Discovery Africa Limited

ACN 147 324 847

Annual report for the year ended 30 June 2021

Contents

Corporate Directory

Directors	Peter Lloyd (Non-Executive Director) Graham Walker (Non-Executive Director) Jerko Zuvela (Non-Executive Director)
Company secretary	Alan Thomas
Registered office	18 Sangiorgio Court Osborne Park WA 6017 Ph : (08) 6165 4000
Principal place of business	18 Sangiorgio Court Osborne Park WA 6017 Ph : (08) 6165 4000
Share register	Automic Registry Services Level 2 267 St Georges Terrace Perth WA 6000
Auditor	Rothsay Auditing Level 1, Lincoln House 4 Ventnor Avenue West Perth WA 6005
Bankers	National Australia Bank Ltd First Floor 1238 Hay Street West Perth WA 6005
Stock exchange listing	Discovery Africa Limited shares are listed on the Australian Securities Exchange (ASX code: DAF)
Website	www.discoveryafrica.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'the Consolidated Entity' or 'Group') consisting of Discovery Africa Limited (referred to hereafter as 'the Company' or 'Parent Entity') and the entities it controlled for the year ended 30 June 2021.

Directors

The following persons were directors of Discovery Africa Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Peter Lloyd (Non-Executive Director)
Mr Graham Walker (Non-Executive Director)
Mr Jerko Zuvela (Non-Executive Director)

Information on current directors

Name:	Mr Peter Lloyd
Title:	Non-Executive Director
Qualifications:	Bachelor of Law
Experience and expertise:	Peter Lloyd, a lawyer by profession, is a founding member of Argosy Minerals Limited and has been involved in mining exploration for over 25 years. He has been involved in projects in United States of America, Eastern Europe, Africa, New Caledonia and Australia.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Interests in shares:	18,123,257 (2020: 18,123,257) fully paid ordinary shares
Interests in options:	5,000,000 (2020: 5,000,000) unlisted options

Name:	Mr Graham Walker
Title:	Non-Executive Director
Experience and expertise:	Prior to Mr Walker's 45 years of business experience in real estate, he was a Bank Manager. Mr Walker is currently the manager and director of a leading real estate franchisee in Western Australia which attained top office in Western Australia for 23 years and have achieved top Principal award. He is also presently a director of 3 companies with 25 years' experience as Chairman & Director of public companies.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Interests in shares:	9,275,000 (2020: 9,275,000) fully paid ordinary shares
Interests in options:	5,000,000 (2020: 5,000,000) unlisted options

Name:	Jerko Zuvela
Title:	Non-Executive Director (appointed 24 November 2015)
Experience and expertise:	Mr Jerko Zuvela has over 25 years' experience in Australia and internationally, during which time he has held senior executive positions in public listed and unlisted companies. Mr Zuvela is a Chartered Professional (Geology) Member of the Australian Institute of Mining and Metallurgy.
Other current directorships	Argosy Minerals Limited (ASX: AGY) (appointed 17 July 2014); Ragusa Minerals Limited (ASX: RAS) (appointed 29 September 2020)
Former directorships (in last 3 years)	Nil
Interests in shares:	Nil (2020: Nil) fully paid ordinary shares
Interests in options	5,000,000 (2020: 5,000,000) unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Mr Alan Thomas holds a Bachelor of Business degree from Curtin University and is a Fellow of the Institute of Chartered Accountants in Australia. He has over 35 years of experience in finance and administration, predominately in the accounting profession.

Principal activities

The principal activity of the Group during the year was mineral exploration. During the year the Group focused on mineral exploration activities in the USA, which resulted in the granting of 308 mining claims in Alaska in February 2021.

There were no significant changes in the nature of the Group's principal activities during the year ended 30 June 2021.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The net loss of the Group after providing for income tax amounted to $266,311 (30 June 2020: Net profit of $1,608,044).

Corporate

During the year ended 30 June 2021, the Company issued the following shares and unlisted options to external consultants in consideration of consulting services provided to the Company:

- 1,000,000 unlisted options exercisable at 3.2 cents per share on or before 30 April 2023;
- 1,000,000 fully paid ordinary shares at 3 cents per share; and
- 500,000 unlisted options exercisable at 6 cents per share on or before 22 February 2023.

Exploration

Chulitna Project (Alaska, USA)

In February 2021, the Company was granted three hundred and eight (308) State mining claims in Alaska, USA – known as the Chulitna Project.

The strategic Chulitna Project area was identified as prospective from historical works and neighbouring projects in the area (including Avidian Gold's Golden Zone gold-silver-copper project and Honolulu Prospect Corp's Discovery Creek silver and base metals target).

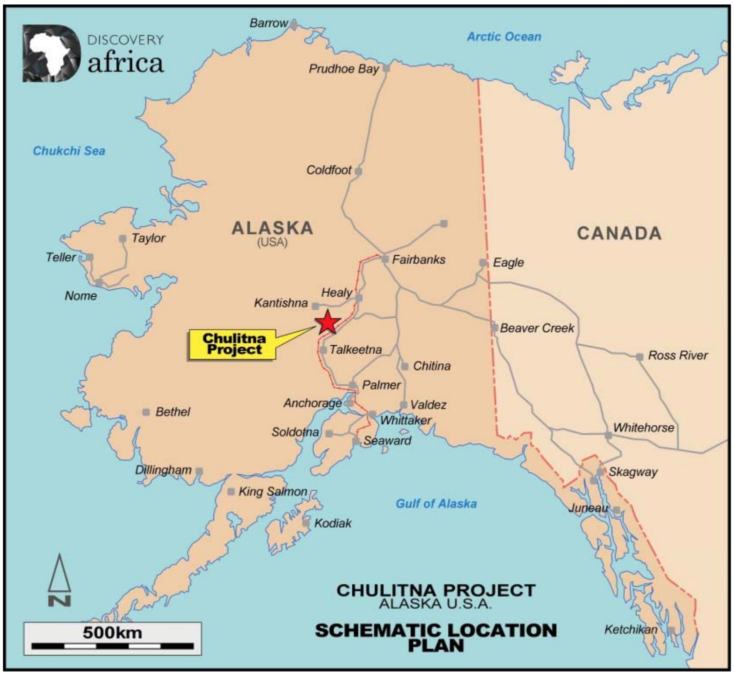

Figure 1. Chulitna Project – Location Map

The project area comprises 199.4km2, is located on State of Alaska public lands, and is not subject to any Native Title claims, native lands, or native claimant groups. The project lies approximately 250km north of Anchorage and close to the major Parks Highway, which runs mostly parallel to the State owned Alaska railroad.

In June 2021, the Company commenced initial field works at the Project and engaged an Alaskan professional geological (and associated) services group to conduct a comprehensive review of historical exploration works and results from selected priority prospects within the project area, including a review of geophysical survey data. From this, an initial exploration program was prepared and arranged, with the primary target at the Partin Creek prospect selected.

The review of historical data at Partin Creek identified previous rock-chip sampling along 600m of exposed skarns and veins with anomalous gold, copper and silver mineralisation. The mineralised exposure at Partin Creek occurs along a steep south facing spur ridge that extends for ~1.4km, whilst airborne geophysical data shows a strong continuity of the lithologic basalt/limestone host to Partin Creek mineralisation that extends for ~10km within the project area.

Figures 2 - 3. Chulitna Project – Field Exploration Works

The preliminary field exploration program was planned to duplicate the known gold occurrences at Partin Creek and expand to the northeast (toward McCallie Creek prospect) and to the southwest, to target a robust and coherent gold system with considerable strike length.

The completed fieldwork program was conducted with helicopter support over a two-week period, and comprised the collection of 252 samples and geological mapping works across various rock prospects within the project area.

The samples have been shipped to the laboratory for multi-commodity analysis testing.

In addition, geological mapping works were also carried out at the Partin Creek prospect, with mineralisation identified across a ~1.6km strike length, whilst talus fine sampling was conducted along the base of steep cliffs covering multiple prospect areas.

The Company is hopeful this phase of work, subject to laboratory analysis results, will lead to further follow up works with the aim to identify priority anomalous targets for subsequent potential drilling.

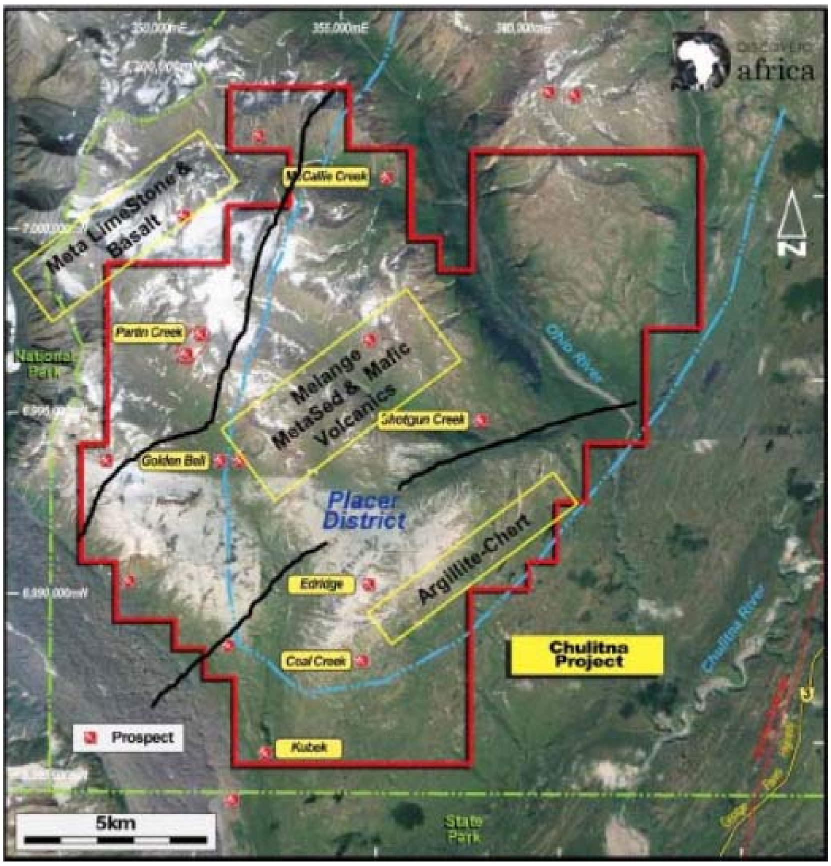

Figure 4. Chulitna Project – Location map with prospect targets

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.

Following acquisition of the Project, 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 may warrant a systematic exploration program for gold mineralisation involving structural interpretation of regional aeromagnetic and possible auger geochemical sampling along prospective structural corridors.

The Company is currently considering disposing of this tenement given its focus on the Chulitna Project.

Pinyalling Gold Project

The Pinyalling Gold Project consisted of Exploration Licence 59/2112 which covered 18 blocks ($54km^2$) located approximately 400km north east of Perth.

The Company considered its strategy with the Project noting the Plan for Our Parks initiative, covering the Proposed Thundelarra National Park - Class A - FNA 15020, which may have affected the Company's tenement, and if declared a Class A reserve, may have impacted the Company's ability to conduct further exploration works within the tenement. As an uncertainty existed in regards to the governments' actions in relation to the matter, the Company conducted further consideration in response to this matter and ultimately decided to surrender the tenement in October 2020.

New Project Opportunities

The Directors continue to work on identifying and reviewing mineral project opportunities that may complement the Company's current activities, which includes a focus on North America due to its on-going prioritisation of the Chulitna Project.

Other

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.

Appendix A: Discovery Africa Limited - Interest in Mining Tenements

Below is a listing of tenements held by the Company as at 13 August 2021:

Mining Tenement	Location	Beneficial Percentage held
ADL734566 (Chulitna 1) - ADL734873 (Chulitna 308)[1]	Alaska, USA	100%
EL59/2405	Western Australia	100%

[1] The Chulitna Project is beneficially owned by Discovery Alaska LLC which is a wholly owned subsidiary of Discovery Denali Pty Ltd and ultimately wholly owned by Discovery Africa Limited.

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.

Forward Looking Statements: Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2021 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

As the Company is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of the Company's securities.

In the opinion of the Directors, it would prejudice the interests of the Company to provide additional information, beyond that which is reported in this Annual Report, relating to likely developments in the operations of the Company and the expected results of those operations in financial years subsequent to 30 June 2021.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial year. The directors will reassess this position as and when the need arises.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

		Board Meetings	
Director	**Circular Resolutions**	**Number Eligible to attend**	**Number Attended**
Peter Lloyd	-	5	5
Graham Walker	-	5	5
Jerko Zuvela	-	5	5

The Company does not have a formally constituted audit committee or remuneration committee as the board considers that the Company's size and type of operation do not warrant such committees.

Shares under option

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Grant date	Expiry date	Exercise price	Number under option
6 December 2018*	6 December 2021	$0.032	20,000,000
20 May 2020*	30 April 2023	$0.032	10,000,000
10 August 2020*	30 April 2023	$0.032	1,000,000
19 February 2021*	22 February 2023	$0.060	500,000
			31,500,000

*Options are unlisted

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the Consolidated Entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

A Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the General Meeting, held in August 2011, where the shareholders approved an aggregate remuneration of $350,000.

Executive remuneration

The Consolidated Entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

A Principles used to determine the nature and amount of remuneration (continued)

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and adds additional value to the executive.

The long-term incentives ('LTI') includes long service leave and share-based payments. The Nomination and Remuneration Committee intends to revisit the long-term equity-linked performance incentives specifically for executives at the end of each financial year.

Consolidated Entity performance and link to remuneration

Remuneration packages do not include performance-based components. An individual member of staff's performance assessment is done by reference to their contribution to the Consolidated Entity's overall operational achievements. All Directors and Executives hold shares and options in the Company to facilitate goal congruence between Executives with that of the business and shareholders. Further information has not been disclosed as it is commercially confidential.

Voting of Remuneration Report at 2020 Annual General Meeting

The 2020 Remuneration Report was voted for, without any commentary or discussion, at the 2020 Annual General Meeting, based on poll votes with proxy votes for of 13,412,129 (94.63%), 683,750 votes at Chairman's discretion (4.82%) and 77,248 votes against (0.55%).

B Details of remuneration

Details of the remuneration paid to each key management personnel of the Consolidated Entity is set out in the following table.

2021	**Directors' Fee**	**Short-term Consulting Fees**	**Non-Cash**	**Share Based Payments**	**Post-employment Superannuation**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Peter Lloyd	40,000	-	-	-	-	40,000
Graham Walker	27,273	-	-	-	-	27,273
Jerko Zuvela	50,000	-	-	-	-	50,000
	117,273	-	-	-	-	117,273

2020	**Directors' Fee[1]**	**Short-term Consulting Fees**	**Non-Cash**	**Share Based Payments**	**Post-employment Superannuation**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Peter Lloyd	40,000	-	-	-	-	40,000
Graham Walker	27,273	-	-	-	-	27,273
Jerko Zuvela	50,000	-	-	-	-	50,000
	117,273	-	-	-	-	117,273

[1] All director fees were paid to entities controlled by each director, and accordingly included any statutory superannuation entitlement.

C Share based compensation

No share based compensation occurred during the financial years ended 30 June 2021 and 30 June 2020.

D Service agreements

During the year ended 30 June 2017, the Company entered into letter agreements with all Directors, whereby they are entitled to annual directors fees as follows:

Peter Lloyd	Up to $50,000 including statutory superannuation
Graham Walker	Up to $35,000 including statutory superannuation
Jerko Zuvela	Up to $50,000 including statutory superannuation

No termination benefits are payable under the agreements.

E Shareholdings of key management personnel

The number of shares in the Parent Entity held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

2021	Balance at the start of the year	Received as part of Remuneration	Additions	Other	Balance at the end of the year
Ordinary shares					
Peter Lloyd	18,123,257	-	-	-	18,123,257
Graham Walker	9,275,000	-	-	-	9,275,000
Jerko Zuvela	-	-	-	-	-
	27,398,257	-	-	-	27,398,257

2020	Balance at the start of the year	Received as part of Remuneration	Additions	Other	Balance at the end of the year
Ordinary shares					
Peter Lloyd	18,123,257	-	-	-	18,123,257
Graham Walker	9,275,000	-	-	-	9,275,000
Jerko Zuvela	-	-	-	-	-
	27,398,257	-	-	-	27,398,257

F Option holdings of key management personnel

The number of options over ordinary shares in the Parent Entity held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

2021	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
Options over ordinary shares					
Peter Lloyd	5,000,000	-	-	-	5,000,000
Graham Walker	5,000,000	-	-	-	5,000,000
Jerko Zuvela	5,000,000	-	-	-	5,000,000
	15,000,000	-	-	-	15,000,000

2020	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
Options over ordinary shares					
Peter Lloyd	5,000,000	-	-	-	5,000,000
Graham Walker	5,000,000	-	-	-	5,000,000
Jerko Zuvela	5,000,000	-	-	-	5,000,000
	15,000,000	-	-	-	15,000,000

G Loans to key management personnel

No loans existed during the year and as at reporting date between the Company and with key management personnel.

H Loans from key management personnel

No funds were advanced to the Company by the Directors or their related parties during the year ended 30 June 2021.

I Other transactions with key management personnel

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2021	**2020**
	$	**$**
Amounts outstanding at reporting date		
Aggregates amount payable to Key Management Personnel and their related entities at reporting date.		
(i) Payables	29,318	58,636

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company did not maintain an insurance policy which indemnifies the directors or officers of the Company in respect of any liability incurred in connection with the performance of their duties as directors or officers of the Company.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

There are no officers of the Company who are former audit partners of Rothsay Auditing.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Peter Lloyd
Non-Executive Director
24 September 2021

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Discovery Africa Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- **no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and**
- **no contraventions of any applicable code of professional conduct in relation to the audit.**

Rothsay Auditing

Donovan Odendaal
Partner
24 September 2021

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Discovery Africa Limited
30 June 2021
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue			
Revenue from continuing operations	2(a) / 2(b)	8,751	1,936,446
Expenses			
Administration expenses		(3,041)	(3,623)
Litigation costs	2(c)	(9,100)	(95,065)
Corporate expenses		(42,118)	(39,742)
Employment expenses		(117,273)	(117,273)
Exploration and evaluation expenditure written off		(33,951)	-
Professional fees		(69,579)	(72,699)
Profit/(loss) before income tax expense		(266,311)	1,608,044
Income tax benefit/(expense)	4	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Discovery Africa Limited		(266,311)	1,608,044
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) on the revaluation of financial assets, net of tax	9	11,754	(5,974)
Other comprehensive income for the year, net of tax		11,754	(5,974)
Total comprehensive income/(loss) for the year		(254,557)	1,602,070
		Cents	**Cents**
Basic earnings cents per share	5	(0.13)	0.84
Diluted earnings cents per share	5	(0.13)	0.84

The accompanying notes form part of these financial accounts

Consolidated Statement of Financial Position as at 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	1,569,080	2,177,289
Trade and other receivables	8	7,107	1,886
Other financial assets	9	25,912	14,158
Total current assets		1,602,099	2,193,333
Non-current assets			
Capitalised exploration and evaluation expenditure	10	393,386	40,178
Total non-current assets		393,386	40,178
Total assets		1,995,485	2,233,511
Liabilities			
Current liabilities			
Trade and other payables	11	53,889	95,117
Total current liabilities		53,889	95,117
Total liabilities		53,889	95,117
Net assets		1,941,596	2,138,394
Equity			
Issued capital	12(a)	12,494,453	12,464,453
Reserves	13(b)	837,674	798,161
Accumulated losses	13(a)	(11,390,531)	(11,124,220)
Total equity		1,941,596	2,138,394

The accompanying notes form part of these financial accounts

Discovery Africa Limited
30 June 2021
Consolidated Statement of Changes in Equity for the year ended 30 June 2021

	Issued Capital $	Accumulated Losses $	Reserves $	Total equity $
Balance at 1 July 2020	12,464,453	(11,124,220)	798,161	2,138,394
Loss for the year	-	(266,311)	-	(266,311)
Other comprehensive income for the year net of tax	-	-	11,754	11,754
Total comprehensive income for the year	-	(266,311)	11,754	(254,557)
Transactions with owners in their capacity as owners:				
Issue of shares	30,000	-	-	30,000
Issue of options	-	-	27,759	27,759
Total contributions by owners	30,000	-	27,759	57,759
Balance as at 30 June 2021	12,494,453	(11,390,531)	837,674	1,941,596

	Issued Capital $	Accumulated Losses $	Reserves $	Total equity $
Balance at 1 July 2019	12,237,620	(12,732,264)	804,135	309,491
Profit after income tax expense for the year	-	1,608,044	-	1,608,044
Other comprehensive income for the year net of tax	-	-	(5,974)	(5,974)
Total comprehensive income for the year	-	1,608,044	(5,974)	1,602,070
Transactions with owners in their capacity as owners:				
Issue of options	226,833	-	-	226,833
Issue of options	-	-	-	-
Total contributions by owners	226,833	-	-	226,833
Balance as at 30 June 2020	12,464,453	(11,124,220)	798,161	2,138,394

The accompanying notes form part of these financial accounts

Consolidated Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers		(287,559)	(227,873)
Payments for exploration and evaluation		(329,401)	(18,722)
Interest received		8,751	10,648
Net proceeds from settlement of legal dispute		-	1,852,301
Net cash provided by/(used in) operating activities	6(b)	(608,209)	1,616,354
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		-	226,833
Net cash provided by financing activities		-	226,833
Net increase/(decrease) in cash and cash equivalents		(608,209)	1,843,187
Cash and cash equivalents at the beginning of the financial year		2,177,289	334,102
Cash and cash equivalents at the end of the financial year	6(a)	1,569,080	2,177,289

The accompanying notes form part of these financial accounts

NOTE 1. GENERAL INFORMATION

This financial report of Discovery Africa Limited ('the Company') for the year ended 30 June 2021 comprises the Company and its subsidiaries (collectively referred to as 'the Consolidated Entity' or 'Group').

Discovery Africa Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 24 September 2021.

The notes to the financial statements are organised into the following sections:

(a) **Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2. Profit from continuing operations
3. Segment information
4. Income tax expense
5. Profit/(loss) per share

(b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

6. Cash and cash equivalents
7. Financial risk management

(c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

8. Trade and other receivables
9. Other financial assets
10. Exploration and evaluation expenditure
11. Trade and other payables

(d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

12. Contributed equity
13. Reserves and accumulated losses
14. Share based payments

(e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

15. Parent entity information
16. Investment in controlled entities
17. Key management personnel disclosures and related party transactions

(f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

18. Remuneration of auditors
19. Commitments for expenditure
20. Contingencies
21. Events occurring after reporting period
22. Summary of significant accounting policies
23. Critical accounting judgements, estimates and assumptions

NOTE 1. GENERAL INFORMATION (continued)

1a Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Discovery Africa Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Discovery Africa Limited also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

New accounting standards and interpretations

Standards and Interpretations applicable to 30 June 2021

For the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Entity and therefore, no material change is necessary to the Consolidated Entity's accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021.

As a result of this review, the Directors have determined that there are no new and revised Standards and Interpretations that may have a material effect on the application in future periods and therefore, no material change is necessary to the Consolidated Entity's accounting policies.

1b Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2021 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as 'the Consolidated Entity' or 'Group'.

Subsidiaries are all those entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy in Note 22 for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

NOTE 2. PROFIT FROM CONTINUING OPERATIONS

Profit/(loss) from continuing operations before income tax includes the following items of revenue and expenses.

	2021 $	2020 $
(a) Revenue		
Interest revenue	8,751	10,648
	8,751	10,648
(b) Significant Income		
Proceeds from settlement of legal dispute	-	1,925,798
(b) Significant Expenses		
Litigation costs	9,100	95,065

NOTE 3. SEGMENT INFORMATION

Identification of reportable operating segments

The Consolidated Entity has identified two reporting segments: exploration for mineral commodities in North America, and exploration for gold in Australia. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

30 June 2021	**Mineral Commodities[1]** $	**Gold** $	**Unallocated** $	**Total** $
Revenue	-	-	8,751	8,751
Profit/(loss) before income tax	-	(33,951)	(232,360)	(266,311)
Total segment assets	387,822	5,564	1,602,099	1,995,485
Total segment liabilities	-	-	53,889	53,889

30 June 2020	**Mineral Commodities** $	**Gold** $	**Unallocated** $	**Total** $
Revenue	-	-	1,936,446	1,936,446
Profit/(loss) before income tax	-	-	1,608,044	1,608,044
Total segment assets	7,954	32,224	2,193,333	2,233,511
Total segment liabilities	-	-	95,117	95,117

[1] Mineral commodity assets relate to the Group's interest in the Chulitna Project, which has multiple prospect targets for varying commodities, including gold, silver, tin, copper and base metals.

NOTE 4. INCOME TAX EXPENSE

	2021 $	2020 $
Reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	(266,311)	1,608,044
Tax at the statutory tax rate of 26% (2020: 27.5%)	(69,241)	442,212
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of exploration expenditure	(90,600)	(5,149)
Effect of legal settlement proceeds not assessable	-	(529,594)
Effect of other timing differences	(5,257)	28,243
Effect of deferred tax assets not brought into account	165,098	64,288
Income tax attributable to operating loss	-	-
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	875,724	1,114,068

The benefit of these losses has not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

(a) The Group and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
(b) The Group and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and
(c) No changes in the tax legislation adversely affect the Group and its subsidiaries in realising the benefit of the losses.

NOTE 5. PROFIT / (LOSS) PER SHARE

	2021 $	2020 $
Profit/(loss) after income tax attributable to the owners of Discovery Africa Limited	(266,311)	1,608,044
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	202,684,013	192,237,430
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,684,013	192,237,430
	Cents	**Cents**
Basic earnings per share	(0.13)	0.84
Diluted earnings per share	(0.13)	0.84

Potential ordinary shares, being options granted, are not dilutive and therefore does not affect the earnings per share.

NOTE 6. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Cash
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position, as follows:

	2021 $	2020 $
Cash at bank	1,569,080	2,177,289

Refer to Note 7 for the Group's financial risk management on cash.

(b) Reconciliation of Operating Profit / (Loss) After Income Tax to Net Cash Flow From Operations

	2021 $	2020 $
Profit/(loss) after income tax expense for the year	(266,311)	1,608,044
Adjustments for:		
Exploration and evaluation expenditure written-off	33,951	-
Changes in assets and liabilities:		
Trade and other receivables	(5,221)	91,202
Exploration & evaluation	(329,401)	(18,722)
Trade and other payables	(41,227)	(64,170)
Net cash provided by/(used in) operating activities	(608,209)	1,616,354

NOTE 7. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Interest rate risk

The Consolidated Entity's cash and cash equivalents are held in current accounts and short term deposits, and are therefore subject to interest rate risk.

An increase/decrease in interest rates on cash at bank of 100 basis points (1.00%) would have a favourable/adverse effect on profit before tax of $20,236 per annum (2020: $19,478). The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

NOTE 7. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	2021 1 year or less $	**2020** 1 year or less $
Non-derivatives		
Non-interest bearing		
Trade and other payables	53,889	95,117
Total non-derivatives	53,889	95,117

Fair value of financial instruments

The following tables detail the Consolidated Entity's fair values of financial instruments categorised by the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Other financial assets - shares in listed entities	25,912	-	-	25,912
Total assets	25,912	-	-	25,912

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Other financial assets - shares in listed entities	14,158	-	-	14,158
Total assets	14,158	-	-	14,158

There were no transfers between levels during the financial year.

NOTE 7. FINANCIAL RISK MANAGEMENT (continued)

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

NOTE 8. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
GST receivable	7,107	1,886
	7,107	1,886

NOTE 9. OTHER FINANCIAL ASSETS

	2021 $	2020 $
Shares in listed entities	25,912	14,158

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2021 $	2020 $
Opening fair value	14,158	20,132
Revaluation increments/(decrements)	11,754	(5,974)
Closing fair value	25,912	14,158

Refer to Note 7 for further information on financial instruments.

Investments are recorded at fair value at the date of purchase, being consideration paid plus transaction costs and are brought to account to market valuation at balance date. These investments are classified as other financial assets on the basis they are not held for short term profit making. Movement in the fair value is recorded in the financial assets reserve.

NOTE 10. EXPLORATION AND EVALUATION EXPENDITURE

	2021 $	2020 $
Exploration and evaluation	393,386	40,178

Reconciliations

Reconciliations of the written down values at the beginning & end of the current & previous financial year are set out below:

	2021 $	2020 $
Balance at 1 July	40,178	21,456
Additions during the year	5,000	-
Expenditure during the year	382,159	18,722
Write-off of exploration expenditure	(33,951)	-
Balance at 30 June	393,386	40,178

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

NOTE 11. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	3,571	15,480
Other payables	50,318	79,637
	53,889	95,117

Refer to Note 7 for further information on financial instruments.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Consolidated Entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 12. CONTRIBUTED EQUITY

(a) Issued Capital

	2021 Shares	2020 Shares	2021 $	2020 $
Fully paid ordinary shares	202,234,698	202,234,698	12,494,453	12,464,453
	202,234,698	202,234,698	12,494,453	12,464,453

Year ended 30 June 2021	**Issue Price**	**Fully Paid Ordinary Shares**	**$**
Balance as at 1 July 2020		202,234,698	12,464,453
Issue of shares for consultancy services rendered (Jan 2021)	$0.030	1,000,000	30,000
Balance as at 30 June 2021		203,234,698	12,494,453

Year ended 30 June 2020	**Issue Price**	**Fully Paid Ordinary Shares**	**$**
Balance as at 1 July 2019		182,234,698	12,237,620
Issue of shares via placement (Aug 2019)	$0.010	10,000,000	100,000
Issue of shares via placement (May 2020)	$0.013	10,000,000	126,833
Balance as at 30 June 2020		202,234,698	12,464,453

(b) Options

The following unlisted options were on issue during the year ended 30 June 2021:

Exercise price Expiry date	3.2c 6 December 2021	6c 22 February 2023	3.2c 30 April 2023
Opening balance	20,000,000	-	10,000,000
Issued during the year	-	500,000	1,000,000
Expired during the year	-	-	-
Exercised during the year	-	-	-
Closing balance	20,000,000	500,000	11,000,000

NOTE 12. CONTRIBUTED EQUITY (continued)

The following unlisted options were on issue during the year ended 30 June 2020:

Exercise price	3.2c	3.2c
Expiry date	6 December 2021	30 April 2023
Opening balance	20,000,000	-
Issued during the year	-	10,000,000
Expired during the year	-	-
Exercised during the year	-	-
Closing balance	20,000,000	10,000,000

(c) Share buy-back

There is no current on-market share buy-back.

(d) Capital risk management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Consolidated Entity's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

NOTE 13. RESERVES AND ACCUMULATED LOSSES

	2021 $	2020 $
13a Accumulated Losses		
Accumulated losses at the beginning of the year	(11,124,220)	(12,732,264)
Net profit/(loss) for the year	(266,311)	1,608,044
Accumulated Losses at the end of the year	(11,390,531)	(11,124,220)
13b Reserves		
Financial assets reserve	113,381	101,627
Option reserve	724,293	696,534
	837,674	798,161

	Financial assets $	Options $	Total $
Balance at 1 July 2019	107,601	696,534	804,135
Revaluation of financial assets	(5,974)	-	(5,974)
Balance at 30 June 2020	101,627	696,534	798,161
Revaluation of financial assets	11,754	-	11,754
Issue of options	-	27,759	27,759
Balance at 30 June 2021	113,381	724,293	837,674

Financial assets reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets.

NOTE 13. RESERVES AND ACCUMULATED LOSSES (continued)

Option reserve
The reserve is used to recognise the value of option equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

NOTE 14. SHARE BASED PAYMENTS

Year ended 30 June 2021

During the year ended 30 June 2021, the following shares and unlisted options were issued for consultancy services provided to the Group:

	Value per share cents	Number	Value $
Unlisted options issued in August 2020 (Note 14(a))	1.702	1,000,000	17,020
Shares issued in January 2021 (Note 14(b))	3.000	1,000,000	30,000
Unlisted options issued in February 2021 (Note 14(c))	2.148	500,000	10,739

(a) On 10 August 2020, 1,000,000 unlisted options were issued to an external consultant in consideration of consultancy services provided to the Company.

During the year ended 30 June 2021, $17,020 was recognised as a share based payment and capitalised as exploration and evaluation expenditure.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	3.2
Weighted average life of the options (years)	2.72
Weighted average underlying share price (cents)	2.3
Expected share price volatility	148%
Risk-free interest rate	0.27%
Expiry date	30 April 2023

(b) On 18 January 2021, 1,000,000 fully paid ordinary shares were issued to an external consultant in consideration of consultancy services provided to the Company.

The total fair value of the shares issued to the external consultant was $30,000 based on the Company's share price of 3 cents as at the date the services was rendered and capitalised as exploration and expenditure.

(c) On 19 February 2021, 500,000 unlisted options were issued to an external consultant in consideration of consultancy services provided to the Company.

During the year ended 30 June 2021, $10,739 was recognised as a share based payment and capitalised as exploration and evaluation expenditure.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	6.0
Weighted average life of the options (years)	2.01
Weighted average underlying share price (cents)	3.5
Expected share price volatility	146%
Risk-free interest rate	0.12%
Expiry date	22 February 2023

NOTE 14. SHARE BASED PAYMENTS (continued)

Year ended 30 June 2020

There were no share based payments made during the year.

NOTE 15. PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

A. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Parent Entity	
	2021	**2020**
	$	**$**
Net profit/(loss) attributable to equity holders of the Company	(266,311)	1,608,044
Total comprehensive profit/(loss) for the year	(254,557)	1,602,070

B. STATEMENT OF FINANCIAL POSITION

	Parent Entity	
	2021	**2020**
	$	**$**
ASSETS		
Total current assets	1,602,004	2,193,238
Total non-current assets	395,474	42,266
Total assets	1,997,478	2,235,504
LIABILITIES		
Total current liabilities	(53,889)	(95,117)
Total non-current liabilities	-	-
Total liabilities	(53,889)	(95,117)
Net assets	1,943,589	2,140,387
EQUITY		
Share capital	12,494,453	12,464,453
Other reserves	724,292	696,533
Accumulated losses	(11,275,156)	(11,020,599)
Total Equity	1,943,589	2,140,387

NOTE 16. INVESTMENT IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

		Equity holding	
	Country of	**2021**	**2020**
Name of entity	**incorporation**	**%**	**%**
Discovery Denali Pty Ltd[1]	Australia	100	0
Discovery Alaska LLC[2]	United States	100	0

[1] The entity was incorporated on 5 November 2020.
[2] The entity was incorporated on 12 November 2020, and is a wholly owned subsidiary of Discovery Denali Pty Ltd.

NOTE 17. KEY MANAGEMENT PERSONNEL DISCLOSURES AND RELATED PARTY TRANSACTIONS

Directors
The following persons were directors of Discovery Africa Limited during the financial year:
- Mr Peter Lloyd
- Mr Graham Walker
- Mr Jerko Zuvela

Other key management personnel

There were no other persons who had authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year.

Remuneration

Refer to the audited remuneration report regarding remuneration paid to key management personnel during the year ended 30 June 2021.

Transactions with related parties

Disclosures relating to transactions with related parties are set out in the remuneration report of the directors' report.

Loans to key management personnel

No loans existed during the year and as at reporting date between the Company and with key management personnel.

Loans from key management personnel

No funds were advanced to the Company by the Directors or their related parties during the year ended 30 June 2021.

NOTE 18. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Rothsay Auditing, the auditor of the Group:

	2021	**2020**
	$	**$**
Audit services – Rothsay Auditing		
Audit or review of the financial statements	26,300	26,700

NOTE 19. COMMITMENTS FOR EXPENDITURE

Exploration and evaluation assets

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay rentals and to meet the minimum expenditure requirements.

	2021	**2020**
	$	**$**
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	166,667	10,000
One to five years	233,333	30,000
	400,000	40,000

NOTE 20. CONTINGENCIES

The Consolidated Entity had no contingent assets or liabilities as at 30 June 2021.

NOTE 21. EVENTS OCCURING AFTER REPORTING PERIOD

No matters or circumstances have arisen since 30 June 2021 that has affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Financial Assets

Initial Recognition

Financial assets are recognised when the Consolidated Entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Consolidated Entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

Financial assets can be subsequently measured at:
- amortised cost;
- fair value through other comprehensive income (debt instruments)
- fair value through other comprehensive income (equity instruments only – no recycling); or
- fair value through profit or loss,

based on the two primary criteria, being:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Consolidated Entity has financial assets at amortised cost being cash and cash equivalents and trade and other receivables. Furthermore, the Consolidated Entity has listed investments in the form of ordinary shares. As permitted under AASB 9, the Consolidated Entity has irrevocably elected to recognise all fair value movements after initial recognition in other comprehensive income through the financial assets reserve in equity.

Impairment of financial assets

The Consolidated Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the financial assets reserve.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class of depreciable assets are:

Plant and office equipment	6.67% to 100%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

At each reporting date the directors review each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest. Where it is determined that the costs incurred on an area of interest will not be recovered through sale or future development and exploitation of the resource the directors will write off costs to the profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Share-based payments

Equity-settled share-based compensation benefits are provided to executives.

Equity-settled transactions are awards of shares, or options over shares that are provided to executives in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Employee benefits

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the executives to receive payment. No account is taken of any other vesting conditions.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or executive, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or executive and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity’s operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss.

Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Discovery Africa Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial report is presented in Australian dollars, which is Discovery Africa Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Leases

The Consolidated Entity assesses at the start of a contract whether or not it contains a lease, by deciding if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration.

The Consolidated Entity currently uses a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Consolidated Entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

i) *Right-of-use assets*
The Consolidated Entity recognises right-of-use assets at the start of the lease and are measured at costs, less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTE 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Consolidated Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives received, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Consolidated Entity and payments of penalties for terminating the lease, if the lease term reflects the Consolidated Entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Consolidated Entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Consolidated Entity applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

NOTE 23. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation costs

The Consolidated Entity has capitalised exploration and evaluation costs, net of impairments recognised, in accordance with AASB 6 Exploration for and evaluation of mineral resources. The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity and its areas of interest that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the assets is determined.

Discovery Africa Limited
30 June 2021
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Peter Lloyd
Non-Executive Director
24 September 2021

ROTHSAY
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

DISCOVERY AFRICA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Discovery Africa Limited ("the Company") and the entities it controls ("the Group") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Group.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Cash and cash equivalents	*How our Audit Addressed the Key Audit Matter*
The Group's cash and cash equivalents make up 79% of total assets by value and are considered to be the key driver of the Group's operations. We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement. However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures over the existence and valuation of the Group's cash and cash equivalents included but were not limited to: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing valuations to third party sources; • Agreeing significant financial assets to independent third party confirmations. We have also assessed the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Discovery Africa Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 24 September 2021

Donovan Odendaal
Partner

The shareholder information set out below was applicable as at 26 August 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of Ordinary Shares	Number of holders of Unlisted Options
1 to 1,000	130	-
1,001 to 5,000	266	-
5,001 to 10,000	226	-
10,001 to 100,000	373	-
100,001 and over	196	10
	1,191	10
Holding less than a marketable parcel	657	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

		Ordinary Shares	
		Number held	% of total shares held
1	Sunbreaker Holdings Pty Ltd <Lloyd Super Fund A/c>	16,786,546	8.26
2	Stevsand Holdings Pty Ltd <Formica Horticultural A/c>	10,362,951	5.10
3	TCH Holdings Pty Ltd <The Travis Investment A/c>	8,500,000	4.18
4	Mrs Dihna Nada Zuvela	6,180,836	3.04
5	Mr Steven Marin Zuvela <Taez A/c>	5,119,560	2.52
6	Mr Leigh Duncan McLarty	5,010,000	2.47
7	Mr Graham Geoffrey Walker & Mrs Thelma Jean Walker <Walker Super Fund A/c>	4,775,000	2.35
8	Mr Graham Geoffrey Walker & Mrs Thelma Jean Walker	4,100,000	2.02
9	Mr Peter James Rosher & Mrs Katherine Anne Rosher <P & K Rosher S/F A/c>	4,000,000	1.97
10	Mr Michael John Tidy	4,000,000	1.97
11	Mrs Annette Lee O’Keeffe	3,500,000	1.72
12	HSBC Custody Nominees (Australia) Limited	3,273,559	1.61
13	Citicorp Nominees Pty Ltd	3,196,869	1.57
14	Mr Mark Timothy O’Keeffe	3,000,000	1.48
15	Port Bateman Pty Ltd <The Page Super Fund A/C>	3,000,000	1.48
16	Cahami Pty Ltd <Cahami Super Fund A/c>	2,825,000	1.39
17	Mrs Taisa Alexandra Zuvela	2,780,440	1.37
18	Gunnopoulos Pty Ltd <Gunnopoulos Super A/C>	2,668,778	1.31
19	Mr Adrian Jon Maller & Mrs Dina Julie Maller <The Maller Super Fund A/c>	2,559,224	1.26
20	Westoria Resources Investments Ltd	2,500,000	1.23
		98,138,763	48.30

Unquoted equity securities

	Number on issue	Number of holders
Options exercisable at $0.032 (3.2 cents) on or before 6 December 2021	20,000,000	4
Options exercisable at $0.032 (3.2 cents) on or before 30 April 2023	11,000,000	5
Options exercisable at $0.06 (6 cents) on or before 22 February 2023	500,000	1

Substantial holders

Substantial holders in the Company based on notices lodged are set out below:

	Date of Notice	Number held	% of total shares issued
Mr Peter Lloyd and associated entities	8 October 2013	18,123,257	9.03
Mr Steven Formica and associated entities	8 July 2021	11,573,312	5.69

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

At a poll, each share shall have one vote.

There are no other classes of equity securities.

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value through entrepreneurism, innovation, development and exploration and provide accountability and control systems commensurate with risks involved.

Good corporate governance will evolve with the changing circumstances of a Company and must be tailored to meet these circumstances. Discover Africa Limited is a junior mining and exploration Company.

The Company's Board and management are committed to a high standard of corporate governance practices, ensuring that the Company complies with the Corporations Act 2001, Australian Securities Exchange (ASX) Listing Rules, Company Constitution and other applicable laws and regulations.

In February 2019, the ASX Corporate Governance Council released the 4th Edition of its Corporate Governance Principles and Recommendations (4th Edition Recommendations) which came into force for financial years commencing on or after 1 January 2020. Discovery Africa Limited has reviewed and updated its corporate governance practices to adopt the 4th Edition Recommendations.

The table below sets out the Company's position as at 24 September 2021 with regards to its compliance with the 4th Edition Recommendations:

	PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
	Recommendation	**Discovery Africa Limited Current Practice**
1.1	A listed entity should have and disclose a board charter setting out: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Adopted. The Directors have adopted a Corporate Governance Policy which includes details on the operation and role of the Board and Directors. A copy of this is contained within their Corporate Governance is available on the Company's website – www.discoveryafrica.com.au.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Adopted. Material information in relation to a director up for re-election is provided in the Notice of Meeting for each Annual General Meeting including background, other material directorships, term and the Board's consideration of them as independent or non-independent director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted Directors have entered into written letter agreements with the Company setting out the terms of their appointments, including their director fee entitlements.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Adopted. The responsibilities of the Company Secretary are contained within the Corporate Governance Policy document.
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for	Partially Adopted. The Company has adopted a Diversity Policy, a copy of which is available on the Company's website –

	achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: a. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or b. if entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	www.discoveryafrica.com.au. Although it provides that the Board is to set specific objectives, they have yet to be set. There are no immediate plans to set these measurable objectives. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on the board: 0% - Women in senior management: 0% - Women in whole organisation: 0%
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Not Adopted. The Company does not currently have a performance evaluation policy. It is the Company's intention to eventually develop and adopt a process for periodic board and director evaluations. An evaluation has not taken place within the financial period.
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Not Adopted. The Company does not currently have an executive performance evaluation policy as the Company does not currently have any executives. It is the Company's intention to eventually develop and adopt a process for annual senior executive evaluations. An evaluation has not taken place within the financial period.
	PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE	
	Recommendation	**Discovery Africa Limited Current Practice**
2.1	The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Not Adopted. The Company does not have a separate nomination committee and the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Remuneration and Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee.

	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Nomination Committee Charter is available on the Company's website – www.discoveryafrica.com.au.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Not Adopted. The Company currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is no immediate plans to develop and disclose a Board Skills Matrix.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 (Factors relevant to assessing the independence of a director) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Adopted. (a) Graham Walker – Independent Jerko Zuvela – Independent (b) n/a n/a (c) Graham Walker – appointed 10 April 2014 – 89 months Jerko Zuvela – appointed 24 November 2014 – 82 months
2.4	A majority of the Board of a listed entity should be independent directors.	Adopted. There are two directors considered to be independent – Graham Walker and Jerko Zuvela. Therefore two thirds of the board is considered independent.
2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not adopted. Peter Lloyd is the current Chairman of the Company. There is currently no appointed CEO in the Company.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted. The induction of new directors is currently completed by the Company Secretary. All Directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors.
	PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY	
	Recommendation	**Discovery Africa Limited Current Practice**
3.1	A listed entity should articulate and disclose its values.	Not Adopted. The Company has yet to formally articulate and disclose its values.

3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Not Adopted. The Company does not have a specific Code of Conduct document, however directors' required conduct is contained within the Company's Corporate Governance Policy document. The Company intends to develop and adopt a Code of Conduct in the near future.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Not Adopted. The Company does not have a specific Whistleblower policy however the Company intends to develop and adopt a Whistleblower policy in the near future.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Not Adopted. The Company does not have a specific Anti-bribery and Corruption policy however the Company intends to develop and adopt an Anti-bribery and Corruption policy in the near future.
	PRINCIPLE 4 – SAFEGUARD THE INTEGRITY IN CORPORATE REPORTS	
	Recommendation	**Discovery Africa Limited Current Practice**
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Not Adopted. The role of the audit committee is currently undertaken by the full board. The Company has adopted an Audit Committee Charter which is published on the Company's website – www.discoveryafrica.com.au. The Board follows the Audit Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Adopted.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Adopted. The Board receives detailed information in respect to the Quarterly Reports and other Corporate Reports that are required to be lodged with the ASX throughout the year.
	PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
	Recommendation	**Discovery Africa Limited Current Practice**
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Not Adopted. The Company currently does not have a written Continuous Disclosure Policy, however it is the Company's intention to develop and adopt a policy in the short term.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Adopted. The Board receives and reviews all announcements prior to its release to the market.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Adopted. The Company has not given any presentations during the reporting period and therefore has not needed to release presentation materials on the ASX Markets Announcements Platform.
	PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS	
	Recommendation	**Discovery Africa Limited Current Practice**
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted. Refer to the Company's Corporate Governance page on its website – www.discoveryafrica.com.au.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Not Adopted. The Company does not have a Shareholder Communication strategy, however intends to develop a policy in the short term.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Adopted.

		The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Adopted. All substantive resolutions at shareholder meetings are decided by a poll rather than a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted.
	PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
	Recommendation	**Discovery Africa Limited Current Practice**
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Not Adopted. The Company does not currently have a Risk Committee. The role of the risk committee is undertaken by the whole board. The Board reviews risk on a regular basis and adopts mitigation processes as required.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Not Adopted. The Board reviews risk on a regular basis, however they have not developed a formal risk management framework. A review has not taken place in the reporting period.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	Not Adopted. The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis. Internal controls are reviewed on an annual basis.

7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Not Adopted. The Company does not have a sustainability policy.
	PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY	
	Recommendation	**Discovery Africa Limited Current Practice**
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Not Adopted. The Company does not have a Remuneration Committee. The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Remuneration and Nomination Committee Charter which is published on the Company's website – www.discoveryafrica.com.au. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Adopted. This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration and Nomination Committee Charter.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Not Applicable.