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26 October 2020

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2020

Discovery Africa Limited (ASX: DAF) ("the Company"), is an Australian based mineral exploration company with an interest in the Warriedar Gold Project in Western Australia.

The Company provides the following update for the Quarter;

Exploration Activities

Warriedar Gold Project

The Company announced on 25 September 2020 that it had agreed terms with Bruce Robert Legendre ("Vendor") to purchase a 100% interest in the Warriedar Gold Project ("Project") - Exploration Licence 59/2405 in Western Australia, for a purchase price of $5,000 cash (plus GST), to be paid to the Vendor.

The Project tenement covers 4 blocks and is located within the Yalgoo Mineral Field, approximately 60km west of Paynes Find. The Project covers a portion of a granite body close to the contact with mafic volcanic and sedimentary rocks of the Warriedar Greenstone Belt.

The Company reviewed historical data obtained from the WAMEX open file system and regional geological information, which identified a granite pluton covering most of the tenement area and a number of gold occurrences from low level prospector activity (as stated in the MINDEX system). The gold mineralisation may be associated with shear zones containing quartz veining. The southern part of the tenement has been identified as a possible target area from previous historical works.

The Company's review confirmed the tenement warrants a systematic exploration program for gold mineralisation involving structural interpretation of regional aeromagnetic and possible auger geochemical sampling along prospective structural corridors.

As such, the Company's near-term strategy to advance the Projects is:

- Review and assess historical exploration works and results from the Project area;
- Prepare a systematic exploration program for gold mineralisation within the Project area, which may involve structural interpretation of regional aerial magnetic survey data and possible auger geochemical sampling along prospective structural corridors; and
- Conduct follow up of any mapping works to identify drill targets, and subsequent potential drilling of selected targets.

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Pinyalling Gold Project

The Company recently surrendered its interest in the Pinyalling Gold Project tenement (Exploration Licence 59/2112) in Western Australia.

The Company further considered its strategy with the Project noting the *Plan for Our Parks* initiative, covering the *Proposed Thundelarra National Park - Class A - FNA 15020*, which affects the Company's tenement, and if declared a Class A reserve, may impact the Company's ability to conduct further exploration works within the tenement. Whilst there is uncertainty in regard to the governments' actions on this matter, the Company conducted further consideration in response to this matter, and in October 2020 surrendered this tenement.

New Project Opportunities

During the Quarter, the Company continued to review mineral project opportunities and conducted due diligence over several projects that may complement the Company's current activities. These due diligence reviews and associated negotiations continue. Following completion of any successful project due diligence exercise and pending strategy to progress, the Company will consider any such opportunities and advance as and where required to progress with such project or projects.

Covid-19

The Company continues to take appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian Government. First and foremost, our priority is the health, safety and wellbeing of our staff, partners and community, and as such, the Company is actively monitoring the Covid-19 situation.

Corporate

The Company lodged its Annual Financial Report during the Quarter.

There were no mining production and development activities conducted during the Quarter.

Due to the impact of the COVID-19 pandemic, the uncertainty surrounding the Pinyalling Gold Project, and the desire of the Company to conserve costs in this uncertain period, there were no field exploration activities conducted during the Quarter.

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As outlined in the attached Appendix 5B (section 6.1), during the Quarter, no payments were made to related parties and their associates. Director fee payments for the previous three quarters have been accrued and may be paid in following quarters.

Schedule of Tenements

The schedule of tenements held by the Company at the end of the Quarter is shown below.

Mining Tenement	Location	Beneficial Percentage held
EL59/2112	Western Australia	100% (Relinquished October 2020)
EL59/2405	Western Australia	100% (Acquired September 2020)

ENDS

This announcement has been authorised by the Board of Directors of Discovery Africa Limited.

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Competent Person's Statement

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Mr Zuvela is a Director of Discovery Africa Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the Warriedar Gold Project.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DISCOVERY AFRICA LIMITED

ABN	Quarter ended ("current quarter")
50 147 324 847	30 September 2020

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(25)	(25)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Others - Net GST (paid) / refunded	(2)	(2)
1.9	**Net cash from / (used in) operating activities**	**(24)**	**(24)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,177	2,177
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(24)	(24)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,153**	**2,153**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,153	2,177
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,153**	**2,177**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(24)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(24)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,153
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,153
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	89.70

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2020

Authorised by the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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