



DISCOVERY
africa

Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847
Level 4, 100 Albert Roa, South Melbourne VIC 3205
Phone: (03) 9692 7222
Fax: (03) 9077 9233
Email kevin@discoveryafrica.com.au
Website www.discoveryafrica.com.au

28 March 2014

Area 51 and Corporate Update

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: 172,734,698 ordinary shares

DAFO: 43,998,005 20c listed options

DAFAK: 12,500,000 9c unlisted options

DAFAL: 5,000,000 9c unlisted options

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, the Tanzanian Graphite Project and the Brandberg Lithium Project in Namibia.

Namibia – Erongo Graphite Project (Area 51)

The Directors of Discovery Africa Limited ("DAF" or the "Company") provide the following update in relation to the drilling program at Area 51 in Namibia. Area 51 is held by the Company's 88% owned subsidiary Argosy Minerals Limited (ASX: AGY).

The ten proposed boreholes in Area A were positioned over the anomalous areas, in terms of both the Geophysical Induced Polarisation ("IP") survey and the Geological mapping results. The most anomalous areas were then selected to place the first three boreholes. Drilling of these three holes was completed towards the end of February.

Hole ID	Inclination	Hole Depth (Metres)
ELDD01	-50°	101.97
ELDD03	-50°	101.78
ELDD07	-50°	101.56

A down hole interpretation of the three completed drill cores indicated the coarse grained graphite bearing marbles to be the dominant lithology. However, the visual, volume related percentage of graphite in all three holes were disappointing with some narrow bands of higher visual, volume percentage concentration.

A cautious approach was followed and the results of the first 3 holes was sent for analytical test work on the drill core so as to determine the graphitic content percentage by weight. Fifteen samples from the three boreholes were identified for the analytical testing.



DISCOVERY
africa

Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847

Level 4, 100 Albert Roa, South Melbourne VIC 3205

Phone: (03) 9692 7222

Fax: (03) 9077 9233

Email kevin@discoveryafrica.com.au

Website www.discoveryafrica.com.au

The following table summarises the sample analytical results received from SGS Laboratories:

Sample Number	Graphitic Carbon % (CSA05V)
S 4411	0.45
S 4414	0.61
S 4415	0.21
S 4417	0.74
S 4419	0.30
S 4420	0.23
S 4422	0.24
S 4425	0.21
S 4426	0.36
S 4428	0.33
S 4429	0.69
S 4430	0.21
S 4432	1.23
S 4435	0.18
S 4436	0.42

From the interpretation of the lithological and assay results of the three target areas drilled, it can be concluded that the graphitic carbon content of Area "A" is sparsely concentrated and dispersed.

The Geophysical IP results from Area "C" will now be studied before a decision is made on the exploration program.

Competent Person's Statement

The details contained in the document that pertains to exploration results, ore and mineralisation is based upon information compiled by Mr Oscar van Antwerpen, Mr Antwerpen is a Fellow of the Australian Institute of Geoscientists and is a Consultant to Discovery Africa. Mr Antwerpen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Antwerpen has consented to the inclusion in the report of the matters based on the information in the form and context in which it appears.



DISCOVERY
africa

Discovery Africa Limited

ACN 147 324 847 ABN 50 147 324 847

Level 4, 100 Albert Roa, South Melbourne VIC 3205

Phone: (03) 9692 7222

Fax: (03) 9077 9233

Email kevin@discoveryafrica.com.au

Website www.discoveryafrica.com.au

Status of Funding for Argosy Minerals Limited (ASX: 'AGY')

The DAF Board refers to the current Entitlements Issue of Argosy Minerals Limited (AGY) and advises that there is no desire to increase its financial exposure to AGY to satisfy its funding requirements to continue its business. Accordingly DAF has decided that it will not be taking up its rights in the current rights issue which was announced in a recent AGY announcement.

DAF would like to negotiate with AGY on acquiring the Area 51 graphite project in the future (by farm-in or otherwise, subject to applicable regulatory requirements) with due regard to DAF's economic interest in the project.

Any negotiations would be for DAF to acquire up to 100% of the Area 51 graphite project.

For further information:

Kevin Nichol

Managing Director

Phone: +61 3 9692 7222

1 JORC Code, 2012 Edition – Table 1 report template

1.1 Section 1 Sampling Techniques and Data

Erongo Graphite

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Core samples were obtained from Diamond drilling The samples were taken as per graphitic demarcation as per single units to represent the variation of the graphitic content in the subsurface material The samples were representative of the following: <ul style="list-style-type: none"> Higher graphitic content (Coarse grained Marbles) – 5% Volume and above Lower graphitic content (Coarse grained Marbles) – 0.5-2% Volume Smaller flake graphite content (Fine Grained Marbles) – 2-5% Volume Pegmatites (for Possible Gold Analysis) Field Duplicates and standards (QA/QC) – Higher Standard Filed duplicates were used in the sampling process
Drilling Techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond Drilling was conducted Core diameter was HQ(60mm) collar for entry followed, with NQ(40mm) down hole drilling Core was not orientated
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core loss/core gain logging was conducted As diamond drilling was selected as the drilling method, there was not a high amount of material loss Little to no bias would have been encountered with this drilling method
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Core samples were logged according to high level geotechnical and lithological classifications including core loss/gain Logging was qualitative with core photography included Three holes attaining depths of 101.97, 101.56 and 101.78 were logged entirely in the methods as described above

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • The sample material was packed by the project geologist, where upon the samples were transported to SGS Laboratories in Johannesburg. • Material were crushed, split and were then assayed by means of XRF with the carbon and graphitic carbon content determined by means of Leco, • Pegmatite samples were packed and transported in the same manner and tested for gold by means of a fire assay, • A visual volume percentage estimation chart was used to estimate the most representative samples for the specified sampling categories (low, medium and high graphitic content), • Sample size was taken as at 1m depending on the length in order to sample the lithological boundaries more in detail,
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • The samples were assayed by SGS for Total Carbon (TGC) (CSA05V), LECO Total Carbon (CSA 01V) and Whole rock analysis using borate fusion XRF (XRF 79V) • The pegmatite samples were assayed by SGS for gold content (FAA303) fire assay, • SGS as per the norm inserted blanks and duplicates during the process,
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • All SGS analytical results are stored in an Access Database situated on the Minrom Server located in the Centurion Office, Pretoria. • Regular updates, back-ups and maintenance are performed,
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The sample points were obtained by using a Garmin GPSmap62, xy accuracy is within 5 meters with the elevation being less accurate • Datum utilized WGS 84 UTM zone -33
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Core samples were obtained from diamond drilling • The samples were taken as single units to represent the variation of the graphitic content in the subsurface material • The samples were representative of the different lithologies selected for sampling (low, medium and high graphitic content)

Criteria	JORC Code explanation	Commentary
		and pegmatites),
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Sample points were located in areas where the outcrops were available yielding a non-regular sample pattern Samples were obtained from three of the four exploration areas, The diamond drilling rigs were orientated at an angle (315°) perpendicular angle to the strike of the units The inclination was at -50° as the deposit dipped at an average of 65° therefore -50° was the closest possible angle, available for drilling, that would best represent a true thickness
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All the sample material were extracted and obtained by the Minrom Geologist, Samples were packed, sealed and transported to South Africa by Minrom and were submitted to SGS in person, Normal chain of custody protocols were performed,
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The local head of the community were well informed with regards to the process and progress of the exploration, The following licenses are under investigation and total 97 365 ha: <ul style="list-style-type: none"> EPL 4335 (67 635 ha), Hallie Investments 3107 (Pty) Ltd. (100%), Base and rare metals, Industrial minerals, Non-nuclear fuel minerals, Precious metals, and Precious stones, Granted, EPL 4079 (29 730 ha), Manmar Investments 105 (Pty) Ltd. (100%), Base and rare metals, Industrial minerals, Non-nuclear fuel minerals, Precious metals, and Precious stones, Granted
<i>Exploration done by other</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No substantive exploration activities have been conducted on the

Criteria	JORC Code explanation	Commentary
<i>parties</i>		area.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The majority of the mineralization is hosted in graphitic bearing marble layers, cross cut by Doleritic Dykes and pegmatites, • The layers are continuous in strike with the majority of the layers striking in a north east, south western direction with the dip towards the South East. • In specific bands the graphite flakes tend to be more concentrated,
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Bore hole collars (easting, northing and elevation/RL) • Bore hole inclinations and azimuth • Down hole length and unit intersections • Total hole length • Lithological descriptive logging • High level geotechnical logging • Core loss/gain recording • Detailed sample recording
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • The information obtained from the samples can be regarded as single point data and not averages nor weighted averages currently,
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • The mineralization units investigated are fairly thin. The thickness of the different graphite bearing zones range between 0.2 meters and 5 meters. • The strike extent of the layers traverse the entire target area of ~8 km,
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar</i> 	<ul style="list-style-type: none"> • Refer to figure 1 and 2 for the locality of the drill holes and the licenses respectively

Criteria	JORC Code explanation	Commentary
	<i>locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All core samples were submitted for analysis for the representative sections (low, medium and high graphitic content, pegmatites and field duplicates),
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Geophysical survey results are included Geotechnical logging results are included Metallurgical test results are included Lithological logging results are included
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> No further work is to be conducted on this project at this current point in time

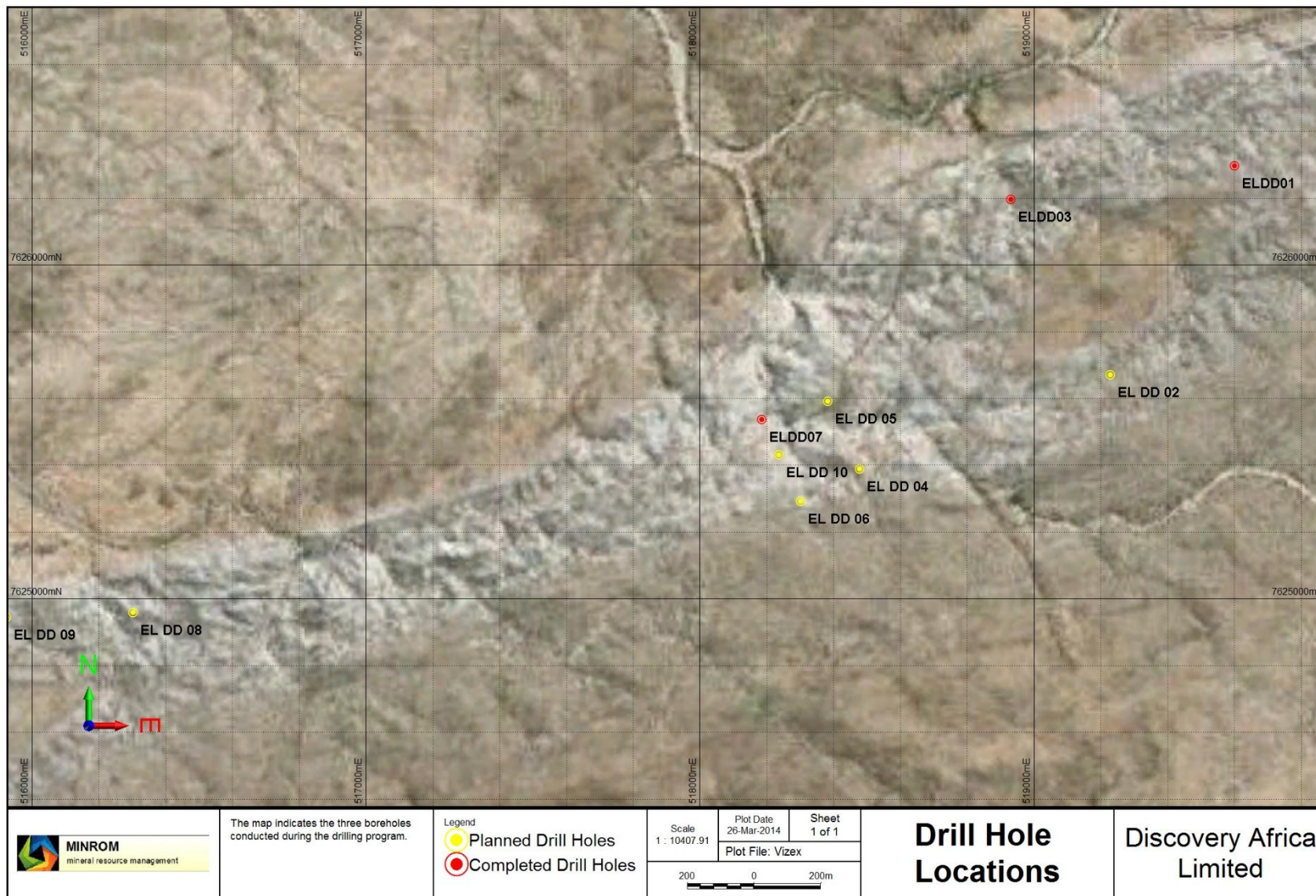


Figure 1: Borehole locations

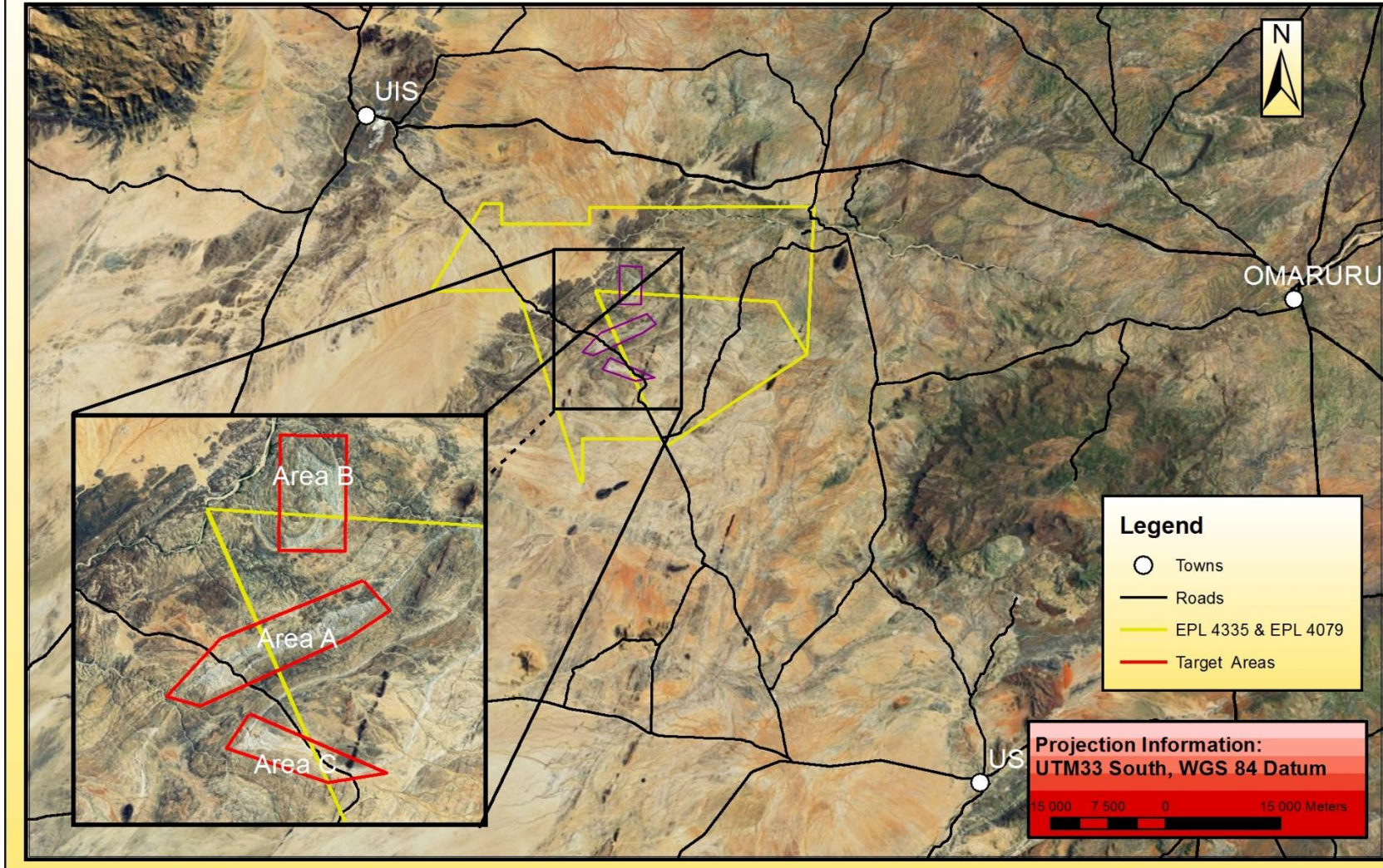


Figure 2: Licences