

50 147 324 847

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(2)
(b) development	-	-
(c) production	-	-
(d) staff costs	(54)	(54)
(e) administration and corporate costs	(40)	(40)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Net GST (paid)/refunded	10	10
1.8 Other – Settlement Proceeds from Legal Dispute	1,852	1,852
1.9 Net cash from / (used in) operating activities	1,766	1,766
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	100	100
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	100	100

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	334	334
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,766	1,766
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	100

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,200	2,200

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,200	334
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,200	334

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
54
NIL

Director's remuneration paid during the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
NIL
NIL

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	130

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	NIL			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E59/2112**	** Tenement was acquired subsequent to Quarter end, in October 2019	0	100%**

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31st October 2019

Print name: Alan Edward Thomas

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.