



DISCOVERY  
africa

## **Discovery Africa Limited**

**ACN 147 324 847**

**Half-year Financial Report - 31 December 2020**

**Discovery Africa Limited**  
**Contents**  
**31 December 2020**

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	19
Independent Auditor's Review Report to the members of Discovery Africa Limited	20

**Discovery Africa Limited**  
**Corporate Directory**  
**31 December 2020**

Directors	Peter Lloyd (Non-Executive Director) Graham Walker (Non-Executive Director) Jerko Zuvella (Non-Executive Director)
Company Secretary	Alan Thomas
Registered Office	18 Sangiorgio Court Osborne Park WA 6017
Principal place of business	18 Sangiorgio Court Osborne Park WA 6017
Share Register	Automatic Registry Services Level 2 267 St Georges Terrace Perth WA 6000
Auditor	Rothsay Auditing Level 1, Lincoln House 4 Ventnor Ave West Perth WA 6005
Bankers	National Australia Bank Level 1 1238 Hay Street West Perth WA 6005
Securities Exchange Listing	Discovery Africa Limited shares are listed on the Australian Securities Exchange (ASX code: DAF)
Website	<a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>

The directors present their report, together with the financial statements of the consolidated entity consisting of Discovery Africa Limited (“DAF” or “the Company”), and the entities it controls (collectively referred to as “the consolidated entity” or “the Group”) for the half year ended 31 December 2020.

**Directors**

The names of the directors in office at any time during the whole of the half year and up to the date of this report are:-

- Mr Peter Lloyd (Non-Executive Director)
- Mr Graham Walker (Non-Executive Director)
- Mr Jerko Zuvella (Non-Executive Director)

**Principal Activities**

The principal activity of the Group for the financial period was mineral exploration. The Group also undertook investigation of exploration opportunities during the reporting period, which resulted in the granting of 308 mining claims in Alaska in February 2021.

There were no significant changes in the nature of the Group’s principal activities during the half year.

**Review of Operations**

The net loss of the Group after income tax for the half-year ended 31 December 2020 amounted to \$147,624 (31 December 2019: net profit of \$1,708,418).

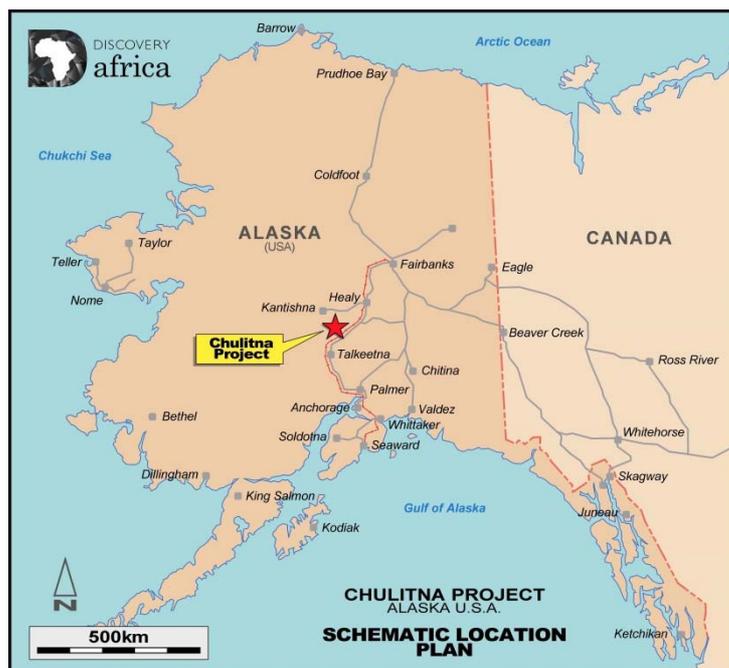
*Exploration*

The following is a review of the operations of the Group during the financial year to the date of this report.

**Chulitna Project (Alaska, USA)**

In February 2021, the Company was granted three hundred and eight (308) State mining claims in Alaska, USA – known as the Chulitna Project, which have been officially registered by the Alaska Department of Natural Resources.

The Company conducted a strategic review of various project opportunities, and with its specialist consultant, identified Alaska as a prospective jurisdiction with potential to secure high quality minerals projects. The strategic Chulitna Project area was selected as prospective from historical works and neighbouring projects in the area (including Avidian Gold’s Golden Zone gold-silver-copper project and Honolulu Prospect Corp’s Discovery Creek silver and base metals target).



**Figure 1. Chulitna Project – Location Map**

The project area comprises 199.4km<sup>2</sup>, is located on State of Alaska public lands, and is not subject to any Native Title claims, native lands, or native claimant groups. The project lies approximately 250km north of Anchorage and close to the major Parks Highway, which runs mostly parallel to the State owned Alaska railroad.

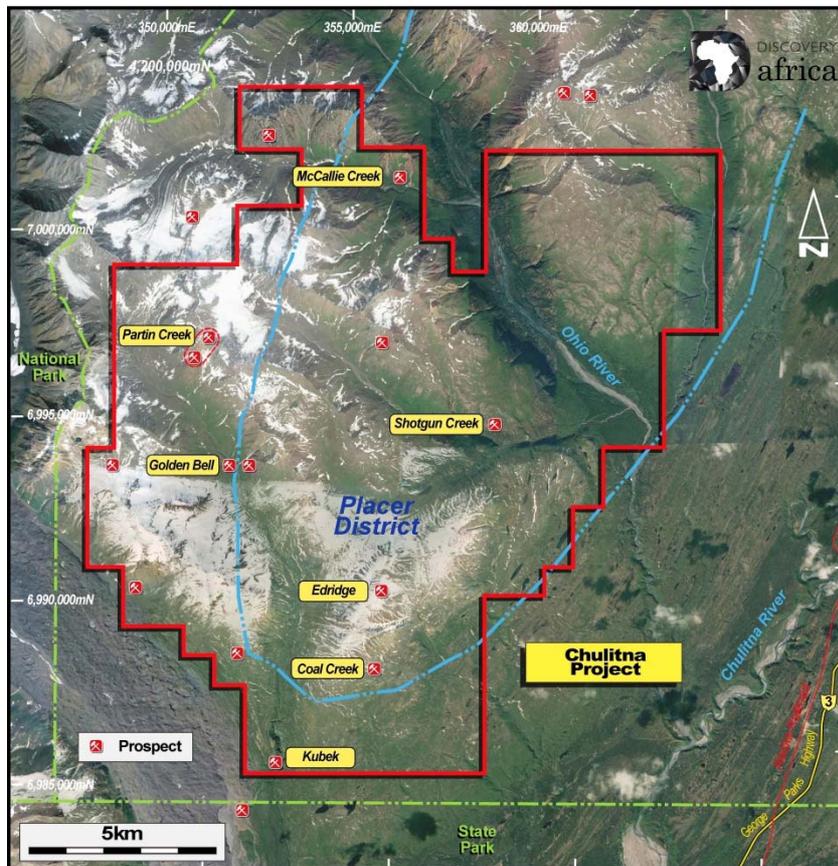


Figure 2. Chulitna Project – Multiple prospect targets identified

The Company's near-term strategy to advance the project is:

- Review and assess the substantive historical exploration works and results from the priority prospects within the project area;
- Prepare a systematic exploration program for the priority prospect targets, which will involve geophysical surveying; and
- Conduct follow up works to identify drill targets, and subsequent potential drilling of selected priority targets.

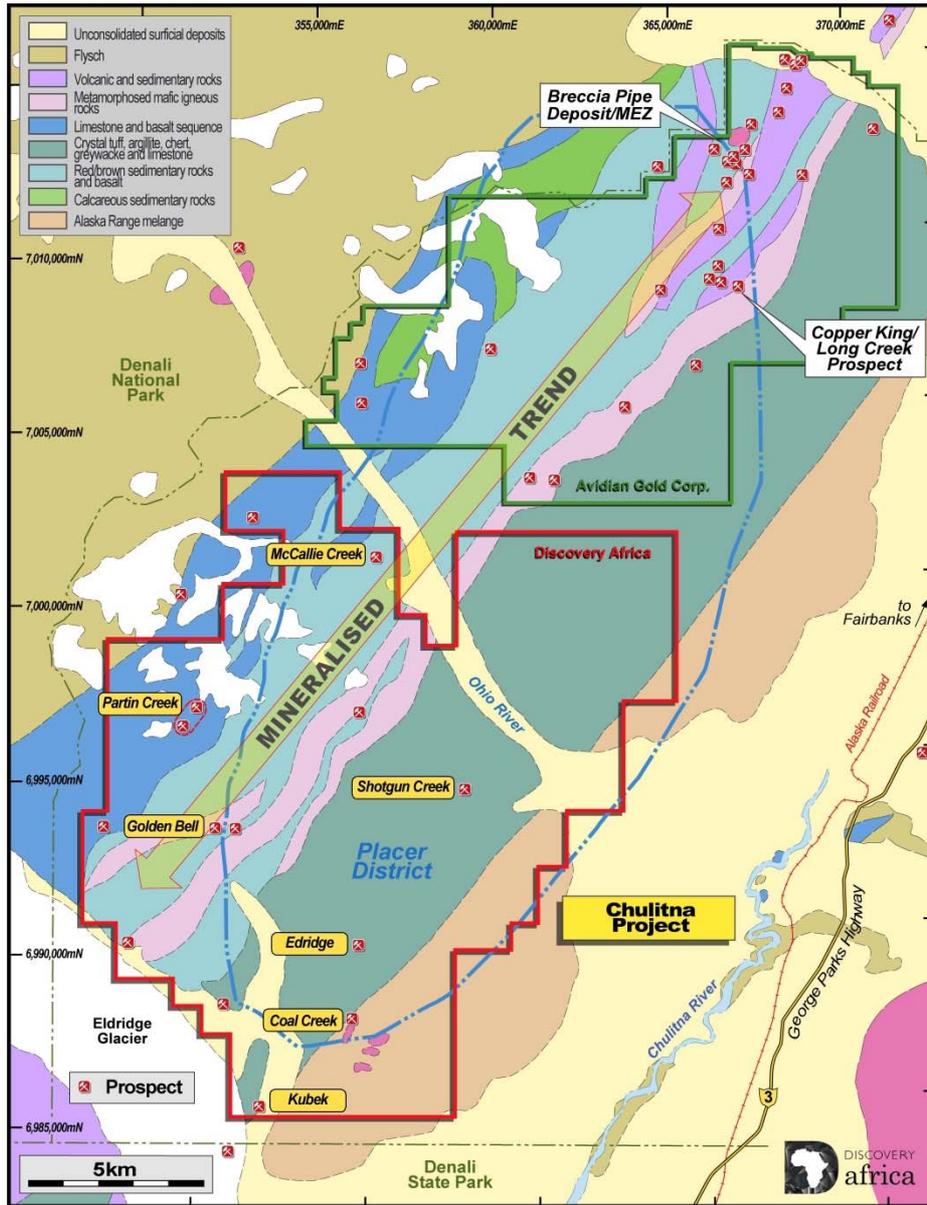


Figure 3. Chulitna Project – Geology map with adjacent Avidian Gold project area

**Warriedar Gold Project**

The Company announced on 25 September 2020 that it had agreed terms with Bruce Robert Legendre (“Vendor”) to purchase a 100% interest in the Warriedar Gold Project (“Project”) - Exploration Licence 59/2405 in Western Australia, for a purchase price of \$5,000 cash (plus GST), to be paid to the Vendor.

The Project tenement covers 4 blocks and is located within the Yalgoo Mineral Field, approximately 60km west of Paynes Find. The Project covers a portion of a granite body close to the contact with mafic volcanic and sedimentary rocks of the Warriedar Greenstone Belt.

Following acquisition of the Project, the Company reviewed historical data obtained from the WAMEX open file system and regional geological information, which identified a granite pluton covering most of the tenement area and a number of gold occurrences from low level prospector activity (as stated in the MINDEX system). The gold mineralisation may be associated with shear zones containing quartz veining. The southern part of the tenement has been identified as a possible target area from previous historical works.

**Discovery Africa Limited**  
**Directors' Report**  
**31 December 2020**

The Company's review confirmed the tenement may warrant a systematic exploration program for gold mineralisation involving structural interpretation of regional aeromagnetic and possible auger geochemical sampling along prospective structural corridors.

***Pinyalling Gold Project***

During the half-year ended 31 December 2020, the Company surrendered its interest in the Pinyalling Gold Project tenement (Exploration Licence 59/2112) in Western Australia.

The Company considered its strategy with the Project noting the Plan for Our Parks initiative, covering the Proposed Thundelarra National Park - Class A - FNA 15020, which affects the Company's tenement, and if declared a Class A reserve, may impact the Company's ability to conduct further exploration works within the tenement. Whilst uncertainty existed in regards to the governments' actions on this matter, the Company conducted further consideration in response to this matter, and in October 2020 surrendered the tenement.

***New Project Opportunities***

The Company will now prioritise its on-going exploration works on the Chulitna Project. In addition, the Company will continue working to identify and review other new projects, including a focus on North America.

*Other*

***COVID-19***

The Company continues to take appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian Government. First and foremost, our priority is the health, safety and wellbeing of our staff, partners and community, and as such, the Company is actively monitoring the COVID-19 situation.

**Dividends Paid or Recommended**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**Events After the Balance Sheet Date**

On 22 February 2021, the Company announced that it had been granted three hundred and eight (308) State mining claims in Alaska, USA, collectively known as the Chulitna Project, which contains multiple prospect targets for varying commodities, including gold, silver, tin, copper and base metals.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Lloyd  
Non-Executive Director  
11 March 2021  
Perth

**Competent Person's Statement**

The information contained in this report relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Mr Zuvela is a Director of Discovery Africa Ltd and consents to the inclusion in this report of this information in the form and context in which it appears. The information in this report is an accurate representation of the available data from the Company Projects.



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

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

As lead auditor of the review of Discovery Africa Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Discovery Africa Limited and the entities it controlled during the half-year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', written over a light blue horizontal line.

**Daniel Dalla**  
Partner

11 March 2021

**Discovery Africa Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Interest income	6,504	3,769
Proceeds from settlement of legal dispute	-	1,925,798
<b>Expenses</b>		
Administration expenses	(2,636)	(2,077)
Litigation expenses	-	(92,460)
Employment expenses	(58,636)	(58,636)
Corporate expenses	(58,947)	(67,976)
Exploration expenditure written off	(33,909)	-
<b>Profit/(loss) before income tax expense</b>	<b>(147,624)</b>	<b>1,708,418</b>
Income tax expense	-	-
<b>Profit/(loss) after income tax expense for the half-year</b>	<b>(147,624)</b>	<b>1,708,418</b>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Profit/(loss) on the revaluation of financial assets, net of tax	7,408	1,816
Other comprehensive income for the half-year, net of tax	7,408	1,816
<b>Total comprehensive income/(loss) for the half-year</b>	<b>(140,216)</b>	<b>1,710,234</b>
<b>Earnings per Share</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	(0.07)	0.90
Diluted earnings/(loss) per share	(0.07)	0.90

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Discovery Africa Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,877,365	2,177,289
Trade and other receivables	5	10,242	1,886
Other financial assets	6	21,566	14,158
<b>Total Current Assets</b>		<u>1,909,173</u>	<u>2,193,333</u>
<b>Non-Current Assets</b>			
Capitalised exploration and evaluation expenditure	7	141,708	40,178
<b>Total Non-Current Assets</b>		<u>141,708</u>	<u>40,178</u>
<b>Total Assets</b>		<u>2,050,881</u>	<u>2,233,511</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		35,683	95,117
<b>Total Current Liabilities</b>		<u>35,683</u>	<u>95,117</u>
<b>Total Liabilities</b>		<u>35,683</u>	<u>95,117</u>
<b>Net Assets</b>		<u>2,015,198</u>	<u>2,138,394</u>
<b>Equity</b>			
Issued capital	8	12,464,453	12,464,453
Reserves	9	822,589	798,161
Accumulated losses		<u>(11,271,844)</u>	<u>(11,124,220)</u>
<b>Total Equity</b>		<u>2,015,198</u>	<u>2,138,394</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Discovery Africa Limited  
Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2020

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance as at 1 July 2019</b>	12,237,620	804,135	(12,732,264)	309,491
<b>Other Comprehensive Income</b>				
Profit/(loss) after income tax expense for the half-year	-	-	1,708,418	1,708,418
Other comprehensive income for the half-year, net of tax	-	1,816	-	1,816
<b>Total comprehensive income/(loss) for the half-year</b>	-	1,816	1,708,418	1,710,234
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares and options during the period	100,000	-	-	100,000
<b>Total contributions by owners</b>	100,000	-	-	100,000
<b>Balance as at 31 December 2019</b>	<u>12,337,620</u>	<u>805,951</u>	<u>(11,023,846)</u>	<u>2,119,725</u>
<b>Balance as at 1 July 2020</b>	12,464,453	798,161	(11,124,220)	2,138,394
<b>Other Comprehensive Income</b>				
Profit/(loss) after income tax expense for the half-year	-	-	(147,624)	(147,624)
Other comprehensive income for the half-year, net of tax	-	7,408	-	7,408
<b>Total comprehensive income/(loss) for the half-year</b>	-	7,408	(147,624)	(140,216)
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares and options during the period	-	17,020	-	17,020
<b>Total contributions by owners</b>	-	17,020	-	17,020
<b>Balance as at 31 December 2020</b>	<u>12,464,453</u>	<u>822,589</u>	<u>(11,271,844)</u>	<u>2,015,198</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Discovery Africa Limited**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2020 \$</b>	<b>31 December 2019 \$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers (inclusive of GST)		(188,009)	(191,173)
Payments for exploration and evaluation		(118,419)	(9,509)
Interest received		6,504	3,769
Net proceeds from settlement of legal dispute		-	1,852,301
Net cash received/(used in) operating activities		<u>(299,924)</u>	<u>1,655,388</u>
<b>Cash flows from investing activities</b>			
Net cash from investing activities		-	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		-	100,000
Net cash provided by financing activities		<u>-</u>	<u>100,000</u>
Net (decrease)/increase in cash and cash equivalents		(299,924)	1,755,388
Cash and cash equivalents at the beginning of the financial half-year		2,177,289	334,102
Cash and cash equivalents at the end of the financial half-year	4	<u>1,877,365</u>	<u>2,089,490</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 1. General information**

The financial report covers Discovery Africa Limited as a consolidated entity consisting of Discovery Africa Limited and the entities it controlled. The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. Discovery Africa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

18 Sangiorgio Court  
Osborne Park WA 6017  
Ph: (08) 6165 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 11 March 2021. The directors have the power to amend and reissue the financial report.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**New accounting standards and interpretations**

Standards and Interpretations applicable to 31 December 2020

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to the consolidated entity's accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2020.

As a result of this review the Directors have determined that there are no new and revised Standards and Interpretations that may have a material effect on the application in future periods and therefore, no material change is necessary to the consolidated entity's accounting policies.

**Reporting Basis and Conventions**

The half year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity operates predominately in one business segment, which is the exploration for gold, and predominately in one geographical area which is Western Australia. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only.

**Note 4. Current Assets – Cash and Cash Equivalents**

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Cash at bank	1,877,365	2,177,289
	1,877,365	2,177,289

**Note 5. Current Assets – Trade and Other Receivables**

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
GST receivable	10,242	1,886
	10,242	1,886

**Note 6. Current Assets – Other Financial Assets**

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Opening Fair Value	14,158	20,132
Revaluation increments/(decrements)	7,408	(5,974)
	21,566	14,158

**Note 7. Non-current Assets – Capitalised Exploration and Evaluation Expenditure**

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Opening Balance	40,178	21,456
Expenditure during the period <sup>1</sup>	135,439	18,722
Write-off of exploration expenditure	(33,909)	-
	141,708	40,178

<sup>1</sup> During the half-year ended 31 December 2020, 1,000,000 unlisted options valued at \$17,020 were issued to an external consultant in consideration of consultancy services provided to the Company. Refer to Note 10 for further details of the issue.

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 8. Equity – Issued Capital**

**(a) Shares**

	Consolidated		Consolidated	
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Fully paid ordinary shares	202,234,698	202,234,698	12,464,453	12,464,453
	<u>202,234,698</u>	<u>202,234,698</u>	<u>12,464,453</u>	<u>12,464,453</u>

**Period ended 31 December 2020**

There were no changes to issued capital.

**Period ended 31 December 2019**

	Issue Price	Fully Paid Ordinary Shares	\$
Balance as at 1 July 2019		182,234,698	12,237,620
Issue of shares via placement	\$0.01	<u>10,000,000</u>	<u>100,000</u>
Balance as at 31 December 2019		<u>192,234,698</u>	<u>12,337,620</u>

**(b) Options**

**Period ended 31 December 2020**

The following unlisted options were on issue during the period ended 31 December 2020:

Exercise price	3.2c	3.2c
Expiry date	6 December 2021	30 April 2023
Opening balance	20,000,000	10,000,000
Issued during the year	-	1,000,000 <sup>1</sup>
Expired during the year	-	-
Exercised during the year	-	-
Closing balance	<u>20,000,000</u>	<u>11,000,000</u>

<sup>1</sup> Refer to Note 10 for further details regarding the issue of unlisted options during the period.

**Period ended 31 December 2019**

The following unlisted options were on issue during the period ended 31 December 2019:

Exercise price	3.2c
Expiry date	6 December 2021
Opening balance	<u>20,000,000</u>
Issued during the year	-
Expired during the year	-
Exercised during the year	-
Closing balance	<u>20,000,000</u>

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 9. Equity – Reserves**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Financial assets reserve	109,035	101,627
Option reserve	713,554	696,534
	822,589	798,161

*Financial assets reserve*

The reserve was used to recognise increments and decrements in the fair value of financial assets.

*Option reserve*

The reserve is used to recognise the value of option equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

	<b>Financial Assets</b>	<b>Options</b>	<b>Total</b>
	\$	\$	\$
Balance as at 1 July 2020	101,627	696,534	798,161
Revaluation of financial assets	7,408	-	7,408
Issue of options to external consultant (refer Note 10)	-	17,020	17,020
Balance as at 31 December 2020	109,035	713,554	822,589

**Note 10. Equity – Share Based Payment**

On 10 August 2020, 1,000,000 unlisted options were issued to an external consultant in consideration of consultancy services provided to the Company.

During the half-year ended 31 December 2020, \$17,020 was recognised as a share based payment and capitalised as exploration and evaluation expenditure.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	3.2
Weighted average life of the options (years)	2.72
Weighted average underlying share price (cents)	2.3
Expected share price volatility	148%
Risk-free interest rate	0.27%
Expiry date	30 April 2023

**Note 11. Investment in Controlled Entities**

For the half-year ended 31 December 2020, the consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

<b>Name of entity</b>	<b>Country of Incorporation</b>	<b>Equity holding</b>	
		<b>2020</b>	<b>2019</b>
		%	%
Discovery Denali Pty Ltd <sup>1</sup>	Australia	100	0
Discovery Alaska LLC <sup>2</sup>	United States	100	0

<sup>1</sup> The entity was incorporated on 5 November 2020.

<sup>2</sup> The entity was incorporated on 9 November 2020, and is a wholly owned subsidiary of Discovery Denali Pty Ltd.

Both entities were dormant as at 31 December 2020.

**Note 12. Contingencies**

The Company had no contingent assets or liabilities as at 31 December 2020.

**Note 13. Events after reporting period**

On 22 February 2021, the Company announced that it had been granted three hundred and eight (308) State mining claims in Alaska, USA, collectively known as the Chulitna Project, which contains multiple prospect targets for varying commodities, including gold, silver, tin, copper and base metals.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Discovery Africa Limited**  
**Directors' Declaration**  
**31 December 2019**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Lloyd  
Non-Executive Director  
11 March 2021  
Perth



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)

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
DISCOVERY AFRICA LIMITED**

**Report on the Review of the Half-Year Financial Report**

***Conclusion***

We have reviewed the half-year financial report of Discovery Africa Limited (“the Company”), and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group’s financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

***Basis for Conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor’s Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

***Independence***

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor’s review report.





***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

***Auditor's Responsibility for the Review of the Half-Year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Rothsay Auditing**

Dated 11 March 2021

**Daniel Dalla  
Partner**