



DISCOVERY
africa

Discovery Africa Limited

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31 December 2013

Option Agreement for 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 they have executed an exclusive Option Agreement ('Option') providing the Company with approximately 3 months to 31 March 2014 to complete due diligence on Exploration Licence 1025, located near Kitgum in Uganda, Africa. Initial work conducted by the vendor indicated that the Exploration Licence is highly prospective for Graphite and the Company is excited with this opportunity.

The total cost of the option is USD\$50,000. The first payment of USD\$25,000 will be paid immediately and the final USD\$25,000 will be paid at the conclusion of the due diligence phase.

The Exploration due diligence will begin on or about 10 January 2014 when a DAF geological team will be on site. The initial USD\$25,000 paid to the vendor will be used to provide DAF with the following:

- Full access to the mine site EL1025
- Engage and pay for local labour recruitment to dig where directed to obtain samples
- Pay for local management services to supervise the pitting and trenching program
- Provide hand tools to diggers
- Rental costs for vehicles including drivers
- Pay for security guards throughout the mine visit
- Provide maps and geological data already sourced
- Organise hotel accommodation for all representatives

More details will be provided following this visit.

For further information:

Kevin Nichol
Managing Director

Email: 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 delineation and development of the Area 51 Graphite Project in Namibia and the New Lithium Project.