



DISCOVERY  
africa

23 October 2020

ASX Announcement

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## Letter to Shareholders regarding Annual General Meeting

Discovery Africa Limited (the **Company**) will hold its Annual General Meeting on Friday, 27 November 2020 commencing at 12:00 pm (WST) at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park.

In accordance with temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company will not be sending hard copies of the Notice of Meeting to shareholders who have not previously opted in to receiving electronic copies. Instead, the Notice of Meeting can be viewed and downloaded from the website link:

<http://www.discoveryafrica.com.au/irm/content/asx-announcements.aspx?RID=8>

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Group Pty Ltd by:

Post to:           Automic  
                      GPO Box 5193  
                      Sydney NSW 2001  
Email to:         [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

Proxy votes may also be lodged online using the following link:  
<https://investor.automic.com.au/#/loginsah>

Your proxy voting instruction must be received by 12:00 pm (WST) on Wednesday, 25 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial advisor, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

To comply with Federal and State government restrictions on social gatherings, the Company may need to admit a limited number of persons to the Meeting. There is a risk that shareholders intending to attend the physical Meeting may not be admitted, depending on the number of Shareholders who wish to physically attend the Meeting. Therefore, the Company strongly encourages all shareholders to submit their directed proxy votes in advance of the Meeting, as detailed below.

The Company will continue to closely monitor guidance from the Federal and State Government for any impact on the proposed arrangements for the Meeting. If any changes are required, the Company will advise Shareholders by way of announcement on ASX and the details will also be made available on our website at [www.discoveryafrica.com.au](http://www.discoveryafrica.com.au).

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This update is authorised on behalf of Discovery Africa Limited by:  
Peter Lloyd  
Director  
**Discovery Africa Limited**

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**Discovery Africa Limited**  
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**DISCOVERY AFRICA LIMITED**

**ACN 147 324 847**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 12.00pm (WST)

**DATE:** Friday, 27 November 2020

**PLACE:** 18 Sangiorgio Court, Osborne Park WA 6017

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

***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.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 25 November 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the director's 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 purposes 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 2020.”*

**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:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – 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 8.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Graham Walker, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO PROFESSIONAL AND SOPHISTICATED INVESTORS**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 10,000,000 Shares and 10,000,000 free attaching unlisted Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any associates of those persons. However this does not apply to (and the Company need not disregard) a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CONSULTANT OPTIONS**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 1,000,000 unlisted Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any associates of those persons. However this does not apply to (and the Company need not disregard) a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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**6. RESOLUTION 5 – 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, 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 ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

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**Dated: 23 October 2020**

**By order of the Board**



**Alan Thomas  
Company Secretary**

### **Voting in person**

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

### **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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6165 4000.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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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 2020 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

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 most recent 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.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRAHAM WALKER**

### **3.1 General**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Graham Walker, who has served as a director since 10 April 2014 and was last re-elected on 29 November 2017, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

Prior to Mr Walker's 45 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 has achieved top Principal award. He is also presently a director of 3 companies with 25 years' experience as Chairman & Director of public companies.

### **3.3 Independence**

If elected the board considers Mr Walker will be an independent director.

### **3.4 Board recommendation**

The Board supports the re-election of Mr Walker and recommends that Shareholders vote in favour of this Resolution.

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## **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO PROFESSIONAL AND SOPHISTICATED INVESTORS**

### **4.1 General**

On 6 May 2020, the Company announced details of a private placement to professional and sophisticated investors to subscribe for up to 10,000,000 new Shares and 10,000,000 free attaching unlisted Options at an average price of 1.268 cents per Share, to raise approximately \$126,832 (**May Placement**). The Options are exercisable at 3.2 cents per Share on or before 30 April 2023.



The May Placement shares were issued on 20 May 2020 under the Company's 15% placement capacity without Shareholder approval in accordance with ASX Listing Rule 7.1 (comprising 6,335,205 Shares at an issue price of 1.25 cents per Share and 10,000,000 free Options) and the Company's additional 10% placement capacity in accordance with ASX Listing Rule 7.1A (comprising 3,664,795 Shares at an issue price of 1.3 cents per Share).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

As the issue of the May Placement has not yet been approved by Shareholders, it effectively uses up part of the Company's placement capacity under Listing Rules 7.1 and 7.1A, thereby reducing the Company's capacity to issue further Equity Securities without Shareholder approval over the 12 month period following the date of issue of the securities.

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. An issue of securities under ASX Listing Rule 7.1A may also be subsequently ratified by shareholders under ASX Listing Rule 7.4

The Company is seeking approval for the purposes of ASX Listing Rule 7.4 to enable the Company to refresh its issuing capacity under Listing Rule 7.1 and Listing Rule 7.1A, thereby providing the Company with the flexibility to issue further Equity Securities under ASX Listing Rule 7.1 should the need or opportunity arise in the next 12 months without needing to seek further Shareholder approval.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the May Placement.

#### **4.2 Technical information required by ASX Listing Rule 14.1A**

If Resolution 3 is not passed, the May Placement will be included in calculating the Company's placement capacity under Listing Rules 7.1 and 7.1A (as applicable), effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the securities.

If Resolution 3 is passed, the base figure (i.e. variable 'A') in which the Company's 15% placement capacity and additional 10% placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of Equity Securities to be issued without prior Shareholder approval.

#### **4.3 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

(a) The number of securities the entity issued

The following Shares and unlisted Options were issued by the Company on 20 May 2020:

- (i) 6,335,205 Shares issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1;
- (ii) 3,664,795 Shares issued pursuant to the Company's additional 10% placement capacity under ASX Listing Rule 7.1A; and
- (iii) 10,000,000 free attaching unlisted Options issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

(b) The issue price of the securities

6,335,205 Shares were issued at 1.25 cents per Share. 3,664,795 Shares were issued at 1.3 cents per Share. Each of the unlisted Options were issued for nil cash consideration.

(c) The terms of the securities

The Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.

The unlisted Options were issued on the terms and conditions set out in Schedule 1.

(d) The names of the allottees (or the basis on which the allottees were determined)

The Shares and Options were issued to a number of professional and sophisticated investors who were selected by the Board having regard to the funding options available to the Company.

No participant in the May Placement is a related party, a member of the Company's key management personnel or a substantial shareholder of the Company.

(e) The intended use of the funds raised

The funds raised from the issue of Shares were used for the review of and potential acquisition of new projects, exploration works at the Pinyalling Gold Project and for general working capital requirements.

There were no funds raised from the issue of the unlisted Options and there is no currently proposed use for the funds if any of the Options are exercised.

A Voting Exclusion Statement accompanies Resolution 3 in the Notice of Meeting.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CONSULTANT OPTIONS**

### **5.1 General**

On 6 May 2020, the Company announced that it had agreed to issue 1,000,000 unlisted Options exercisable at 3.2 cents per Share on or before 30 April 2023 in consideration for consulting services provided to the Company (**Consultant Options**).

The Consultant Options were issued on 10 August 2020 under the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1 and without Shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

As the issue of the Consultant Options has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, thereby reducing the Company's capacity to issue further Equity Securities without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

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.

The Company is seeking approval for the purposes of ASX Listing Rule 7.4 to enable the Company to refresh its issuing capacity under Listing Rule 7.1 and Listing Rule 7.1A, thereby providing the Company with the flexibility to issue further Equity Securities under ASX Listing Rule 7.1 should the need or opportunity arise in the next 12 months without needing to seek further Shareholder approval.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Consultant Options.

### **5.2 Technical information required by ASX Listing Rule 14.1A**

If Resolution 4 is not passed, the Consultant Options will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultant Options.

If Resolution 4 is passed, the base figure (i.e. variable 'A') in which the Company's 15% placement capacity and additional 10% placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of Equity Securities to be issued without prior Shareholder approval.

### **5.3 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) The number of securities the entity issued
- 1,000,000 unlisted Options were issued pursuant to the Company's additional 15% placement capacity under ASX Listing Rule 7.1 on 10 August 2020.
- (b) The issue price of the securities
- Each of the unlisted Options were issued for nil cash consideration.
- (c) The terms of the securities
- The unlisted Options were issued on the terms and conditions set out in Schedule 1.
- (d) The names of the allottees (or the basis on which the allottees were determined)
- The unlisted Options were issued to Kikceto Pty Ltd ATF Benjamin Discretionary Trust, an entity which is not a related party of the Company, in consideration for consulting services provided to the Company as announced on 6 May 2020.
- (e) The purpose of the issue
- The Consultant Options were issued in consideration for consulting services provided to the Company by Kikceto Pty Ltd ATF Benjamin Discretionary Trust.
- (f) The intended use of the funds raised
- There were no funds raised from the issue of the unlisted Options and there is no currently proposed use for the funds if any of the Options are exercised.

A Voting Exclusion Statement accompanies Resolution 4 in the Notice of Meeting.

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## **6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY**

### **6.1 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 5, 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 6.2 below).

The effect of Resolution 5 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 ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to issue any Equity Securities under the 10% Placement Capacity during the period up to 12 months after the Meeting.

Resolution 5 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 5 for it to be passed.

## 6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A 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 market capitalisation of approximately \$7,078,214 (202,234,698 at 3.5 cents) based on the amount of Shares on issue and closing price of Shares on 5 October 2020.

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 ASX 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 ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% annual 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.

### **6.3 Technical information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average market 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 by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 6.3(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 ASX 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 5 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)	0.0175 50% decrease in Issue Price	0.035 Issue Price	0.0525 50% increase in Issue Price
202,234,698 (Current Variable 'A')	Shares issued - 10% voting dilution	20,223,469 Shares	20,223,469 Shares	20,223,469 Shares
	Funds raised	\$353,911	\$707,821	\$1,061,732
303,352,047 (50% increase in Variable 'A')	Shares issued - 10% voting dilution	30,335,204 Shares	30,335,204 Shares	30,335,204 Shares
	Funds raised	\$530,866	\$1,061,732	\$1,592,598
404,469,396 (100% increase in Variable 'A')	Shares issued - 10% voting dilution	40,446,939 Shares	40,446,939 Shares	40,446,939 Shares
	Funds raised	\$707,821	\$1,415,643	\$2,123,464

\*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 ASX Listing Rule 7.1.

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

1. Resolutions 3 and 4 are approved;
2. There are currently 202,234,698 Shares on issue;
3. The issue price set out above is the closing price of the Shares on the ASX on 5 October 2020.
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
5. 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.
6. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% Placement Capacity under ASX Listing Rule 7.1.
7. 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.
8. 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.
9. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
10. 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%.
11. 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 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) and general working capital.

The Company will comply with the disclosure obligations under ASX 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 2019 annual general meeting held on 25 November 2019 (**Previous Approval**).

During the 12 month period preceding the date of the proposed Meeting, being on and from 27 November 2020, the Company issued 3,664,795 Shares at an issue price of 1.3 cents per Share under the Previous Approval, which represents 1.91% of the total number of Equity Securities on issue at the commencement of the 12 month period.

Details of all issues of Equity Securities in the 12 month period preceding the date of the Meeting are as follows:



<b>Details of issues of Equity Securities under Listing Rule 7.1A during the 12 months preceding 27 November 2020</b>	
<b>Date of issue</b>	<b>20 May 2020</b>
<b>Number issued</b>	3,664,795
<b>Class of Equity Securities</b>	Fully paid ordinary shares
<b>Basis of selecting persons to whom Equity Securities were issued</b>	The Shares were issued to professional and sophisticated investors who were selected by the Board having regard to the funding options available to the Company.
<b>Issue price and discount to closing market price on the date of issue (if any)</b>	Average issue price of 1.268 cents per Share. Closing market price on the date of issue of 2.4 cents, which represents a discount of 47.17%.
<b>Total cash consideration</b>	\$126,832
<b>Use of cash consideration</b>	Review of and potential acquisition of new projects, exploration works and for general working capital requirement.
<b>Non-cash consideration</b>	Not applicable

(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 ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

**6.4 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 5.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**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.

**Chair** means the chair of the Meeting.

**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) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

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

**Consultant Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**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 A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

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

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

**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.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**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 2020.

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

**Section** means a section of the Explanatory Statement.

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

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

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF UNLISTED OPTIONS

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(a) **Entitlement**

Each Unlisted Option entitles the holder to subscribe for one Share upon exercise of the Unlisted Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Unlisted Option will be \$0.032 per Share (**Exercise Price**).

(c) **Expiry Date**

Each Unlisted Option will expire at 5:00 pm (WST) on 30 April 2023 (**Expiry Date**). An Unlisted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Unlisted Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Unlisted Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Unlisted Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Unlisted Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Unlisted Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Unlisted Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Unlisted Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Unlisted Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Unlisted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Unlisted Options without exercising the Unlisted Options.

(k) **Change in exercise price**

An Unlisted Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Unlisted Option can be exercised.

(l) **Transferability**

The Unlisted Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

# Proxy Voting Form

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **12.00pm (WST) on Wednesday, 25 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### 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 Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

