

Gen Y leadership sets Rakai apart from being just another ordinary junior mining company

Rakai Resources ('Rakai') is a different kind of mining  company. It holds four exploration licenses, largely for gold – but other valuable minerals as well – in the Abim District of the Karamoja region in northern Uganda. Overall, Rakai has, between forthcoming and existing, seven licenses; Rakai is interested in exploring an area of over 1,700 square kilometers. Rakai is a joint venture, for-profit enterprise, between SalamaSHIELD Foundation and SeedRock. SalamaSHIELD is a Canadian NGO* that has operated in Uganda since 1992 while SeedRock is sustainable natural resource investment group with a strong interest and experience in Africa. In other words, Rakai is not an ordinary junior mining company.

Rather than developing an exploration program that can be sold to a much larger mining company: "Rakai will develop a small-scale gold mining operation as a priority, and then use funds generated from this program to accelerate efforts to explore for large-scale deposit for sale or joint venture to a major mining company". Rakai will focus on alluvial gold because of its short term production potential, while looking ahead to longer term resources. However, the unique approach is in its community engagement, which is the not so secret recipe to ensure a long term and low risk presence. Rakai has understood that security and private 'armies' are not the solution to engage local communities, gaining their support and participation. Rakai has understood that focusing on human values and the creation of human resources becomes more important than an immediate focus on financial profit. Rakai, in this sense, is very much one of a handful of mining

companies on the vanguard of a new and, perhaps, historic transformation of capitalism that shifts from an individualistic approach to a more inclusive one. In investment terms, Rakai, is reaching out to the so called 'generation y' which is seeking the basis of a new economy.

Generation Y is interested in a more collaborative form of capitalism that will help reverse the economic crisis and depletion of natural resources through more sustainable and responsible investment (and consumption). This means more fair-trade, organic, local products, electric cars and less intrusive forms of mining, insofar as natural resources are concerned. This feeling is especially true at a time when 'generation Y' is worried about the economic and ecological crisis sweeping the continent. The increase in the cost of living and consumerism has contributed to this sentiment, altering our traditional consumption and investment patterns. The important aspect of the new model is not to frame it within a prescription or boundaries, rather to always think differently and creatively to find solutions that benefit all parties involved. Rakai is one of the companies then working toward an alternative and sustainable business model; perhaps this is what 'Eldorado' means in the 21st Century.

Rakai understand that the discovery of valuable mineral deposits has driven mining firms into increasingly far-flung geographic regions. This expansion has been accompanied by new and often unanticipated environmental and social risks that have substantial implications for corporate competitiveness and profitability. These risks are the main aspects considered under 'sustainability'. There are no set formulas but generally sustainability must integrate social, community and environmental factors through education, nutrition programs, health provision and facilitating infrastructure. This promotes the idea of long term goals, technology transfer, economic growth and poverty reduction. The ultimate reason for pursuing and investing in sustainability is that it is

inherently modern – ‘generation Y’ or otherwise. Companies that address these issues demonstrate superior management and a more ‘sustainable’ business model. Whether it is described as ‘sustainability’, ‘inclusive capitalism’ or ‘responsible investment’, the new model – as approached by Rakai – is not only for ‘generation Y’ is literally the ‘new model’. It challenges traditional investors’ view that there is a negative relationship between the factors that comprise sustainability and financial return.

Rakai also challenges misconceptions about mining held by the socially responsible crowd, who see all business – and especially extractive businesses in mining and energy – as fundamentally evil. This has led to investment funds and approaches that eliminate entire categories of companies simply because they are perceived to be bad ‘a priori’. Yet for those people who do get it, sustainability offers an excellent strategy for conducting business, especially in the mining sector.

[A non-governmental organization (NGO) is a citizen-based association that operates independently of government, usually to deliver resources or serve some social or political purpose. The World Bank classifies NGOs as either operational NGOs, which are primarily concerned with development projects, or advocacy NGOs, which are primarily concerned with promoting a cause.]

**Discovery Africa steps up
graphite exploration in**

Tanzania, Uganda and Namibia

Discovery Africa Ltd ('DAF', ASX: DAF) is actively expanding its graphite asset portfolio. Two weeks ago, DAF announced that it had signed a memorandum of understanding (MOU) to acquire an 80% stake in Hatua Resources ('Hatua'), which has a large graphite property in Tanzania. Hatua holds four promising exploration licenses for graphite, covering 416 square kilometers in an area featuring a graphitic outcrop schist formation measuring 800 m. X 150 m. Just days prior to the Hatua MOU, DAF announced that it had signed another memorandum of understanding to acquire all of Consolidated African Resources (CARL) which owns an exploration license in the vicinity of Kitgum, in Uganda, said to conceal another very favorable graphite deposit. Indeed, on February 18, the company announced that it has discovered graphite at grades of up to 25.3% at the Kitgum project as part of its due diligence exploration. Nine out of 16 samples were found to have graphitic carbon levels of up to 10. DAF will continue the program and expects to complete geological reconnaissance before the end of March and the airborne geophysical program by June in order to start drilling in July. Should the program proceed on schedule, DAF will be able to announce its resource before the end of the year.

Discovery Africa had previously focused on coking coal; now, it has shifted more attention to developing the aforementioned Kitgum Project in Uganda, Area 51 Graphite Project in Namibia, the Tanzanian Graphite Project and the new Lithium Project in Namibia. DAF's interest in Hatua may well have been prompted by the latter's proximity to tenements struck by Syrah Resources (ASX: SYR) at the latter's Nachingwea Project, aiming to improve the mineralization potential already observed while adding new targets. Nachingwea covers an area of about 30 square kilometers and it is located some 325 kilometers north of Syrah's highly prospective Balama

graphite-vanadium project in Mozambique.

The project is also well linked to roads and infrastructure, readily accessible from the coastal areas. In addition, by focusing on the new Tanzanian property, DAF is targeting a type of graphite that differs from Canadian and European varieties. Syrah's experience in Mozambique at Balama is indicative. The resource at Balama is rich in volume and it is of a consistently high grade, medium to coarse flake variety of graphite that should be readily upgraded to purity levels of 94%. The Balama graphite deposit offers an important geological advantage in that most of it rises above ground and can be seen. Syrah says that it has not had to drill a single hole to determine that Balama is a very significant deposit, the variety of which can command high prices in world markets as it is suitable for use in the new Li-ion batteries that are expected to drive demand for electric transportation.

DAF is also developing a graphite project in Namibia at the Erongo graphite project. In 2013, DAF hired the mineral resource company, Minrom, to define the graphite distribution hosted in the Karabib Marble (Karibib is an area of Namibia home to the 'Karibib Marble and Granite Works', rich in some of the best marble deposits in Africa), Minrom has already started work and is expected to deliver analytical results by the start of summer 2014.