



ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

21 APRIL 2020

March 2020 Quarterly Activities Report

Highlights

- **Edjudina Project**
 - Maiden DCX drilling at the Hornet Prospect delivers intersections, supergene and basal, consistent over >200m strike and completely open: -
 - **1m @ 5.3 g/t Au** from 51m (End of Hole, HOAC012, open)
 - **7m @ 1.8 g/t Au** from 40m (End of Hole, HOAC032, open)
 - Including **2m @ 2.9g/t Au** from 44m
 - **4m @ 1.2 g/t Au** from 41m (End of Hole, 1650/7250, open)¹
 - Acquisition of a further eight tenements (~310km²) via an 80/20 JV with Crest Investment Group Limited.
- **Newington Project**
 - Soil sampling identified eight priority targets.
- **Placement to raise \$700,000**
 - The company successfully placed 140,000,000 new shares to raise \$700,000 (before costs) with new Directors participating.
- **Change of name and ASX ticker**
 - Following approval at a General Meeting, the company changed its name from Syndicated Metals Limited to DiscovEx Resources Limited (ASX:DCX).
- **Directors reduce fees to conserve cash during current health crisis**
 - Non-Exec Directors reduce to zero, Managing Director 50% reduction and Technical Director 20% reduction.
- **Cash at hand of approximately \$979K at quarter end**

Putting the Explore back into Modern Exploration

EXPLORATION AND EVALUATION

EDJUDINA GOLD PROJECT

Aircore drilling has now extended the mineralised footprint at the Hornet prospect to over 200m and laterally for over 300m in bedrock and remains open in all directions. The most significant intersections are either bottom-of-hole or near bottom-of-hole, indicating that the primary source may be proximal.

Overview

The Edjudina Project is situated within the southern portion of the Laverton District, about 700km north-east of Perth, which hosts numerous major gold deposits, including AngloGold Ashanti's Sunrise Dam (> 12 Moz Au), Saracen Mineral Holdings' Carosue Dam mine (>2 Moz Au) mine and Matsa Resources' Red October project (>0.5 Moz Au).

The project covers a strike extent of over 50km within the Linden Terrain east of the Pinjin Fault over a north-northwest trending sequence of prospective greenstone, gneisses and granites and is immediately along strike from Matsa Resources' Fortitude gold project (>385,000oz Au), which it continues to actively explore and expand.

Previous work on the Edjudina tenure, mostly during the 1980's and 1990's, included soil sampling, geophysics (both airborne and ground-based), air core (AC) drilling and minimal reverse circulation (RC) drilling. Several gold-in-soil anomalies were identified during previous exploration programs, in particular at two prospect locations, Hornet and Phantom (Figure 1). Both areas of soil anomalism were the subject of shallow AC drilling to the base of weathered rock and both demonstrated significant, lateral and strike extensive, unexplained transition gold anomalies. Much of this exploration effort was undertaken at a time when the gold price was less than US\$300/oz and therefore the hurdles to mining were much higher than today, with gold prices currently around US\$1,600.

The extended project, following the recently announced 80/20 joint venture with Crest Investment Group Limited (Crest) includes four granted exploration tenements (E31/1134, E31/1150, E39/1765 and E39/1882), for a total of 590km² of drastically underexplored, and highly prospective rocks. Refer to the ASX announcements dated 13 March 2020 and 15 April 2020 and Appendix 1 to this report for full details of this transaction.

Drilling

DCX recently completed a programme of aircore drilling at both the Hornet East and Hornet West Prospects, a total of 98 holes for 4,963m. Holes were planned to follow up historic soil anomalies and wide spaced aircore drilling results that had defined areas of broad gold anomalism within a poorly understood granitoid complex. The area is obscured by relatively thick cover consisting of a paleochannel to depths of 20-25m, below which a further 10-15m of leached upper saprolite exists. There is often an elevated gold response (up to 100ppb) at the base of the paleochannel before a sharp change into pallid clays. A variable thickness (5-20m) of lower saprolite exists below this before all holes intersected granitoid lithologies upon blade refusal.

Best intersections returned from previous explorers included **1m@2.0g/t Au** from 47m (1650/7247) and **3m@1.6g/t Au** from 41m including **1m@4.6g/t Au** (1650/7250)¹ (Figures 2 and 3). DCX drilling was aimed at confirming these intersections and extending the mineralised footprint north and south.

¹Previously reported historical intercepts (refer SMD ASX announcement dated 6 November 2019).

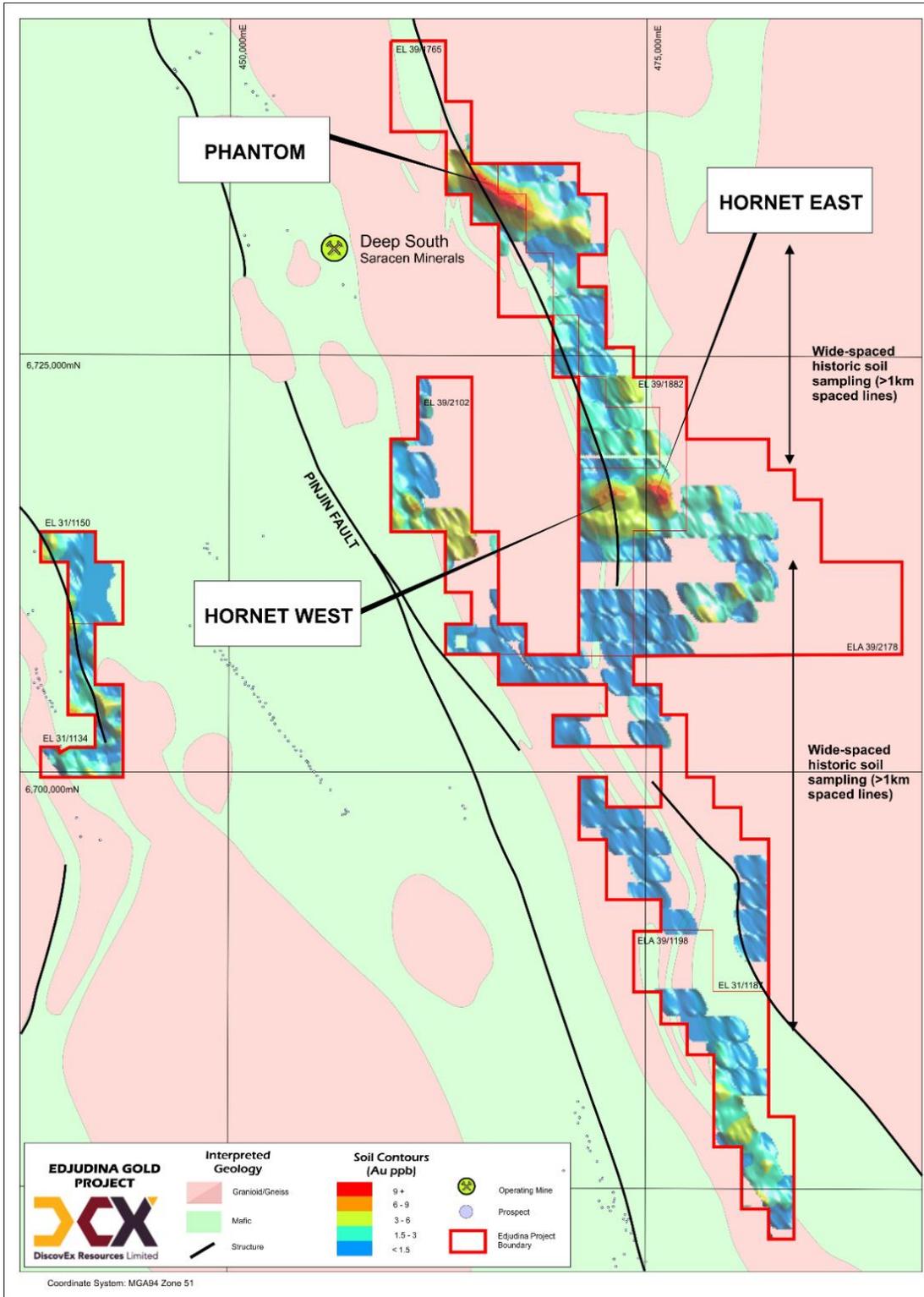


Figure 1: Edjudina Project showing contoured soils

Hornet West

Strong gold mineralisation was intersected at the Hornet West Prospect following the completion of 68 holes for 3,318m. The aircore drilling was completed on 40m centres to best define the cross-strike continuity of the mineralised trend with results returned of **7m@1.8g/t Au** from 47m, including **2m@2.9g/t Au** (HOAC032), **4m@1.7g/t Au** from 48m, including **1m@5.3g/t Au** (HOAC012) and **4m@1.2g/t Au** from 52m (HOAC028) (Figures 2, 3, 4 and 5). Higher tenor gold results were hosted within a mafic granitoid/gneiss with drilling confirming a mineralised footprint of +200m (north to south) by 300m (east to west). Mineralisation remains open to the north and south with historic drilling ineffectual.

The significance of the drill intersections confirms soil sampling as being an applicable medium to vector into bedrock mineralisation, despite 25m of transported cover being present. Further surface sampling will be conducted in order to systematically cover the prospective trends across the entire project area with crews to mobilise as soon as practicable. In addition, the size and continuity of the anomaly defined at the Phantom Prospect to the north (Figure 1) provides encouragement that future drilling will return success.

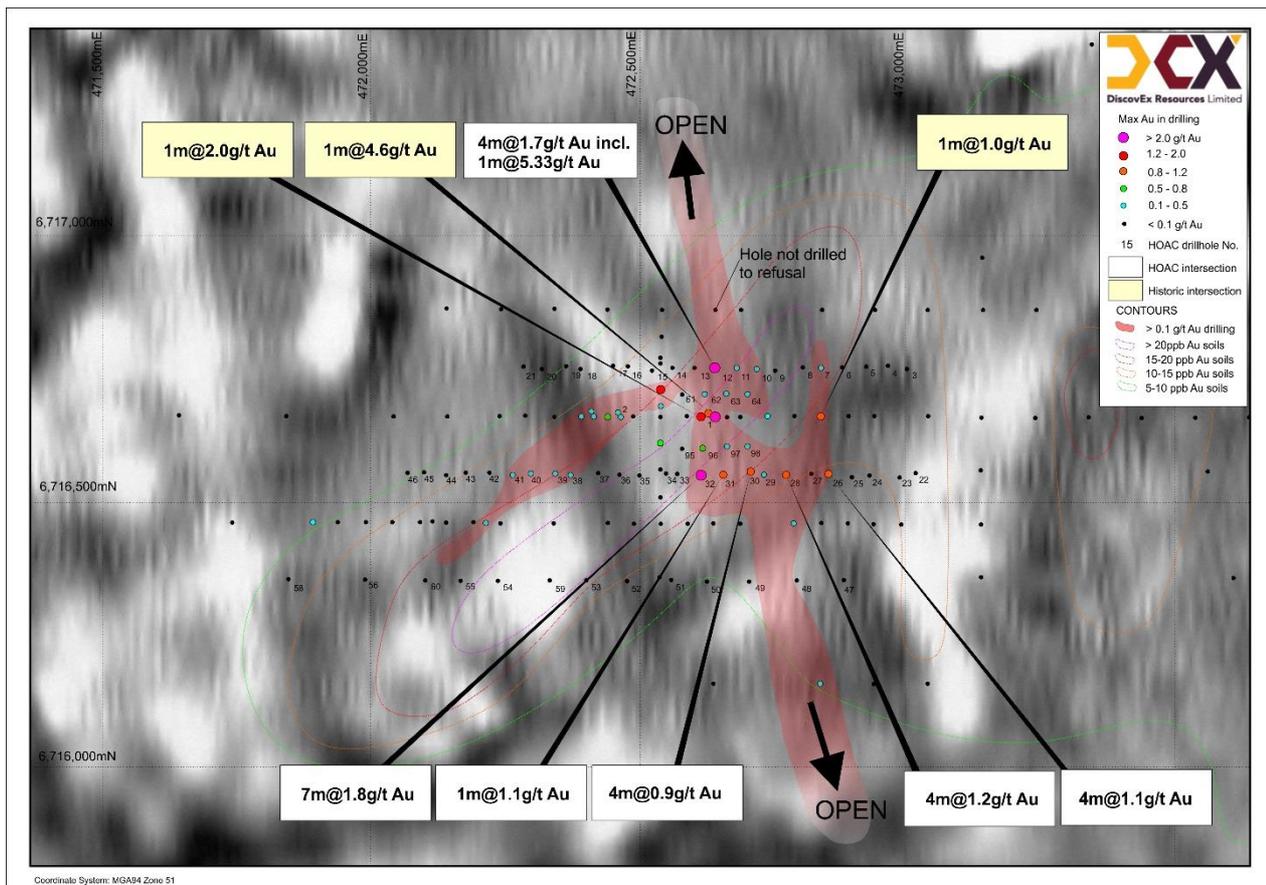


Figure 2: Hornet West Prospect completed drilling (TMI RTP_1VD magnetics background)

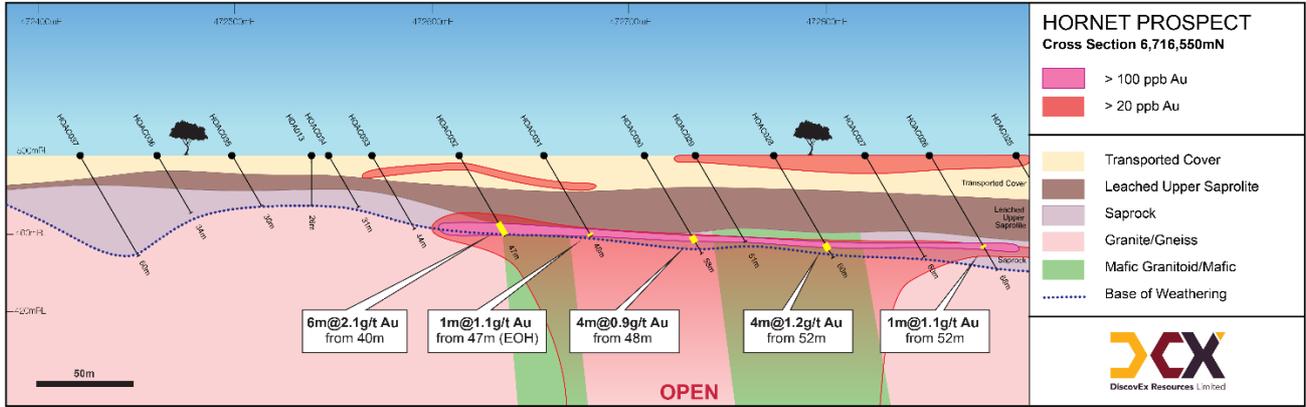


Figure 3: Hornet West section 6,716,550mN

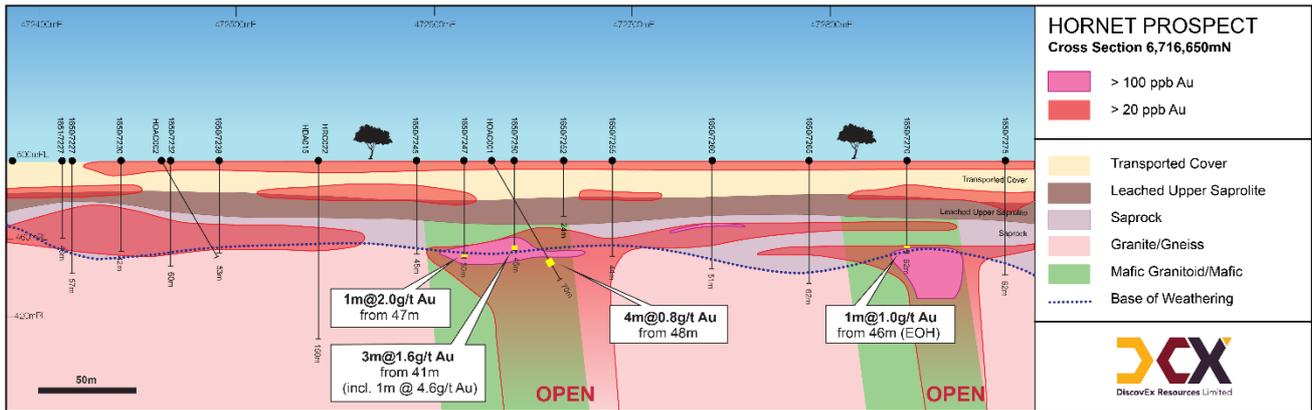


Figure 4: Hornet West section 6,716,650mN

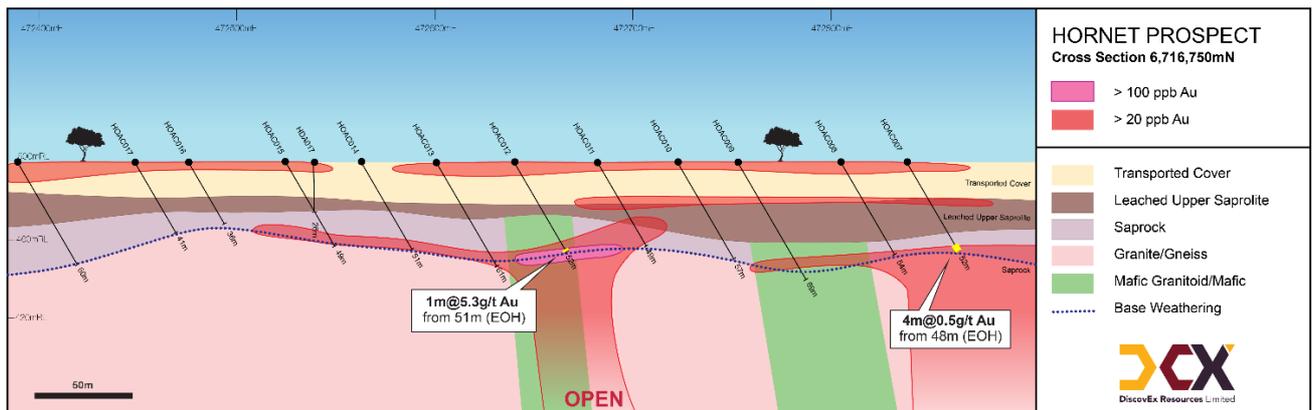


Figure 5: Hornet West section 6,716,750mN

Hornet East

30 holes for 1,645m were completed at Hornet East (approx. 2km east of Hornet West) with a best intersection of 3m@0.6g/t Au from 60m (HOAC078). The mineralisation was again intersected at the bottom of hole and was returned within a mafic granitoid/gneissic host rock. Hole HOAC077 also returned an elevated gold result at the bottom of hole 1m@0.2g/t Au (Figure 6). Mineralisation is lower tenor than that intersected at Hornet West however, does confirm the prospectivity of the area as a secondary target.

Refer to the Company's ASX Announcement dated 14 April 2020 for full details of the drilling program. The Company is not aware of any new information or data that materially affects the information in that announcement.

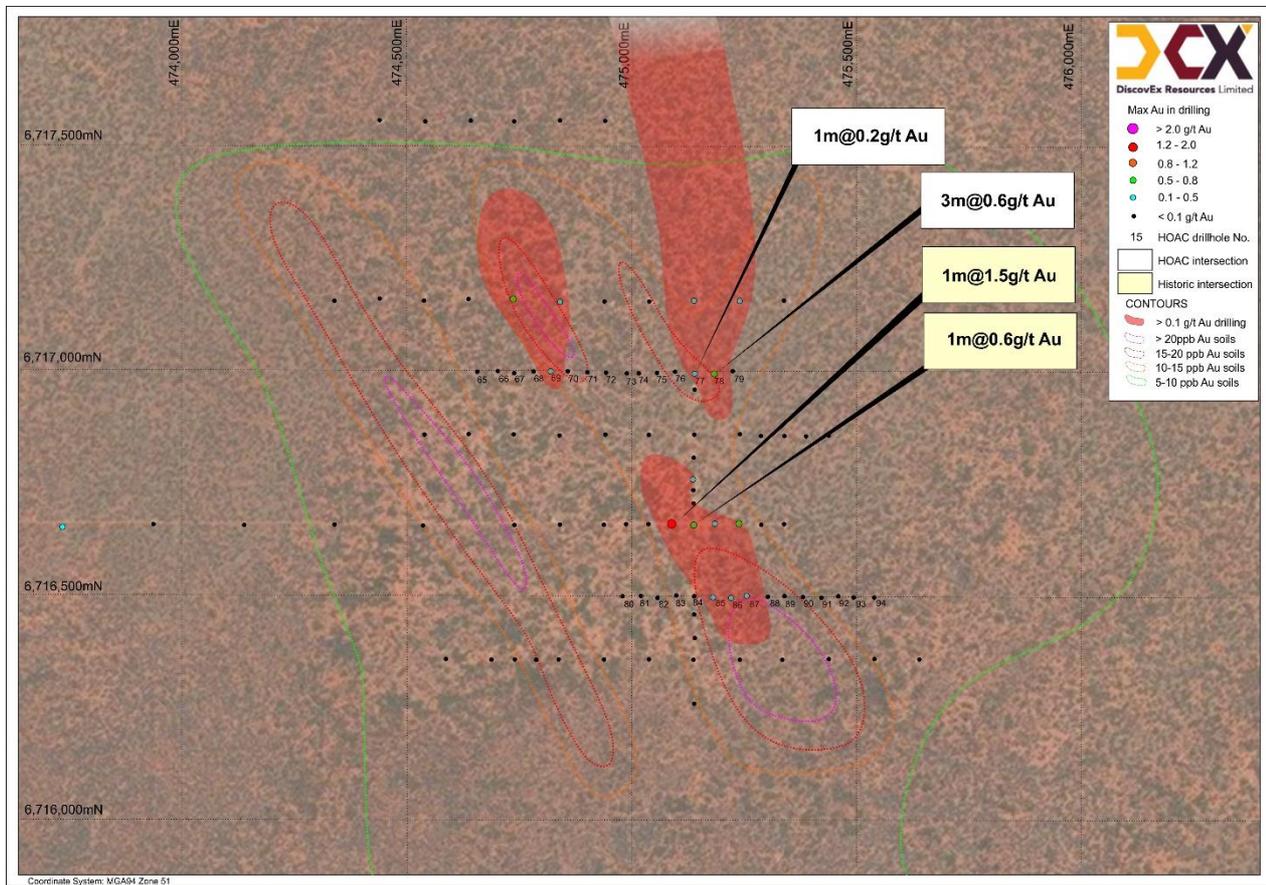


Figure 6: Hornet East Prospect completed drilling

Future activities

Analysis of all data acquired from the latest drill campaign will continue with further activities planned to extend the mineralised footprint at the Hornet West Prospect. This will include soil sampling north and south of Hornet West with follow-up activities to be planned following receipt of results. The primary source of bedrock mineralisation identified at Hornet West will be tested in due course.

NEWINGTON GOLD PROJECT

A soil sampling programme was completed at the Newington Project during the Quarter. The collection of 2,552 samples on various spacings (100m x 50m and 400m x 100m) has generated significant new anomalies and potential drill targets outside the known areas of mineralisation within the project.

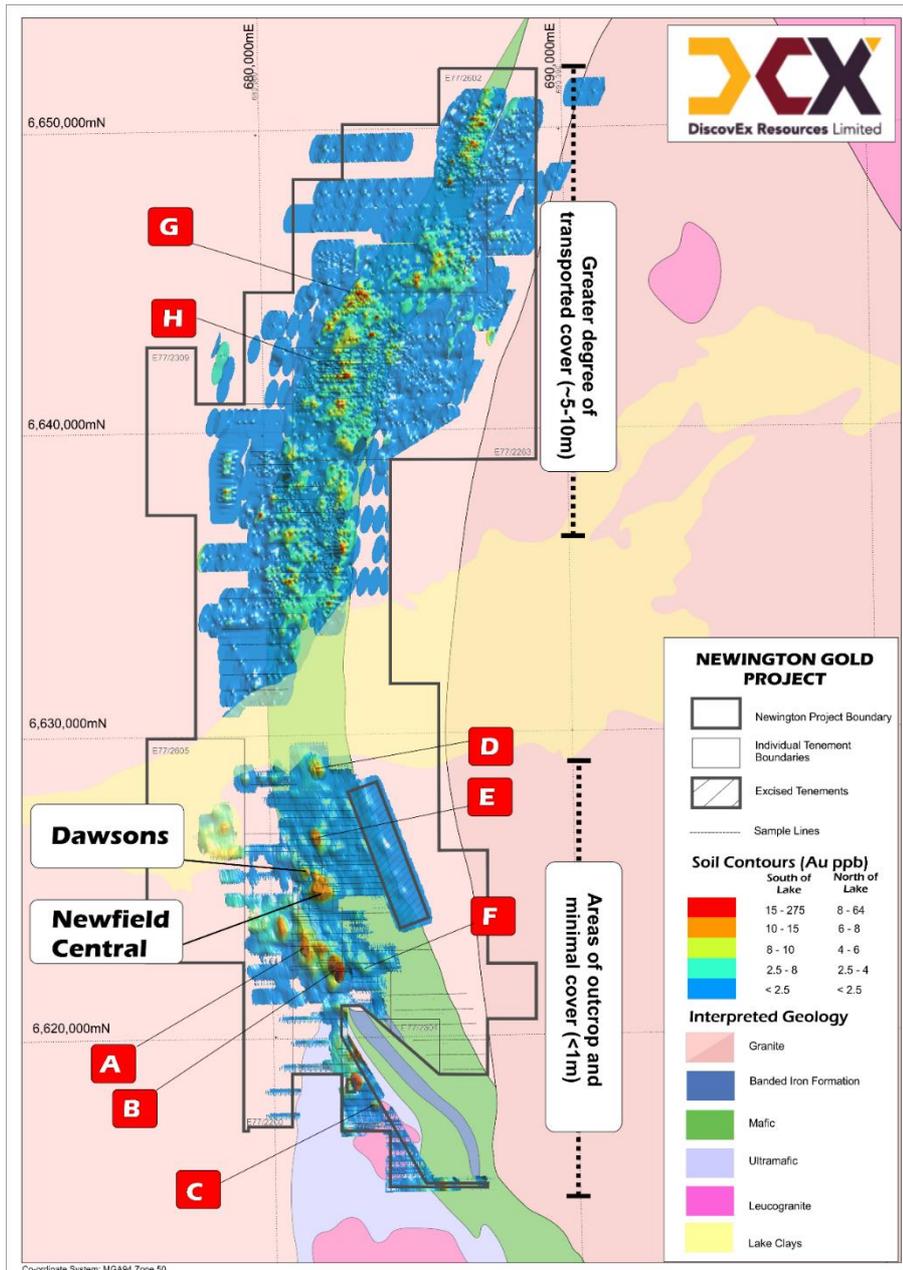


Figure 7: Newington Project contoured geochemical sampling data (including historic and recent sampling) with identified targets shown by red boxes.

Overview

Since the mid 1990's, much of the activity in the Newington project area had been focussed on the development and operation of the high-grade Newfield/Carterton mining centre where 33koz @ 22.7g/t Au was produced² between 2001-2005 (Figure 7). Prior to the definition of the gold deposit, soil sampling was able to delineate the surface footprint of the Newfield Central and Dawsons Lodes, highlighting the ability of the technique to identify prospective areas. The bulk of the historical soil and auger sampling was completed prior to the mid-1990's with the DiscovEx soil program representing the first regionally extensive exploration effort since that time.

Soil Sampling Program

The goal of the recently completed surface work was the generation of new anomalies and potential drill targets outside the known areas of mineralisation. This was achieved by infilling areas identified historically (100 x 50m sample density) and extending into areas with no sampling coverage (400m x 100m sample density).

2,552 soil samples were analysed, generating numerous anomalous trends that have had little to no historic investigation. Similar scale targets have been produced that are consistent with those anomalies generated at Newfield Central and Dawsons and this creates a great opportunity for DiscovEx to build on its pipeline of targets. The most significant gold anomalies were located immediately south (Target B) and north (Targets E and D) of Newfield Central, potentially identifying the strike continuation of the host structure.

The geology (banded iron/ultramafic contact), structural complexity (potential fold hinge proximal to an internal granite) and geochemical anomalism at Target B is of particular interest. The dimensions and tenor (up to 1.7g/t Au in historic auger sampling³), of the gold response, are similar to that seen at Newfield Central and together with an elevated pathfinder anomaly (As, Te) makes this an attractive target.

Refer to the Company's ASX Announcement dated 7 April 2020 for full details of the soils program. The Company is not aware of any new information or data that materially affects the information in that announcement.

Option Extension

Subsequent to the end of the Quarter, the Company elected to extend the option period with respect to exploration licence E77/2309, under an option agreement executed in 2019 with Gateway Mining Limited and Omni Projects Pty Ltd (refer SMD ASX Announcement 11 April 2019). The option is now exercisable on or before 11 April 2021.

Future activities

Ground truthing of anomalies, geological and structural mapping will be completed to help identify optimal positions for investigative drilling. Further interpretation and analysis of all results will continue with follow-up to be completed as soon as practical.

² The 2001-2005 production records were sourced from the Newfield Resources Limited Prospectus lodged with ASX on 27 April 2012 and Newfield Central Pty Ltd records (refer SMD ASX announcement 11 April 2019).

³ Auger sampling completed by Fleet Street Holdings Pty Ltd with results returned on 20/12/2017. Original assay file validated for accuracy.

CORPORATE

CHANGE OF COMPANY NAME AND ASX TICKER

Following the receipt of shareholder approval on 17 March 2020 and ASIC approval on 20 March 2020, the Company changed its name from Syndicated Metals Limited to DiscovEx Resources Limited (ASX: DCX).

The Company's contact details remain as follows:

Suite 5, 56 Kings Park Rd
West Perth WA 6005
Phone: (08) 9380 9440

GPO Box 2810
West Perth WA 6872

The Company's new website and email contact address changed to the following:

www.discovexresources.com.au
info@discovexresources.com.au

DIRECTORS FEES REDUCTION

In response to the unprecedented market and social changes occurring at present, along with an acknowledgement that the capital markets are likely to be tight for some time, the Company's Directors reduced their fees in order to assist the Company through these difficult times.

Non-Executive Directors fees were reduced to zero for a period of three months (to be reviewed at the end of June) and the Managing Director and Technical Director remuneration was reduced by 50% and 20% respectively, again, to be reviewed at the end of June. The Company continues to further reduce other overheads where possible.

SHARE PLACEMENT

In February the Company successfully completed a share placement of A\$700,000 (before costs) to underpin exploration programs across its key WA gold projects.

The capital raising, which was undertaken at an issue price of 0.5 cents per share, was conducted in two tranches. 120,000,000 fully-paid ordinary shares were issued to sophisticated and professional clients of JP Equity Partners and some existing major shareholders of the Company under the Company's available placement capacity under Listing Rules 7.1 and 7.1A to raise \$600,000.

The balance of the Placement shares (20,000,000 fully paid ordinary shares) were issued to entities associated with the Company's new directors Bradley Drabsch and Toby Wellman, following shareholder approval obtained at the General Meeting held on 17 March 2020, also at an issue price of 0.5 cents per share to raise \$100,000.

CASH RESERVES AND CASHFLOW DISCLOSURES

As at 31 March 2020, DiscovEx had cash reserves of \$979K, no corporate debt and minimal long-term commitments. The Company also holds listed securities currently valued at approximately \$460K.

Operating cash outflows for the Quarter included payments for exploration activities of \$170K. As set out in item 6.1 of the Company's March Quarter Appendix 5B, payments to related parties consisted of remuneration paid to executive and non-executive directors of \$108K and payments to director related entities for the provision of geological consultancy services of \$61K.

GENERAL MEETING

The Company held a General Meeting of shareholders on 17 March 2020. All eight resolutions received strong support and were passed on a poll.

ISSUE OF OPTIONS

Following shareholder approval obtained on 17 March 2020, the Company issued the following options to the Company's new directors:

Mr Bradley Drabsch

Tranche	Number of Incentive Options	Exercise Price	Vesting Date	Expiry Date
1	8,000,000	\$0.017	Vest immediately	1 December 2023
2	8,000,000	\$0.0225	Vest 12 months from commencement date	1 December 2023
3	8,000,000	\$0.0315	Vest 30 months from commencement date	1 December 2023
Total	24,000,000			

Mr Toby Wellman

Tranche	Number of Incentive Options	Exercise Price	Vesting Date	Expiry Date
1	8,000,000	\$0.017	Vest immediately	1 December 2023
2	8,000,000	\$0.0225	Vest 12 months from commencement date	1 December 2023
3	8,000,000	\$0.0315	Vest 30 months from commencement date	1 December 2023
Total	24,000,000			

Tranches 2 and 3 are subject to various vesting conditions. Please refer to the Company's announcement dated 22 November 2019 for full details of the options.

TENEMENTS

In accordance with ASX Listing Rule 5.3.3, details of the tenements held, tenement movements and farm-in and farm-out arrangements during and at the end of the Quarter are set out in Appendix 2 to this report.

SHAREHOLDER INFORMATION

As at 31 March, DiscovEx had 956,931,261 fully-paid ordinary shares on issue and approximately 1,117 shareholders. The top 20 shareholders held approximately 50% of the Company's shares.

The Company also had 139,228,213 unlisted options on issue exercisable at prices between 1.35 cents and 3.15 cents and expiring in August 2021, May 2022, September 2022, December 2022 and December 2023.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Toby Wellman who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 (the "JORC Code"). Mr Wellman is the Executive Technical Director and Exploration Manager of DiscovEx Resources Limited and consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

This announcement is authorised for release by the Board of DiscovEx Resources Limited.

For further information please visit: www.discovexresources.com.au or contact:

Mr Bradley Drabsch
Managing Director
T: 08 9380 9440

APPENDIX 1 – Key Terms - DiscovEx Resources Limited & Crest Investment Group Limited Edjudina Joint Venture

The joint venture comprises an interest in eight tenements predominantly along strike and to the south of DCXs' existing 80% owned Edjudina Gold Project, in the southern Laverton District of Western Australia.

Subsequent to the end of the Quarter, following satisfactory completion of due diligence on the tenements, DiscovEx paid Crest \$25,000 in cash and issued \$25,000 in DCX shares as consideration for the transaction. A total of 7,352,941 shares were issued at a price of \$0.0034 per share, being the 5-day VWAP up to the date of agreement to issue the shares. The shares were issued under the Company's available Listing Rule 7.1 capacity and were issued without shareholder approval.

Following the payment of the consideration, DiscovEx has the right to earn up to 80% of the Project tenure by completing the minimum expenditure for each tenement as required by the Department of Mines and maintaining the tenements in good standing for a period of 2 years from execution.

Under the terms of the JV agreement, DiscovEx is to free carry Crest to a Decision to Mine whereby the parties are obliged to contribute pro-rata or dilute as per standard formulae to 5% thence automatically to a 1% Gross Revenue Royalty on any mineral product produced with the Royalty to begin only after the equivalent of 200,000oz Au has been produced. DiscovEx may buy out the Crest interest after a Decision to Mine has been made for 80% of the NPV of that interest with Crest to retain the 1% royalty.

APPENDIX 2 - Additional Information Required under Listing Rule 5.3.3

Mining tenements held at the end of the Quarter and their location:

Tenement	Status	% Ownership
Monument Gold Project – Laverton, WA		
E39/1846	Granted	100%
E39/1866	Granted	100%
E39/2024	Granted	100%
E39/2035	Granted	100%
E39/2036	Granted	100%
P39/5456	Granted	100%
P39/5457	Granted	100%
P39/5519	Granted	100%
P39/5837	Granted	100%
P39/5855	Granted	100%
P39/5880	Granted	100%
P39/5899	Granted	100%
P39/5910	Granted	100%
Edjudina Gold Project – Laverton, WA		
E31/1150	Granted	80%
E31/1134	Granted	80%
E39/1765	Granted	80%
E39/1882	Granted	80%
Newington Gold Project – Southern Cross, WA		
E77/2602	Granted	100%
E77/2604	Granted	100%
E77/2605	Granted	100%

The Company retains a 17.5% interest in the following tenements near Mt Isa, Queensland: EPM9083, EPM11013, EPM14366, EPM14369, EPM17637, EPM18223, EPM18980, EPM19008, EPM25435, EPM25439, EPM25853 and EPM25972.

Mining tenements acquired during the Quarter and their location:

A 100% interest in tenements E77/2602, E77/2604 and E77/2605 located within the Newington Gold Project area were acquired during the Quarter.

Mining tenements disposed of during the Quarter and their location:

Nil

Tenements held in farm-in or farm-out agreements at the end of the Quarter:

Farm-in Agreements

Under the terms of the farm-in agreement with Newfield Resources Limited, DiscovEx has the right to earn up to 85% of the Newfield Project comprising tenements M77/422 and M77/846. Refer to the ASX Announcement dated 11 April 2019.

Under the terms of the option agreement with Gateway Projects Pty Ltd the Company has purchased a 12-month Right to Purchase the Carterton Gold Project comprising tenement E77/2309. In April 2020 the Company extended this Right for a further 12 months. Refer to the ASX Announcements dated 11 April 2019 and 7 April 2020.

Under the terms of the farm-in agreement with private vendors, DiscovEx has the right to earn up to 80% of tenements within the Newington Project including E77/2200, E77/2326, E77/2558, E77/2263 and P77/4397. Refer to the ASX Announcement dated 24 September 2019.

Under the terms of the JV agreement with Crest Investment Group Limited, DiscovEx has the right to earn up to 80% of tenements within the Edjudina Project including E28/2884, E31/1187, E31/1198, E31/1227, E39/2102, E39/2126, P31/2126 and P31/2125. Refer to the ASX announcements dated the 13 March 2020 and 15 April 2020.

Farm-out Agreements

Nil.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter:

Refer to JV agreement with Crest Investment Group Limited detailed above.