



DISCOVERY  
africa

## Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847  
Level 4, 100 Albert Road, South Melbourne VIC 3205  
Phone: (03) 9692 7222  
Fax: (03) 9077 9233  
Email [generaladmin@baru.com.au](mailto:generaladmin@baru.com.au)  
Website [www.baru.com.au](http://www.baru.com.au)

28 January 2014

## HOA Signed on New Graphite Project (Kitgum Graphite)

### Board of Directors

Danie Van Den Bergh (Executive Chairman)

Kevin Nichol (Managing Director)

Philip Thick (Non-Executive Director)

Ian Lovett (Non-Executive Director)

### Company Secretary

Melanie Leydin

### Securities on Issue:

**DAF:** 162,734,698 ordinary shares

**DAFO:** 42,898,005 20c listed options

**DAFAK:** 12,500,000 9c unlisted options

**DAFAI:** 1,100,000 20c unlisted options

**DAFAL:** 5,000,000 9c unlisted options

The Directors of Discovery Africa Limited ('Discovery', 'DAF' or 'the Company') advise that further to the ASX announcement lodged on 31 December 2013, the Company has executed a Heads of Agreement ("HOA") with Consolidated African Resources (Uganda) Limited ('CARL') in relation to Exploration Licence 1025 ('EL 1025'), located near Kitgum in Uganda, Africa. The HOA allows Discovery to purchase up to 100% of CARL.

The area had undergone pitting, trenching and drilling of one borehole from a previous exploration exercise carried out by the Department of Geological Survey and Mines, Entebbe. This exercise was documented by W. H. Morton in a published report (Morton, 1969).

The report discovered a graphite deposit located in the Rom Mountain area. The deposit was observed to have a N. N. W. strike and stretched for 18Km while being 1Km wide with minimum overburden.

A recent field visit was carried out on the Exploration area which is highly prospective for Graphite and the Company is excited with this opportunity. Twenty eight exploration pits were dug by local labourers and graphite was highly visible along the 18km strike.

The second payment of USD\$25,000 has been paid following the conclusion of the onsite due diligence phase. On positive conclusion of the due diligence phase, DAF will commence with phase 2 of the exploration program.

Details of the HOA are set out below:

- Upon execution of the HOA, DAF will acquire 25% of the issued capital of CARL.
- DAF will commit to spending approximately US\$264,000 in order to achieve JORC compliant certification on EL 1025 ('Phase 2').
- Upon completion of Phase 2, DAF will be issued a further 50% of the issued capital of CARL.
- The final 25% of CARL can be purchased by Discovery on an agreed fair market value, which will be determined by both parties.

The Board of Discovery is very excited to have been able to secure this project and is ready to complete all requirements to achieve a 100% holding in CARL.



DISCOVERY  
africa

## Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847

Level 4, 100 Albert Road, South Melbourne VIC 3205

Phone: (03) 9692 7222

Fax: (03) 9077 9233

Email [generaladmin@baru.com.au](mailto:generaladmin@baru.com.au)

Website [www.baru.com.au](http://www.baru.com.au)

### For further information:

**Kevin Nichol**  
**Managing Director**

Email: [kevin@baru.com.au](mailto:kevin@baru.com.au)

### About Discovery Africa Limited

Discovery Africa Limited (“Discovery” or “the Company”) is an Australian public company that is focused on the exploration and development of the Kitgum Graphite Project in Uganda, Area 51 Graphite Project in Namibia and the New Lithium Project in Namibia.