



DISCOVERY  
africa

## ASX Announcement

6 May 2020

# Proposed Capital Raising

**Discovery Africa Limited** (ASX: DAF - "Discovery Africa" or "Company") is pleased to announce that it will undertake a private placement of fully paid ordinary shares ("Shares") to raise up to approximately \$126,832 at an average issue price of 1.268 cents per Share, plus one (1) free attaching unlisted option ("Option") for every one (1) new Share issued (the "Placement"). The Options are exercisable at 3.2 cents each on or before 30 April 2023.

### Placement Details

Under the Placement, the Company will issue up to a total of 10,000,000 Shares and 10,000,000 Options to sophisticated and professional investors using its existing placement capacity available under ASX Listing Rule 7.1 (comprising 6,335,205 Shares at an issue price of 1.25 cents per Share and 10,000,000 Options) and Listing Rule 7.1A (comprising 3,664,795 Shares at an issue price of 1.3 cents per Share).

Settlement of the Placement is currently intended to occur by 11 May 2020.

Shareholder approval will not be required for the Placement. The Shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary shares in the Company. The Options will be a new class of option to acquire a Share exercisable at 3.2 cents each on or before 30 April 2023. The price at which Shares will be issued within the Company's placement capacity under Listing Rule 7.1A represents a discount of 25% to the 15-day VWAP prior to the date of this announcement. None of the subscribers under the Placement will be related parties of the Company.

### Use of Funds

The Company intends to apply proceeds from the Placement, in conjunction with existing cash reserves, towards the review of and potential acquisition of new projects or asset acquisition opportunities, exploration works at the Pinyalling Gold Project, and for general working capital requirements.

### Option Issue

The Company has further agreed to issue 1,000,000 Options exercisable at 3.2 cents each on or before 30 April 2023 to a consultant in consideration of consulting services provided to the Company. The consultant is not a related party of the Company. The Options will be issued within the Company's existing placement capacity under Listing Rule 7.1 without shareholder approval.

*An Appendix 2A and Appendix 3B in respect of these matters will be lodged with ASX shortly.*

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ENDS

*This announcement has been authorised by the Directors of the Company.*

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