



DISCOVERY  
africa

## **Discovery Africa Limited**

**ACN 147 324 847**

**Half-year Financial Report - 31 December 2017**

**Discovery Africa Limited**  
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**31 December 2017**

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**Discovery Africa Limited**  
**Corporate Directory**  
**31 December 2017**

Directors	Peter Lloyd (Non-Executive Director) Graham Walker (Non-Executive Director) Jerko Zuvela (Non-Executive Director)
Company Secretary	Alan Thomas
Registered Office	Suite 3 17 Foley Street Balcatta WA 6021
Principal place of business	Suite 3 17 Foley Street Balcatta WA 6021
Share Register	Automic Registry Services Level 2 267 St Georges Terrace Perth WA 6000
Auditor	Rothsay Chartered Accountants Level 1, Lincoln House 4 Ventnor Ave West Perth WA 6005
Bankers	National Australia Bank Level 1 1238 Hay Street West Perth WA 6005
Securities Exchange Listing	Discovery Africa Limited shares are listed on the Australian Securities Exchange (ASX code: DAF)
Website	<a href="http://www.discoveryafrica.com.au">www.discoveryafrica.com.au</a>

**Discovery Africa Limited**  
**Directors' Report**  
**31 December 2017**

The directors present their report, together with the financial statements of the consolidated entity consisting of Discovery Africa Limited ("DAF" or "the Company") and the entity it controls ("the Group") for the half year ended 31 December 2017.

**Directors**

The names of the directors in office at any time during the whole of the half year and up to the date of this report are:-

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

**Review of Operations**

**Principal Activities**

The principal activity for the Group for the financial period was mineral exploration, with a focus in Australia and Africa. There were no significant changes in the nature of the Group's principal activities during the half year.

The consolidated net profit of the Group after income tax for the half year ended 31 December 2017 amounted to \$97,382 (31 December 2016: \$258,960).

**Operations Report**

**Gold Projects (Western Australia)**

In April 2017, DAF executed a Heads of Agreement (HOA) with Bruce Robert Legendre, granting the Company a one-year option period to purchase a 100% interest in the Cue and Pinyalling Gold Projects in Western Australia.

Further details on the acquisition of these Projects are contained in the Company's announcement dated 7 April 2017.

**Pinyalling Gold Project**

The Pinyalling Project consists of Exploration Licence 59/2112 covering 18 blocks (54km<sup>2</sup>) and is about 400km northeast of Perth. Access is via the Great Northern Highway from Perth to Paynes Find-Yalgoo Road. This road gives access to the Pinyalling Mining Centre, about 30km west of Paynes Find.

During the half-year the Company carried out open file searches of historical data, and acquired and re-processed multi-client aerial magnetic data from the Pinyalling tenement area. The aerial magnetic data set provides substantially higher resolution imagery to aid interpretation of the geological setting of the Pinyalling Project, including key features such as:

- the granite-greenstone margin;
- regional shears and localised structures; and
- areas that may be underlain by remnant slivers of greenstone belt separated during regional deformation.

During September, a field visit to the Pinyalling Project was conducted. As well as providing a first pass reconnaissance of access and the geological setting, an initial soil and auger sampling program was conducted. The program aimed to verify historical soil sampling results - firstly by confirming their geographical location, but also by using auger sampling to compare any variation between surface and sub-surface samples.

57 samples were collected during the field work programme, comprising 19 coarse fraction (>2mm) soil samples, 19 fine fraction (<2mm) soil samples, and 19 auger samples. In general, the majority of the auger samples sampled material similar to that observed in the soil sampling.

The Company has recently received the sample analysis results, which are detailed in Appendices 1 and 2 of the Company's announcement dated 29 January 2018.

The Company has reviewed the sample analysis data and reports one soil sample returned a value >10ppb Au, being 45ppb Au in the fine fraction (sample PSF018) and 30ppb Au in the coarse fraction (sample PSC018). The corresponding auger sample PA005 returned 11ppb Au. Adjacent auger samples PA004 and PA003 returned anomalous results of 6ppb and 15ppb Au respectively.

These results will be further interpreted to determine where further sampling may be required, to test extensions to the anomalous gold detected in surface sampling, and in parallel, the Company will review and rank the targets generated at the Pinyalling Project from the reprocessed aerial magnetic data.

**Discovery Africa Limited**  
**Directors' Report**  
**31 December 2017**

Cue Gold Project

The Cue Project comprises two contiguous tenements – Prospecting Licence 20/2088 (196 hectares) and Prospecting Licence 20/2089 (39 hectares), located immediately to the north of the Cue township. Cue is located 650km north of Perth on the Great Northern Highway. The Cue Project area is readily accessible by vehicle via numerous roads and tracks. Discovery Africa has an exclusive option to purchase a 100% interest in the Cue Project Tenements.

As announced to ASX on 8 February 2018, the Company has executed a Prospecting Agreement with Southern Cross Prospecting (“SCP”), granting SCP the right to enter the Cue Gold Project tenements in order to prospect for gold, and to retain ownership of any gold won, subject to a tribute of 10% of all gold recovered being paid to the Company.

**Nachingwea Graphite Project**

The Nachingwea Graphite Project is located in southeast Tanzania. In July 2017, the Company resolved to relinquish its interest in this project and the remaining tenement PL10253/2014.

As at 31 December 2017, the Company is still in the process of relinquishing the tenement.

Legal Proceedings

The Company continued legal proceedings during the period against former directors, Mr Kevin Nichol (Mr Nichol) and Mr Danie Van den Bergh (Mr Van den Bergh) as previously disclosed.

The Company is also pursuing legal proceedings against Mr Phillip Thick and Mr Peter Avery and solicitors, CBP Pty Ltd.

The Company is unable to provide any further details on the proceedings at this stage as it may prejudice the proceedings.

Investments

Shares held by the Company in Argosy Minerals Ltd (Argosy) have been sold during the half year, providing valuable funding for the company.

As at 31 December 2017, the Company held 250,000 shares in Argosy, valued at approximately \$65,000.

Cancellation of Issued Capital

Pursuant to a special resolution passed at the Company's 2017 Annual General Meeting held on 29 November 2017, 18,500,000 shares on issue to Everly Bay Pty Ltd were cancelled on 5 December 2017.

Everly Bay Pty Ltd was a nominee company that was holding 18,500,000 shares in Discovery Africa Limited. The shares were returned to Discovery Africa Limited, and transferred into a nominee name, in October 2014 as part of the settlement to unwind the Kitgum Project in Uganda.

The Company, following receipt of advice, cancelled all 18,500,000 Shares that were held by Everly Bay Pty Ltd for nil consideration.

Other Corporate Matters

The Company is proactively working to identify and review other new projects or asset acquisition opportunities, to enhance its project portfolio with an aim to increase the overall value proposition of the Company and ensure it is best placed to deliver value and upside potential for all its shareholders.

**Dividends Paid or Recommended**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**Events After the Balance Sheet Date**

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Discovery Africa Limited**  
**Directors' Report**  
**31 December 2017**

**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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Peter Lloyd', with a long horizontal flourish extending to the right.

Peter Lloyd  
Non-Executive Director  
12 March 2018  
Perth



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

The Directors  
Discovery Africa Limited  
Suite 3 17 Foley St  
BALCATTWA WA 6021

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2017 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Graham R Swan FCA (Lead auditor)**

**Rothsay Auditing**

Dated 12<sup>th</sup> March 2018



Chartered Accountants

**Discovery Africa Limited**  
**Consolidated Statement of Profit or Loss and Other comprehensive Income**  
**For the half-year ended 31 December 2017**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Interest income	1,564	2,299
Profit on sale of available-for-sale financial assets	392,573	393,911
<b>Expenses</b>		
Administration expenses	(5,914)	(5,971)
Litigation expenses	(117,439)	(60,177)
Employment expenses	(100,000)	-
Corporate expenses	<u>(73,402)</u>	<u>(71,102)</u>
<b>Profit/(loss) before income tax expense</b>	97,382	258,960
Income tax expense	<u>-</u>	<u>-</u>
<b>Profit/(loss) after income tax expense for the half-year</b>	97,382	258,960
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Profit/(loss) on the revaluation of available-for-sale financial assets, net of tax	<u>(166,500)</u>	<u>(777,820)</u>
Other comprehensive income for the half-year, net of tax	<u>(166,500)</u>	<u>(777,820)</u>
<b>Total comprehensive income/(loss) for the half-year</b>	<u>(69,118)</u>	<u>(518,860)</u>
<b>Earnings per Share</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	0.05	0.13
Diluted earnings/(loss) per share	0.05	0.13

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



Discovery Africa Limited  
Consolidated Statement of Financial Position  
As at 31 December 2017

	Note	Consolidated	
		31 December 2017 \$	30 June 2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,249,879	1,190,364
Trade and other receivables	5	317,976	214,120
Available-for-sale financial assets	6	82,600	254,600
Total Current Assets		<u>1,650,455</u>	<u>1,659,084</u>
<b>Non-Current Assets</b>			
Capitalised exploration and evaluation expenditure	7	29,955	15,236
Other		-	111,000
Total Non-Current Assets		<u>29,955</u>	<u>126,236</u>
<b>Total Assets</b>		<u>1,680,410</u>	<u>1,785,320</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		341,397	266,189
Total Current Liabilities		<u>341,397</u>	<u>266,189</u>
<b>Total Liabilities</b>		<u>341,397</u>	<u>266,189</u>
<b>Net Assets</b>		<u>1,339,013</u>	<u>1,519,131</u>
<b>Equity</b>			
Issued capital	8	12,237,620	12,348,620
Reserves	9	710,604	877,104
Accumulated losses		<u>(11,609,211)</u>	<u>(11,706,593)</u>
<b>Total Equity</b>		<u>1,339,013</u>	<u>1,519,131</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Discovery Africa Limited  
Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2017

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Consolidated</b>				
<b>Balance as at 1 July 2016</b>	12,348,620	1,600,724	(12,085,275)	1,864,069
<b>Other Comprehensive Income</b>				
Loss after income tax expense for the half-year	-	-	258,960	258,960
Other comprehensive income for the half-year, net of tax	-	(777,820)	-	(777,820)
<b>Total comprehensive income/(loss) for the half-year</b>	-	(777,820)	258,960	(518,860)
<b>Balance as at 31 December 2016</b>	<u>12,348,620</u>	<u>822,904</u>	<u>(11,826,315)</u>	<u>1,345,209</u>
<b>Balance as at 1 July 2017</b>	12,348,620	877,104	(11,706,593)	1,519,131
<b>Other Comprehensive Income</b>				
Loss after income tax expense for the half-year	-	-	97,382	97,382
Other comprehensive income for the half-year, net of tax	-	(166,500)	-	(166,500)
<b>Total comprehensive income/(loss) for the half-year</b>	-	(166,500)	97,382	(69,118)
<b>Transactions with owners in their capacity as owners</b>				
Shares cancelled during the half-year	(111,000)	-	-	(111,000)
<b>Total contributions by owners</b>	<u>(111,000)</u>	<u>-</u>	<u>-</u>	<u>(111,000)</u>
<b>Balance as at 31 December 2017</b>	<u>12,237,620</u>	<u>710,604</u>	<u>(11,609,211)</u>	<u>1,339,013</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Discovery Africa Limited**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2017**

	Note	Consolidated	
		31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers (inclusive of GST)		(241,492)	(189,092)
Payments for exploration and evaluation		(14,719)	(14,750)
Interest received		1,564	2,299
		<u>(254,647)</u>	<u>(201,543)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		398,073	424,839
		<u>398,073</u>	<u>424,839</u>
Net cash from investing activities		398,073	424,839
Net increase in cash and cash equivalents		143,426	223,296
Cash and cash equivalents at the beginning of the financial half-year		1,190,364	797,539
Reclassification of amounts held in trust		<u>(83,911)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year	4	<u>1,249,879</u>	<u>1,020,835</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2017**

**Note 1. General information**

The financial report covers Discovery Africa Limited as a consolidated entity consisting of Discovery Africa Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Discovery Africa Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. Discovery Africa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3  
17 Foley Street  
Balcatta WA 6021  
Ph : (08) 6168 8000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 12 March 2018. The directors have the power to amend and reissue the financial report.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

**Reporting Basis and Conventions**

The half year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**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.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity has identified two reporting segments: exploration for graphite, specialty metals and other mineral commodities in Africa, 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.

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2017**

**Note 3. Operating segments (continued)**

*Identification of reportable operating segments (continued)*

<b>31 December 2017</b>	<b>Graphite</b>	<b>Gold</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	-	-	394,137	394,137
Profit/(loss) before income tax	-	-	97,382	97,382
Total segment assets	-	29,955	1,650,455	1,680,410
Total segment liabilities	-	-	341,397	341,397

<b>30 June 2017</b>	<b>Graphite</b>	<b>Gold</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	-	-	936,854	936,854
Profit/(loss) before income tax	(173,322)	-	551,984	378,662
Total segment assets	-	15,236	1,770,084	1,785,320
Total segment liabilities	-	-	266,189	266,189

**Note 4. Current Assets – Cash and Cash Equivalents**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,249,879	1,190,364
	<u>1,249,879</u>	<u>1,190,364</u>

**Note 5. Current Assets – Trade and Other Receivables**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Prepayments	30,659	10,593
Sundry debtors	271,730	187,819
Other	15,587	15,708
	<u>317,976</u>	<u>214,120</u>

**Note 6. Current Assets – Available-for-sale Financial Assets**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Opening Fair Value	254,600	1,128,548
Disposals	(398,073)	(784,324)
Reclassification of other investments	-	(111,000)
Revaluation increments/(decrements)	226,073	21,376
Closing Fair Value	<u>82,600</u>	<u>254,600</u>

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2017**

**Note 7. Non-current Assets – Capitalised Exploration and Evaluation Expenditure**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	15,236	158,572
Expenditure during the period	14,719	29,986
Write Off of Exploration Expenditure	-	(173,322)
	<u>29,955</u>	<u>15,236</u>
Closing Balance	<u>29,955</u>	<u>15,236</u>

**Note 8. Equity – Issued Capital**

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Fully paid ordinary shares	182,234,698	200,734,698	12,237,620	12,348,620
	<u>182,234,698</u>	<u>200,734,698</u>	<u>12,237,620</u>	<u>12,348,620</u>

**Period ended 31 December 2017**

	<b>Issue Price</b>	<b>Fully Paid Ordinary Shares</b>	<b>\$</b>
Balance as at 1 July 2017		200,734,698	12,348,620
Cancellation of issued shares <sup>1</sup>		(18,500,000)	(111,000)
Balance as at 31 December 2017		<u>182,234,698</u>	<u>12,237,620</u>

<sup>1</sup> The cancelled shares represent 18,500,000 shares in Discovery Africa Limited that the Company recovered pursuant to a legal settlement in October 2014. The Company cancelled the shares on 5 December 2017 pursuant to a special resolution passed at the Company's 2017 Annual General Meeting held on 29 November 2017

**Period ended 31 December 2016**

There were no changes to issued capital.

**Note 9. Equity – Reserves**

	<b>Consolidated</b>	
	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale reserve	170,070	336,570
Option reserve	540,534	540,534
	<u>710,604</u>	<u>877,104</u>

*Available-for-sale reserve*

The reserve was used to recognise increments and decrements in the fair value of available-for-sale financial assets.

*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.

**Discovery Africa Limited**  
**Notes to the Financial Statements**  
**31 December 2017**

**Note 9. Equity – Reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

	<b>Available- for-sale \$</b>	<b>Options \$</b>	<b>Total \$</b>
<b>Consolidated</b>			
Balance as at 1 July 2017	336,570	540,534	877,104
Revaluation of available-for-sale investments	<u>(166,500)</u>	<u>-</u>	<u>(166,500)</u>
Balance as at 31 December 2017	<u>170,070</u>	<u>540,534</u>	<u>710,604</u>

**Note 10. Contingent liabilities**

The consolidated entity had no contingent liabilities at 31 December 2017.

**Note 11. Events after reporting period**

No matter or circumstance has arisen since 31 December 2017 that has significantly 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.

**Discovery Africa Limited**  
**Directors' Declaration**  
**31 December 2017**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Lloyd  
Non-Executive Director  
12 March 2018  
Perth





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

### Independent Review Report to the Members of Discovery Africa Ltd

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Discovery Africa Ltd for the half-year ended 31 December 2017.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2017 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Discovery Africa Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Discovery Africa Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2017 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham Swan FCA  
Partner

Dated 12<sup>th</sup> March 2018



Chartered Accountants