



# DISCOVERY africa

7 April 2017

Elizabeth Harris/ Hayley Pratt  
Australian Securities Exchange  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Elizabeth/ Hayley

RE: Price and Volume Query

I refer to your letter of 31 March 2017 and respond as follows:

- 1) The Company is not aware of any information that has not been announced to the ASX which may explain the increase in trading of the securities of Discovery Africa Ltd ("DAF" or "Company"). The Company was in confidential negotiations regarding a proposed WA Gold project acquisition but at the time of your letter the negotiations were incomplete and there was no indication that confidential information had been leaked or compromised.
- 2) The Company has relied on Listing Rule 3.1A but given uncertainty surrounding the reason for the increase in prices and volumes traded, we requested a trading halt and subsequent suspension pending finalisation of the acquisition agreement and the announcement of today.
- 3) N/A.
- 4) The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.
- 5) The Company confirms that DAF's responses to the questions above have been authorized by the Board.

If you require any further information please do not hesitate to contact me.

Yours sincerely

**Alan Thomas**  
Company Secretary



31 March 2017

Mr Alan Thomas  
Company Secretary  
Discovery Africa Limited  
Suite 3  
17 Foley Street  
BALCATTWA WA 6021

By email: AlanT@armada.com.au

Dear Mr Thomas

**Discovery Africa Limited (“DAF”): price query**

We note the change in the price of DAF’s securities from a low of \$0.01 to an intraday high of \$0.015 today 31 March 2017.

We also note the significant increase in the volume of DAF’s securities traded today.

In light of this, ASX asks DAF to respond separately to each of the following questions and requests for information:

1. Is DAF aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
  - a) Is DAF relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in DAF’s securities would suggest to ASX that such information may have ceased to be confidential and therefore DAF may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that DAF may have for the recent trading in its securities?
4. Please confirm that DAF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that DAF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DAF with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **11:00 am AWT on Friday 31 March 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in DAF's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DAF's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [Hayley.Pratt@asx.com.au](mailto:Hayley.Pratt@asx.com.au) and to [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to DAF's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that DAF's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in DAF's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.



We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Hayley Pratt

**Adviser, Listings Compliance (Perth)**