



DISCOVERY
africa

Discovery Africa Limited

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25 March 2014

DAF commences legal proceedings in relation to 10 April 2014 General Meeting

Board of Directors

Danie Van Den Bergh
(Executive Chairman)
Kevin Nichol
(Managing Director)
Philip Thick
(Non-Executive Director)
Ian Lovett
(Non-Executive Director)

Company Secretary

Melanie Leydin

Securities on Issue:

DAF: 172,734,698 ordinary shares

DAFO: 43,998,005 20c listed
options

DAFAK: 12,500,000 9c unlisted
options

DAFAL: 5,000,000 9c unlisted
options

About Discovery Africa Limited

Discovery Africa Limited ("Discovery" or "the Company") is an Australian public company that is focused on the exploration and development of the Kitgum Graphite Project in Uganda, Area 51 Graphite Project in Namibia, the Tanzanian Graphite Project and the Brandberg Lithium Project in Namibia.

Discovery Africa Limited (ASX: DAF) announces that it has commenced legal proceedings in the Federal Court against:

- (a) Mr Peter Hugh Lloyd (**Lloyd**); and
- (b) Sunbreaker Holdings Pty Ltd (trustee for the Lloyd Superannuation Fund) (**Sunbreaker**); and
- (c) Peter James Avery (**Avery**); and
- (d) Dawesville Nominees Pty Ltd (**Dawesville**),

pertaining to the section 249D and 203D notices received by the Company during February 2014 and pursuant to which the Company has called a general meeting on 10 April 2014 (see ASX announcement and notice of General Meeting on 6 March 2014). These proceedings were foreshadowed in that notice and shareholders will recall that **your board has recommended that you vote against all resolutions proposed in that notice.**

In the proceedings, DAF has asked the court:

- (a) For an injunction pursuant to section 1324 of the Corporations Act 2001 (Cth) (which entitles a court to injunct breaches of the Corporations Act) to restrain Lloyd and Sunbreaker from acting under S249D and S203D of the Corporations Act from seeking removal of DAF's directors, until 1 October 2014;
- (b) A declaration that DAF is not required to proceed with the general meeting convened for 10 April 2014; and
- (c) A declaration that Avery and Dawesville have breached a Deed with DAF under which Avery promised not to support a resolution such as the one now proposed by Lloyd and Sunbreaker,

on the basis of breaches of the Corporations Act and other related agreements and representations by the persons listed above.

Your directors caution that until the Court makes an order, shareholders should make arrangements either to attend the general meeting on 10 April 2014 or send their proxies to the Company as directed in the notice of meeting, to protect your company's interests.

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