



DISCOVERY
africa

ASX Announcement

8 February 2018

Discovery Africa signs Prospecting Agreement for Cue Gold Project

Discovery Africa Limited (ASX: DAF - "Discovery Africa" or "Company") is pleased to announce that it has recently executed a Prospecting Agreement with Southern Cross Prospecting ("SCP"), granting SCP the right to enter the Cue Gold Project tenements in order to prospect for gold, and to retain ownership of any gold won, subject to a tribute of 10% of all gold recovered being paid to the Company.

The Cue Project comprises two contiguous tenements – Prospecting Licence 20/2088 (196 hectares) and Prospecting Licence 20/2089 (39 hectares), located immediately to the north of the Cue township. Cue is located 650km north of Perth on the Great Northern Highway. The Cue Project area is readily accessible by vehicle via numerous roads and tracks. Discovery Africa has an exclusive option to purchase a 100% interest in the Cue Project tenements.

SCP is a small privately owned prospecting and alluvial gold mining company, whereby they have identified the Cue Project tenements as a possible viable area for dry-blower processing to remove fine alluvial gold.

The proposed dry-blowing works will be carried out under the DMIRS "low impact mining" framework and approved via a POW-P (Program of Work Prospecting), and SCP will ensure all works are carried out according to the tenement conditions and any other regulatory requirements, including rehabilitation provisions.

The Company is proactively working to identify and review other 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

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