



ABN 61 115 768 986

FINANCIAL REPORT FOR THE HALF YEAR ENDED

31 DECEMBER 2021

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

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**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

CORPORATE DIRECTORY

DIRECTORS

Heath Hellewell (Non-executive Chairman)
Toby Wellman (Managing Director)
David Morgan (Non-executive Director)
Kim Massey (Non-executive Director)

REGISTERED OFFICE

Unit 1, 72 Kings Park Road
West Perth, WA 6005
Telephone: (08) 9380 9440

SOLICITORS

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16 Milligan Street
Perth, WA 6000

AUDITORS

PKF Perth
Level 4, 35 Havelock Street
West Perth, WA 6005

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, WA 6000
Telephone: (02) 9698 5414
Email: hello@automicgroup.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange
Home Exchange: Perth, Western Australia
Code: DCX

BANK

Westpac Banking Corporation
130 Rokeby Road
Subiaco, WA 6008

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

DIRECTORS' REPORT

Your directors submit the financial accounts of DiscovEx Resources Limited and controlled entities (the Group) for the half year ended 31 December 2021.

DIRECTORS

The following persons were directors of DiscovEx Resources Limited (the Company) during the whole of the half year and up to the date of this report unless otherwise stated:

Mr Heath Hellewell
Mr Toby Wellman
Mr David Morgan
Mr Kim Massey

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration and evaluation.

OPERATING RESULTS

The net loss of the Group for the financial period after provision for income tax was \$268,708 (2020: \$337,179).

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid or declared during the half year and up to the date of this report.

REVIEW OF OPERATIONS

Overview

During the reporting period, the Company continued its greenfield exploration strategy with the bulk of activities centred on the Sylvania Project near Newman in WA. Activities included broad scale (400 x 200m) soil sampling and infill soil sampling (100 x 100m), which defined several high priority gold targets across the Project.

Together with the regional soil sampling programs at Sylvania, exploration was progressed at the Edjudina Gold Project in the Laverton District of WA. Air core drilling at Octavia was completed together with soil sampling at Hornet East and Jaguar.

At the Newington Gold Project north of Southern Cross in WA, a program of auger drilling was completed which confirmed the continuation of both the Newfield Central and Dawsons structural trends.

In August 2021 the Company divested the Monument Gold Project in WA to SI6 Metals Limited (ASX:SI6).

REVIEW OF OPERATIONS (Continued)

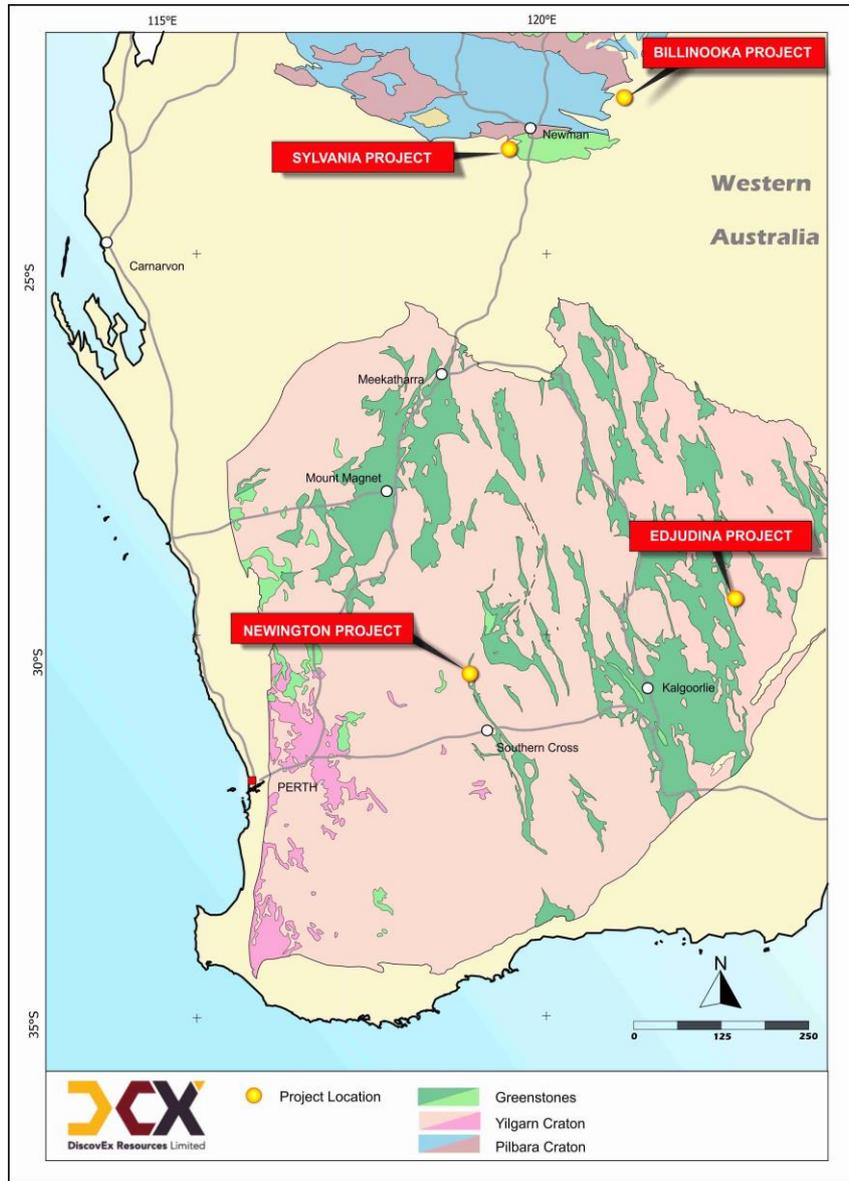


Figure 1: Project Locations within Western Australia

Exploration and Evaluation

Sylvania Gold and Base Metal Projects – Newman, WA

The Sylvania and Billinooka Projects (collectively known as Sylvania) are a compilation of twelve granted exploration licences and six exploration licence applications (which includes 3 tenements subject to a 90/10 JV) that cover a total of 2,294km² located in the Pilbara Region of Western Australia and are centred nearby the giant Iron Ore hub of Newman. Importantly, the Sylvania Project's proximity to Newman and having both a major bitumen highway and gas pipeline adjacent to and within the tenure, provide excellent baseline infrastructure options for future project development.

In addition, the Sylvania Project is situated immediately to the west (approximately 60km) of one of Western Australia's newest, large-scale gold mine developments operated by Capricorn Metals Ltd at Karlawinda. The Karlawinda Project contains a Mineral Resource estimate of 2.15Moz @ 0.8 g/t Au¹ (67.2Mt@0.8g/t Au for 1.722koz - Indicated and 19.5Mt@0.7g/t Au for 422koz - Inferred) and poured its first gold in 2021.

1. ASX:CMM – Annual Report 2021 (29th September, 2021).

REVIEW OF OPERATIONS (Continued)

Soil sampling

During the period, results from systematic broad-spaced soil sampling programs were returned from multiple phases of work. Phase one sampling (refer ASX Announcement dated 19 August 2021) was completed on a 400 x 200m grid pattern and was designed to investigate the potential of the area to host gold and/or base metal mineralisation. Several significant large-scale (up to 5km long) anomalous trends were defined with results up to 89.2ppb Au returned (Six Feet Prospect). Several other high-order Au results were also observed and are located close to the intersection between Archaen greenstones and ENE-WSW structural breaks (**Figures 2 and 3**). These structures have been identified from the recently acquired airborne magnetics dataset and are oriented sub-parallel to the Prairie Downs Fault, located approximately 33km to the south. They may represent regional thrusting and transverse or linking fault structures that potentially play a key role in the development of, not only gold, but also base metal deposits in the region.

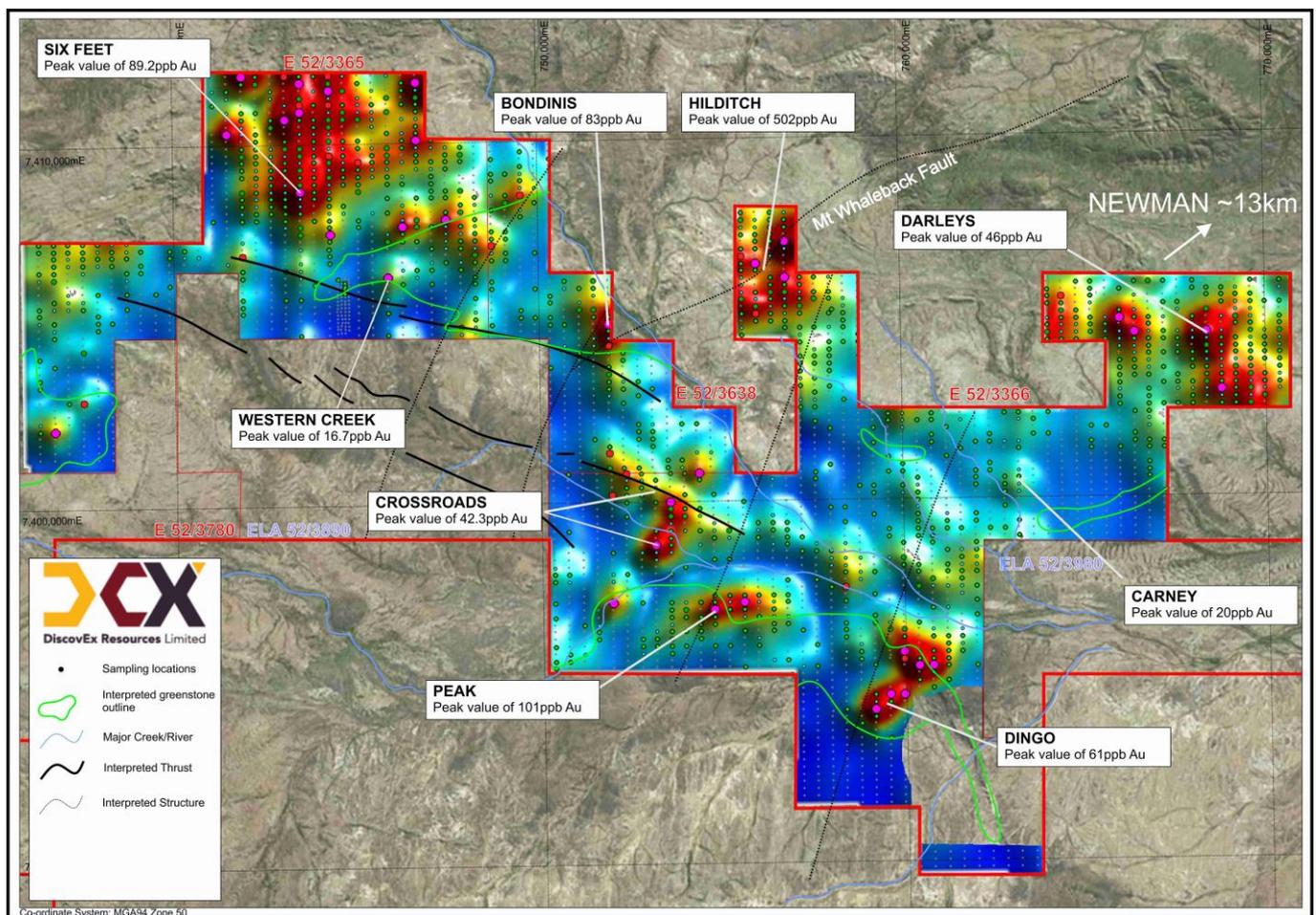


Figure 2: Sylvania Project with contoured soil results

Phase two infill sampling was subsequently completed to follow up on phase one sampling with coherent, large-scale Au anomalies confirmed. Sampling was completed on 100 x 100m centres to compliment the phase one 400 x 200m sampling and sieved to -177um before analysis. Infill sampling confirmed the continuity and scale of the phase one results with peak assays of 503ppb Au (0.5g/t Au) from the Hilditch Prospect, 101ppb Au (0.1g/t Au) from The Peak Prospect and 83ppb from the Bondinis Prospect (refer ASX Announcement dated 25 October 2021).

REVIEW OF OPERATIONS (Continued)

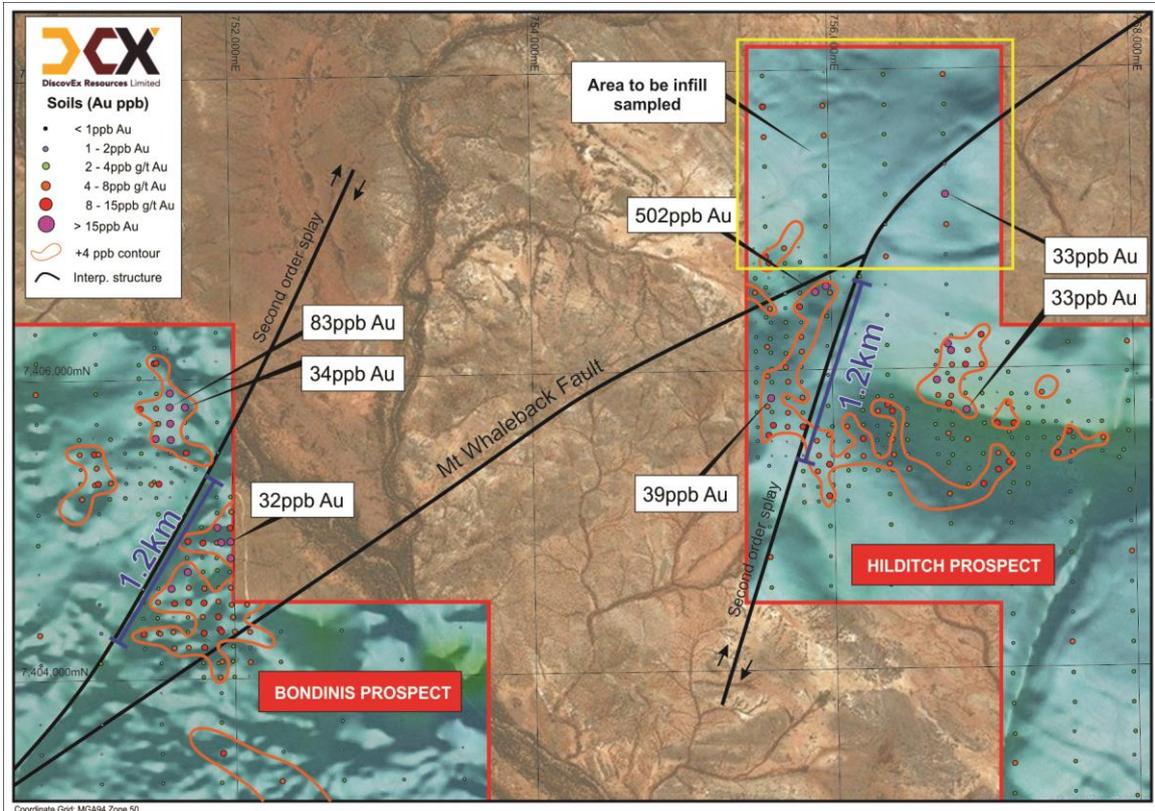


Figure 3: Hilditch and Bondini Prospects located proximal to the Mt Whaleback Fault zone. Background image TMI RTP magnetics.

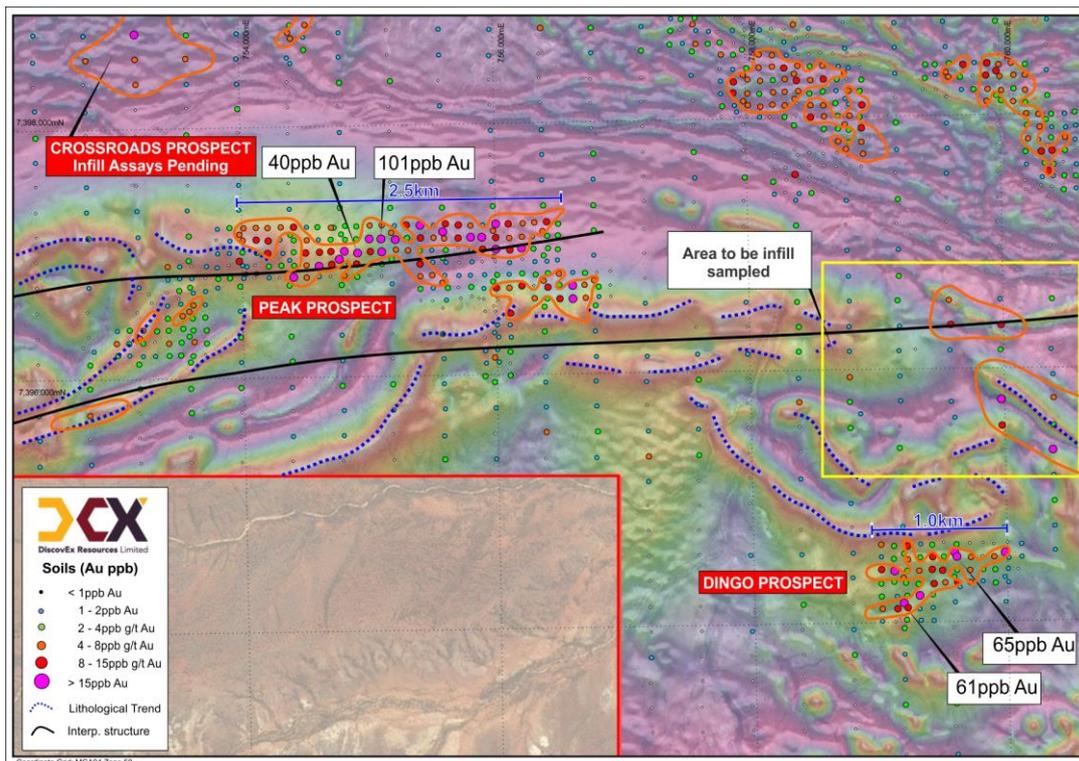


Figure 4: The Peak and Dingo Prospects. Background image of TMI RTP_Tilt

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REVIEW OF OPERATIONS (Continued)

Future activities

Proposed regional soil sampling activities will continue to better define target areas for follow-up activities including geophysics and drilling. Heritage surveys have been requested from local First Nations Peoples to facilitate activities not classified as low impact.

Edjudina Gold Project – Laverton District, WA

The Edjudina Gold 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, Northern Star Resources Carosue Dam and Matsa Resources' Red October Project. **(Figure 5)**.

The project includes sixteen granted exploration tenements for a total of 855km² of underexplored, and highly prospective tenure.

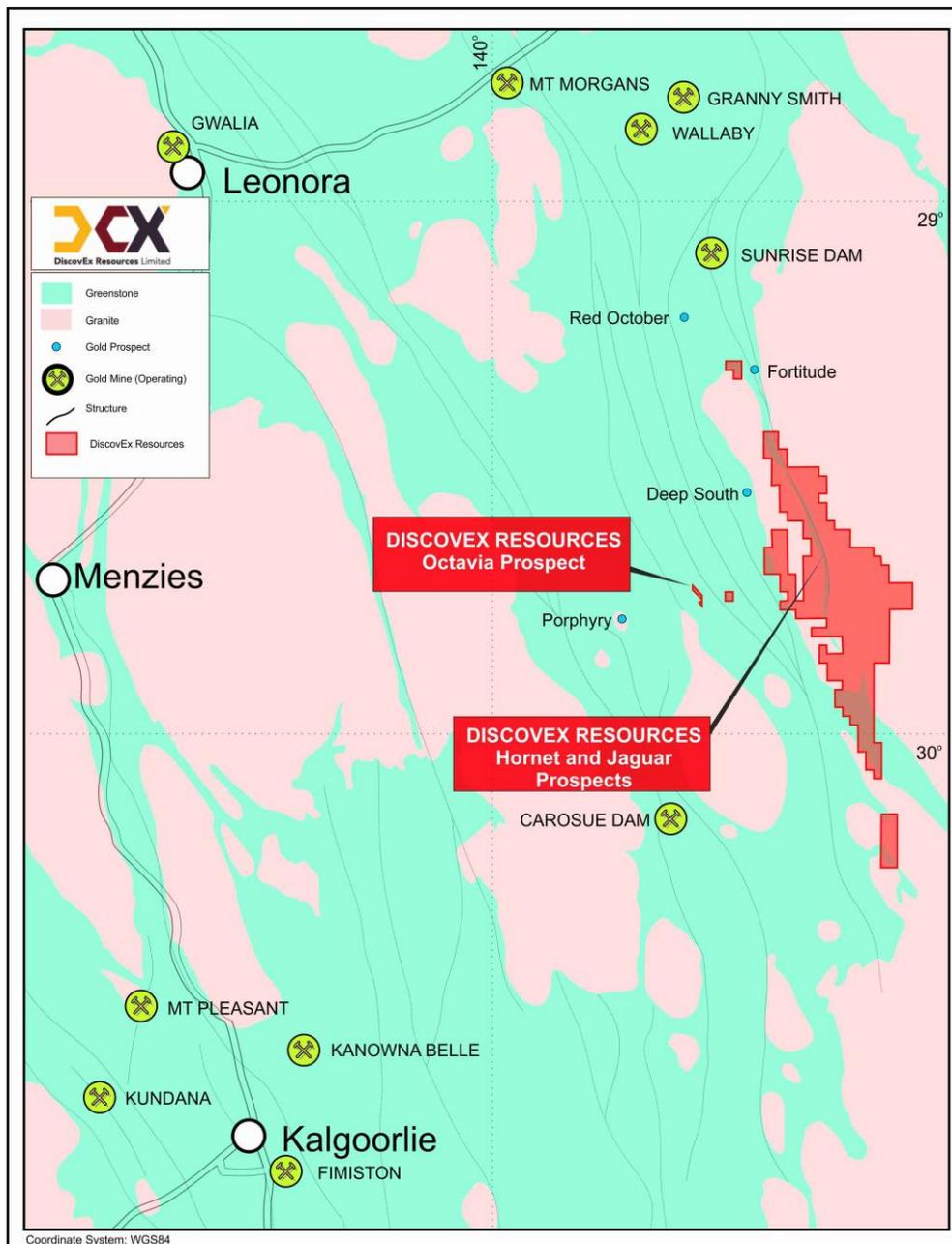


Figure 5: Regional location of the Edjudina Gold Project

REVIEW OF OPERATIONS (Continued)

Soil Sampling - Octavia

A total of 405 soil samples were returned from the Octavia Prospect, with results highlighting the extension to the Celia Shear as it progresses north-west under transported cover (refer ASX Announcement dated 4 November 2021). The sampling was centred along the Edjudina line of historic workings which strikes NW and includes the recent discovery of the Neta Lode by Gibb River Resources (ASX:GIB). The Edjudina line of workings was mined predominantly between 1897 and 1921 with multiple shafts and diggings identified over a strike length of approximately 15km, finishing approximately 1,100m from DiscovEx tenement P31/2126. Transported cover becomes progressively deeper NW of the last recorded working known as Croesus South and is likely one of the main reasons for no prospector activity within the DiscovEx tenement.

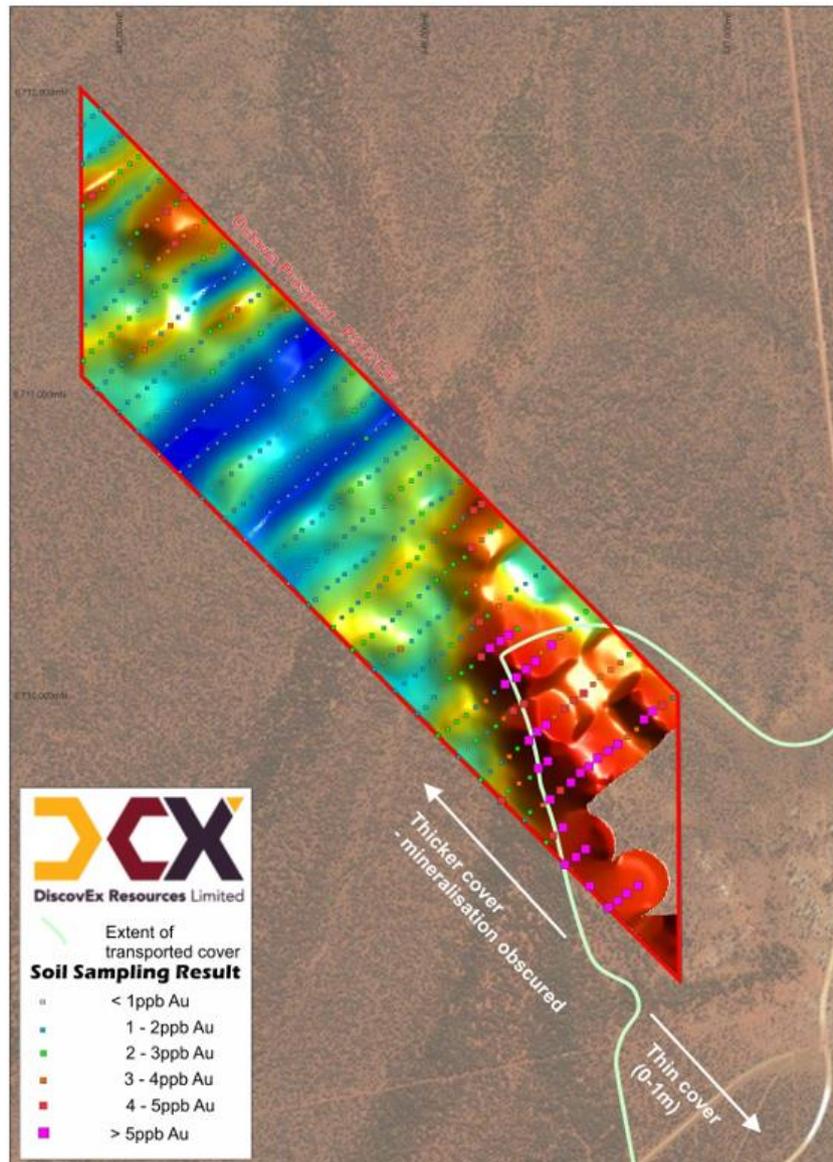


Figure 6: Sampling results returned from the Octavia Prospect

Soil Sampling – Hornet East and Jaguar

A regional soil sampling program was completed in late 2021 consisting of 759 samples on 100 x 200m and 100 x 400m spaced patterns. The program was designed to target extensions to soil anomalies generated from previous programs at both the Hornet East and Jaguar Prospects.

REVIEW OF OPERATIONS (Continued)

Results at the Hornet East Prospect show a continuous +10ppb gold anomaly, open to the south and with significant single results of 0.14g/t Au (SNS09559) and 0.10g/t Au (SNS09573). The current anomaly has been defined across multiple sample lines (both recent and historic) and extends for approximately 1.2km (refer ASX Announcement dated 25 January 2022).

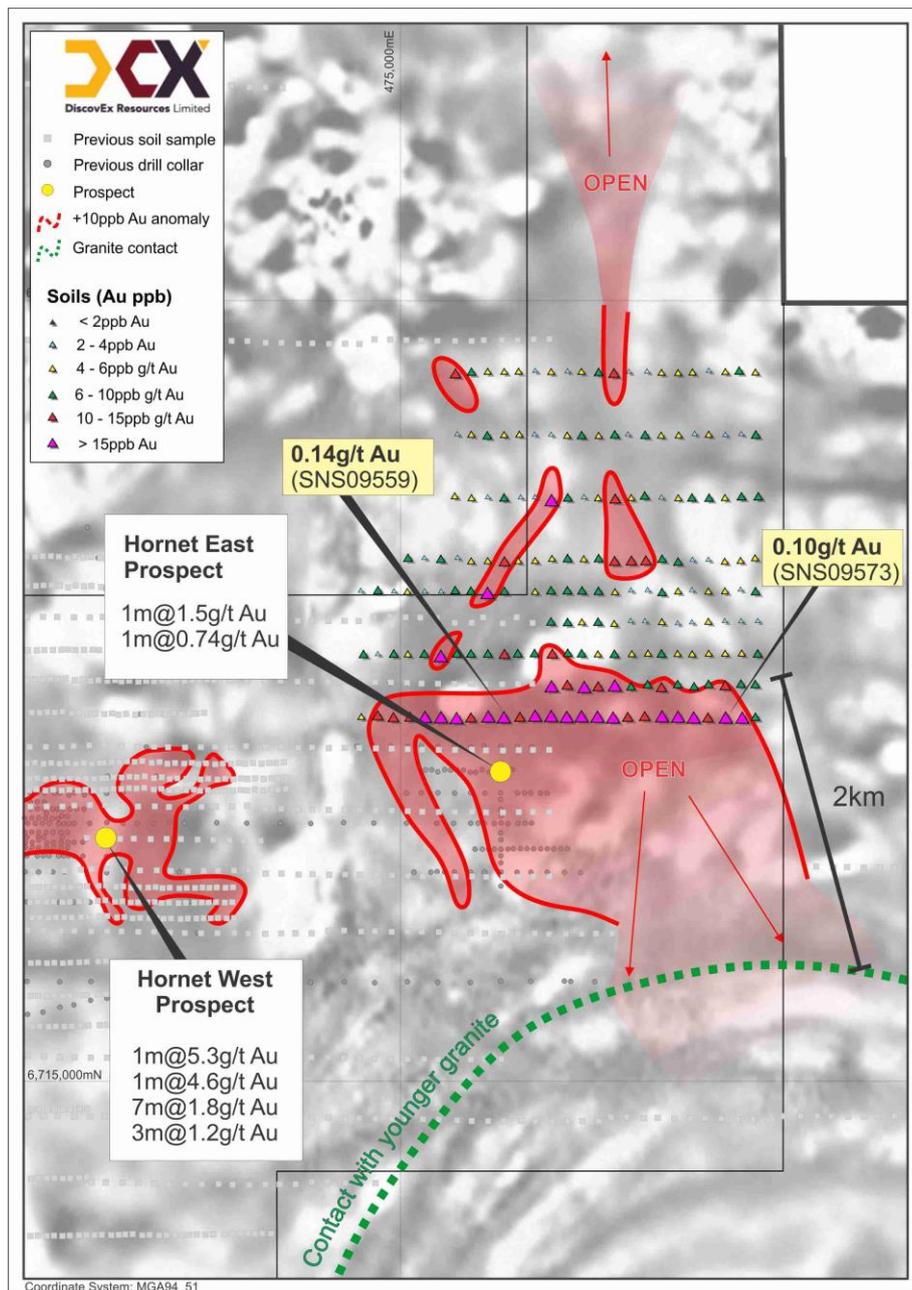


Figure 7: Location of soil assays from the Hornet East Prospect. Background image TMI RTP magnetics.

Drilling - Octavia

In late November, a total of 49 aircore drillholes for 4,403m were completed to test the Octavia anomaly with results returned including **20m @ 0.48g/t Au** from 52m including **8m @ 0.87g/t Au** (EDAC077), **16m @ 0.37g/t Au** from 80m including **4m @ 1.03g/t Au** (EDAC107) and **24m @ 0.18g/t Au** from 52m including **4m @ 0.49g/t Au** (EDAC115) (refer ASX Announcement dated 25 January 2022).

REVIEW OF OPERATIONS (Continued)

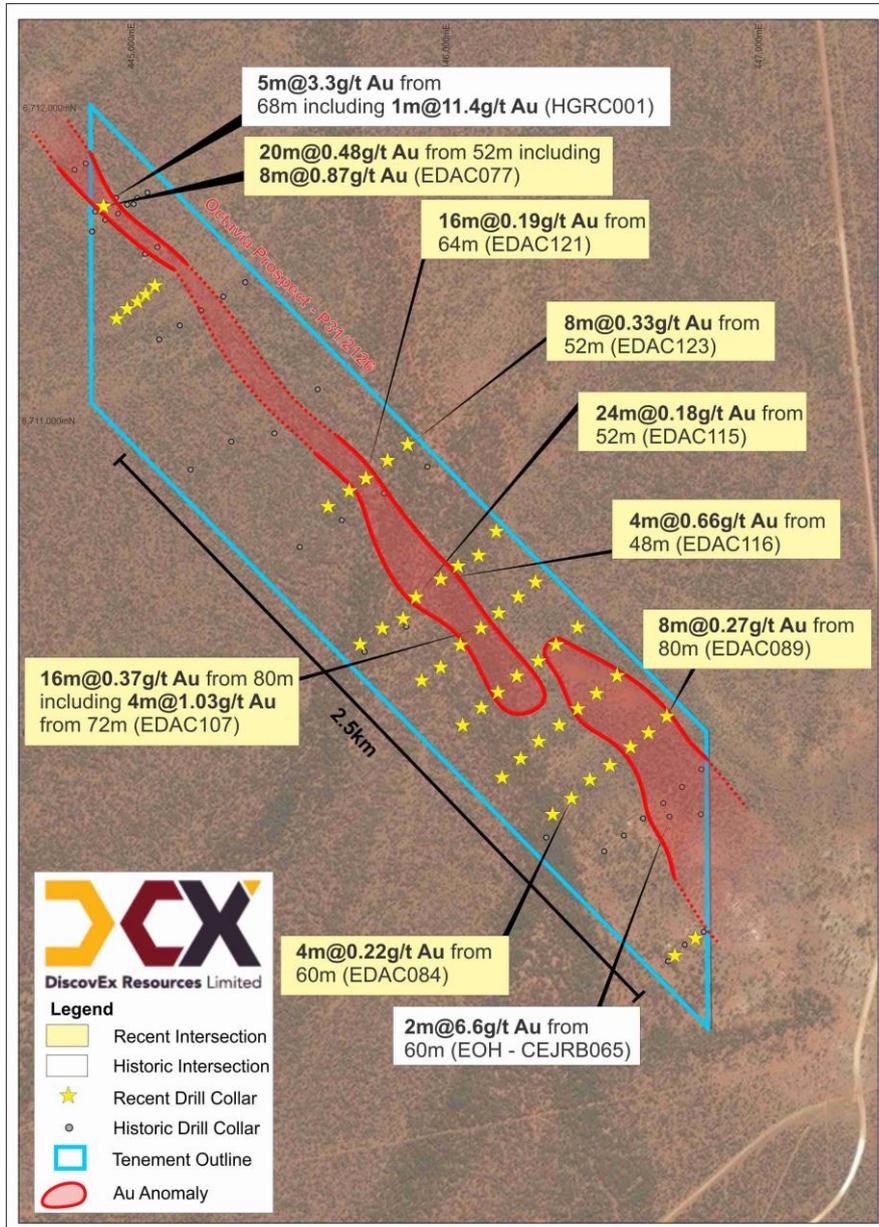


Figure 8: Drill collar positions of completed drillholes from the Octavia AC drilling program

Future Activities

Review of drill results from the Octavia AC program will be completed including investigation and interpretation of the bottom of hole multi-element samples. Regionally, ongoing activities will include continued soil sampling at the Hornet East and Jaguar Prospects.

Newington Gold Project – Southern Cross, WA

The Newington Gold Project is situated at the northern end of the Southern Cross Belt, 380km east of Perth (Figure 9). The Southern Cross Greenstone Belt is highly prospective, with nearby deposits including Ramelius Resources' (ASX: RMS) 1.1Moz Edna May Gold Mine (600Kt@0.5g/t Au for 8.9koz - Measured, 24Mt@1.0g/t Au for 800koz - Indicated and 7.6Mt@1.0g/t Au for 240koz - Inferred), as well as its recently acquired 460,000oz Tampia Hill Gold Project (390Kt@2.4g/t Au for 31koz - Measured, 7.7Mt@1.7g/t Au for 420koz - Indicated and 130kt@1.8g/t Au for 7.4koz - Inferred) and 230,000oz Marda Gold Project (360Kt@1.6g/t Au for 19koz - Measured, 2.7Mt@1.9g/t Au for 160koz - Indicated and 1.0Mt@1.5g/t Au for 50koz - Inferred)(refer RMS ASX announcement dated 10 September 2021 – Resources and Reserves Statement 2021).

REVIEW OF OPERATIONS (Continued)

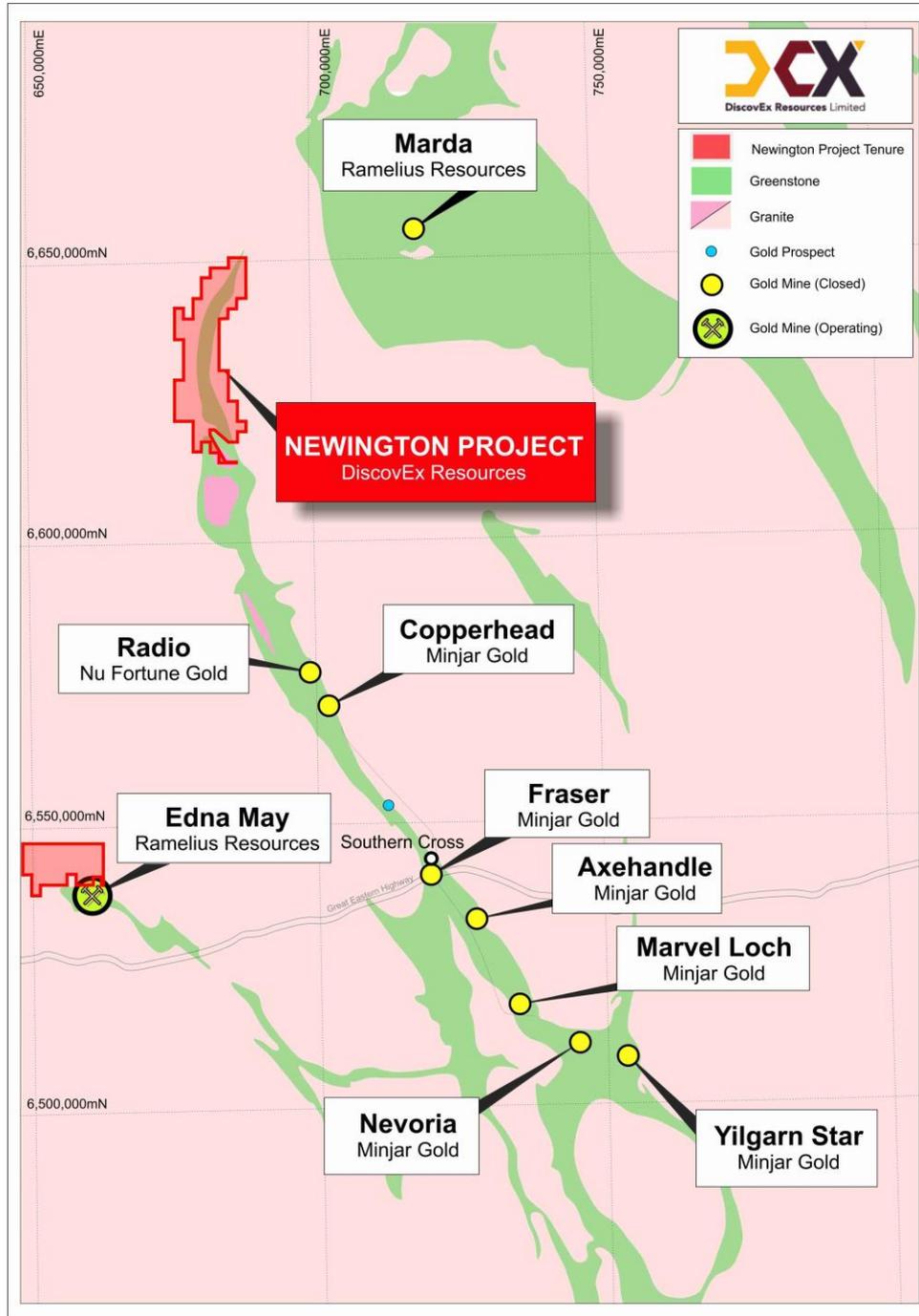


Figure 9: Regional location of the Newington Gold Project

A program of shallow geochemical auger drilling was completed at the Newington Project. Samples were planned to detect the surface projection of both the Newfield Central and Dawsons high-grade quartz lodes by sampling beneath a thin layer of transported cover (<1m). As the host structures do not have a discernible alteration/geochemical halo outside of the gold bearing quartz veins, the sample spacing was relatively close, with holes being completed on 40m centres (refer ASX Announcement dated 4 November 2021). A total of 276 samples were completed with encouraging results returned at the interpreted intersection of both the Newfield Central and Dawsons structures. A 250m long +15ppb gold anomaly has been defined, peaking at 67ppb near the interpreted intersection of both structures.

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REVIEW OF OPERATIONS (Continued)

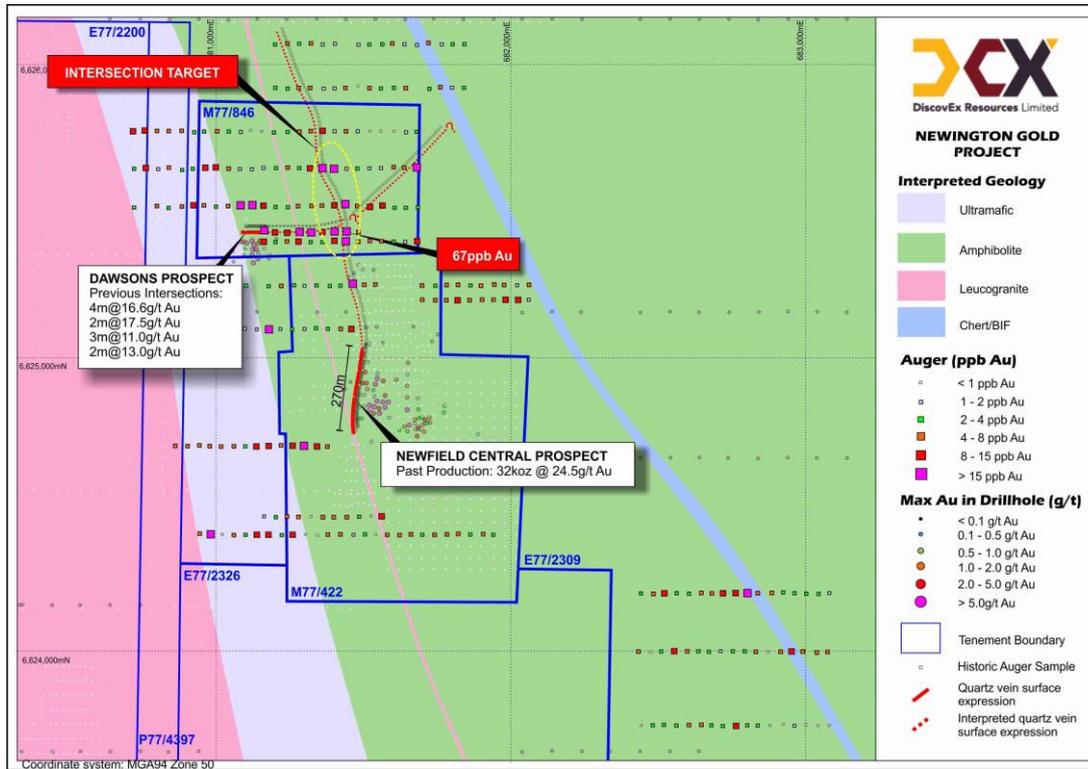


Figure 10: Location of infill soil samples collected to date. Background image TMI RTP magnetics.

Future Activities

Analysis of auger results including a multi-element assessment is to be completed.

Disposal of Monument Gold Project – Laverton, WA

On 25 August 2020, the Company announced that it had entered into a binding and exclusive Heads of Agreement with Six Sigma Metals Limited (ASX: Si6) whereby Six Sigma was granted an option to acquire a 100% interest in the Monument Gold Project. Si6 paid an up-front option fee of \$50,000 cash and \$50,000 in Si6 shares. Si6 had a 12-month option and due diligence period (refer ASX Announcement dated 25 August 2020).

Si6 exercised the option in August 2021 with DiscovEx receiving final consideration of \$400,000 which was settled via \$100,000 in cash and \$300,000 in Si6 shares at a market price of \$0.0086 per share. A total of 34,883,721 Si6 shares were issued to the Company which had a fair value of \$453,489 at the issue date. (refer ASX Announcements dated 26 July 2021 and 23 August 2021).

Southern Hub (Fountain Range) – Mt Isa, Queensland

The Greater Duchess Copper Gold Project, held by Carnaby Resources Limited (ASX:CNB or “Carnaby”) contains several tenements that are subject to a 17.5% free-carried interest held by DiscovEx and are held under a Joint Venture (“JV”) between the two parties. Carnaby are required to solely fund all costs in connection with the activities of the JV, inclusive of exploration and development until a Decision to Mine (“DTM”).

Following the presentation to the JV committee of a positive Definitive Feasibility Study (“DFS”) and a DTM is made, Carnaby will have a first right of refusal to acquire DiscovEx’s interest, equal to the fair market value. If Carnaby does not elect to acquire this interest, DCX may either contribute or dilute. If DiscovEx’s interest is diluted to less than 5%, Carnaby may at their election acquire DiscovEx’s interest for fair market value of the remaining interest.

The free carried interest includes 12 tenements, covering an area of approximately 293km² and is located approximately 100km south-east of Mt Isa in North Queensland.

REVIEW OF OPERATIONS (Continued)

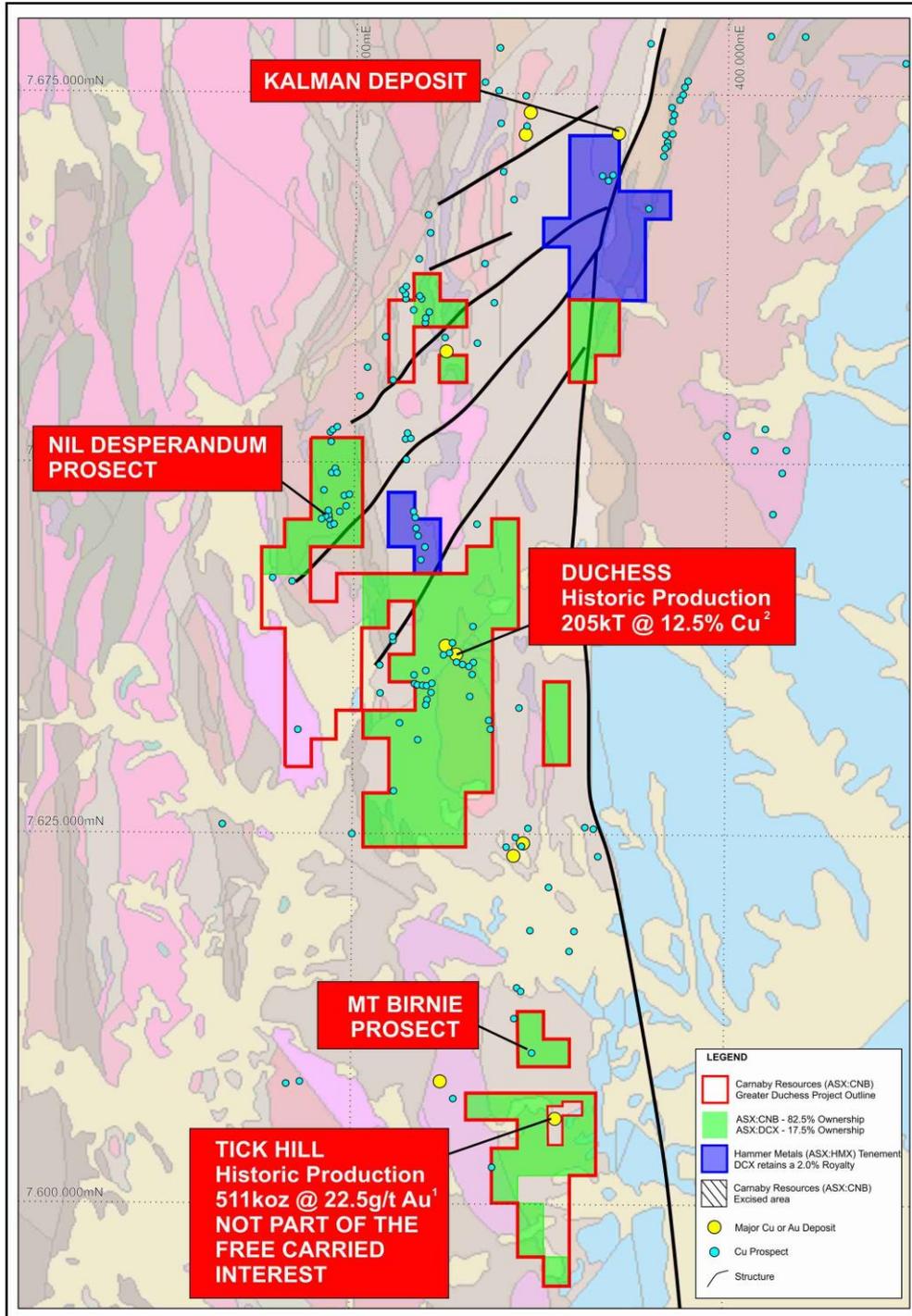


Figure 11: DiscovEx tenement interests in Queensland within Carnaby Resources Ltd and Hammer Metals Ltd.

1. Forrestal P.J. et al, 1998 (Tick Hill Gold Deposit).
2. Blake D.H. et al, 1994 BMR Bulletin 219

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REVIEW OF OPERATIONS (Continued)

Other Projects

Syndicated Royalties Pty Ltd (a 100% owned subsidiary of DiscovEx) holds a 2% NSR royalty over metals extracted from tenement EPM13870 held by Hammer Metals Limited (ASX: HMX).

Mineral Resources

The Company has an Inferred and Indicated Mineral Resource on the Prairie Downs deposit within the Sylvania Project near Newman in WA. The Indicated and Inferred Resource comprises 2,980,000 tonnes grading 4.94% Zn, 1.59% Pb and 15g/t Ag. The Prairie Downs Mineral Resource was announced by Brumby Resources Limited in May 2015 (refer ASX:BMV announcement dated 25 May 2015) and has not changed during the reporting period.

Domain	Resource Classification	tonnes	Zinc (%)	Lead (%)	Silver (ppm)
Central	Indicated	310,000	5.55	1.69	15.8
East	Indicated	930,000	6.68	1.73	22.2
Main Splay	Indicated	670,000	3.75	1.01	6.3
West	Indicated	360,000	3.88	2.24	11.8
Total Indicated		2,280,000	5.22	1.59	15.0
Central	Inferred	220,000	3.62	1.88	18.4
East	Inferred	140,000	5.81	1.73	21.1
Intermediate Splay	Inferred	90,000	4.62	1.69	22.4
Main Splay	Inferred	190,000	3.13	1.24	5.9
West	Inferred	70,000	3.51	1.17	6.8
Total Inferred		700,000	4.03	1.58	14.9
Total		2,980,000	4.94	1.59	15.0

The Company also had an Inferred Mineral Resource on the Korong deposit at the Monument Gold Project near Laverton in WA which was disposed of during the period. The Resource comprises 855,000 tonnes grading 1.8g/t for 50,000 ounces of contained gold. The Korong Mineral Resource was announced in September 2018 (refer to ASX announcement dated 10 September 2018) and did not change during the reporting period.

Mineral Resource Estimate for the Korong Deposit				
Domain	Resources Classification	tonnes	Au (g/t)	Ounces (Au)
Korong	Indicated	-	-	-
Korong U/G	Indicated	-	-	-
Total Indicated		-	-	-
Korong	Inferred	650,000	1.6	33,000
Korong U/G	Inferred	205,000	2.5	17,000
Total Inferred		855,000	1.8	50,000
Total		855,000	1.8	50,000

The preceding statements of Mineral Resources conform to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. Minor discrepancies may occur due to rounding to appropriate significant figures.

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REVIEW OF OPERATIONS (Continued)

Mineral Resource Governance Arrangements

The Company ensures that all Mineral Resource calculations are subject to appropriate levels of governance and internal controls. Exploration results are collected and managed by competent qualified geologists and overseen by the Exploration Manager. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource estimates are prepared by qualified Competent Persons and further verified by the Company's technical staff. If there is a material change in the estimate of a Mineral Resource the estimate and supporting documentation is reviewed by a suitably qualified independent Competent Person.

Approval of Mineral Resource Statements

The Company reports its Mineral Resources on an annual basis in accordance with the JORC Code 2012 Edition. The Mineral Resources Statements are based on, and fairly represent, information and supporting documentation prepared by competent and qualified professionals and are reviewed by the Company's technical staff.

The Mineral Resource Estimate for the Prairie Downs Zn-Pb-Ag Deposit is based on and fairly represents information prepared by Mr Mark Drabble, a competent person who is a Member of the Australasian Institution of Mining and Metallurgy. Mr Drabble is an employee of Optiro Pty Ltd. Mr Drabble has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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 (the "JORC Code"). Mr Drabble consented to the inclusion of the Statement in the form and context in which it appears in the announcement dated 18 January 2021 which has not changed.

The Mineral Resource Estimate for the Korong Deposit is based on and fairly represents information prepared by Mr Matthew Karl BSc/MSc a full-time employee of Mining Plus Pty Ltd who acted as an independent consultant on the Korong Deposit Mineral Resource estimation. Mr Karl is a competent person as defined under the 2012 JORC Code and consented to the inclusion of the Statement in the form and context in which it appears in the Resource announcement dated 10 September 2018 which has not changed.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information 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 Managing Director 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.

The forward looking statements in this report are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this announcement. Forward looking statements generally (but not always) include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

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REVIEW OF OPERATIONS (Continued)

Corporate

Expiry of Options

On 30 August 2021 a total of 13,666,666 unlisted options with exercise prices ranging between \$0.0226 and \$0.0312 expired.

Issue of Options

At the Company's AGM held on 7 October 2021, shareholders approved the issue of 33,000,000 unlisted options to directors and a former director with an expiry date of 14 October 2025. The Tranche 1 options (16,500,000 options) have a vesting date of 14 April 2022 and an exercise price of \$0.00725 and the Tranche 2 options (16,500,000 options) have a vesting date of 14 April 2023 and an exercise price of \$0.0095. The options were issued on 14 October 2021.

On the same date the Company issued 20,500,000 unlisted options in two tranches with the same terms as detailed above to staff and consultants under the Employee Equity Incentive Plan.

Annual General Meeting

The Company's 2021 Annual General Meeting was held on 7 October 2021. All 9 resolutions received strong support and were passed via poll.

Change of Share Registry

On 19 July 2021 the Company changed its provider for shareholder registry services from Computershare to Automic Pty Ltd.

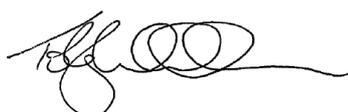
EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen subsequent to 31 December 2021 that has significantly affected, or may significantly affect the operations or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s307C of the *Corporations Act 2001* is set out on page 18 for the half year ended 31 December 2021.

Signed in accordance with a resolution of the Board of Directors.



Toby Wellman
Managing Director

4 February 2022

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DISCOVEX RESOURCES LIMITED

In relation to our review of the financial report of DiscovEx Resources Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS
PARTNER

4TH FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA

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**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	31 December 2021 \$	31 December 2020 \$
Revenue from continuing operations			
Interest income		160	2,411
Sundry income	3	15,581	41,038
Gain on fair value of financial asset	7	53,721	243,714
		69,462	287,163
Expenses			
Depreciation		(32,574)	(2,918)
Employee benefits expense		(155,711)	(50,841)
Exploration expenditure written off	8	(403,509)	(330,560)
Share based payments	10	(88,329)	(35,306)
Loss on disposal of tenements		-	(37,022)
Finance cost		(3,515)	-
Other expenses	4	(204,771)	(256,155)
		(888,409)	(712,802)
Loss before income tax from continuing operations		(818,947)	(425,639)
Income tax (expense)/benefit		-	-
		-	-
Profit/(Loss) from continuing operations		(818,947)	(425,639)
Profit after income tax expense from discontinuing operation	5	550,239	88,460
Profit/(Loss) for the period		(268,708)	(337,179)
Other comprehensive income			
Other comprehensive income (net of tax)		-	-
		-	-
Total comprehensive profit/(loss) for the period		(268,708)	(337,179)
Earnings per share			
		Cents	Cents
Basic and diluted loss per share from continuing operations		(0.03)	(0.04)
Basic and diluted profit per share from discontinued operation		0.02	0.01

The accompanying notes form part of these financial statements

**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31 December 2021 \$	30 June 2021 \$
CURRENT ASSETS			
Cash and cash equivalents		2,651,443	3,960,555
Financial asset at fair value through profit or loss	7	964,669	457,459
Trade and other receivables		111,618	71,415
TOTAL CURRENT ASSETS		3,727,730	4,489,429
NON CURRENT ASSETS			
Property, plant and equipment		138,455	100,490
Right-of-use Asset		127,218	157,956
Exploration and evaluation costs	8	4,589,900	3,921,130
TOTAL NON CURRENT ASSETS		4,855,573	4,179,576
TOTAL ASSETS		8,583,303	8,669,005
CURRENT LIABILITIES			
Trade and other payables		282,332	183,600
Lease liability		62,507	46,855
Provisions		35,780	23,534
TOTAL CURRENT LIABILITIES		380,619	253,989
NON CURRENT LIABILITIES			
Lease liability		73,118	105,071
TOTAL NON CURRENT LIABILITIES		73,118	105,071
TOTAL LIABILITIES		453,737	359,060
NET ASSETS		8,129,566	8,309,945
EQUITY			
Issued capital	9	35,595,287	35,595,287
Share based payments reserve	10	335,693	406,265
Accumulated losses		(27,801,414)	(27,691,607)
TOTAL EQUITY		8,129,566	8,309,945

The accompanying notes form part of these financial statements.

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ABN 61 115 768 986**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	35,595,287	406,265	(27,691,607)	8,309,945
Loss for the period	-	-	(268,708)	(268,708)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(268,708)	(268,708)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
Lapse of options upon expiry	-	(158,901)	158,901	-
Fair value of options recognised	-	88,329	-	88,329
Balance at 31 December 2021	35,595,287	335,693	(27,801,414)	8,129,566
Balance at 1 July 2020	28,157,930	255,040	(26,948,350)	1,464,620
Loss for the period	-	-	(337,179)	(337,179)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(337,179)	(337,179)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	1,507,219	-	-	1,507,219
Share issue costs	(206,893)	-	-	(206,893)
Fair value of options recognised	-	143,629	-	143,629
Balance at 31 December 2020	29,458,256	398,669	(27,285,529)	2,571,396

The accompanying notes form part of these financial statements.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(388,044)	(275,861)
Payments for exploration and evaluation	(907,890)	(803,289)
Interest received	160	315
Sundry income	15,581	121,158
	<hr/>	<hr/>
Net cash used in operating activities	(1,280,193)	(957,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tenements	(50,000)	-
Purchase of property, plant and equipment	(55,871)	(8,568)
Net proceeds from disposal of subsidiary	96,770	-
	<hr/>	<hr/>
Net cash used in investing activities	(9,101)	(8,568)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,507,219
Capital raising costs	-	(98,570)
Repayment of lease liabilities	(19,818)	-
	<hr/>	<hr/>
Net cash from/(used in) financing activities	(19,818)	1,408,649
Net increase/(decrease) in cash and cash equivalents held	(1,309,112)	442,404
Cash and cash equivalents at beginning of period	3,960,555	909,506
	<hr/>	<hr/>
Cash and cash equivalents at end of period	2,651,443	1,351,910
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 1. REPORTING ENTITY

The financial report of DiscovEx Resources Limited and its controlled entities for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 4 February 2022.

DiscovEx Resources Limited (the “Company”) is a company limited by shares, incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The consolidated interim financial report of the Company for the six months ended 31 December 2021, comprises the Company and its subsidiaries (the “Group”).

The principal activity of the Group during the half year was exploration for and evaluation of minerals.

The consolidated financial statements of the Group as at and for the year ended 30 June 2021 are available upon request or can be downloaded from the Australian Securities Exchange website.

NOTE 2. BASIS OF PREPARATION

a) Statement of compliance

The half year financial report is a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 ‘Interim Financial Reporting’ as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 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.

b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

c) New or amended accounting standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no impact on the financial report from adopting these pronouncements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 2. BASIS OF PREPARATION (Continued)

d) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether there are impairment indicators. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

e) Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, significant judgment made by management in applying the consolidated entity's accounting policies and key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2021.

f) 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, being the Board. The Board is responsible for the allocation of resources to operating segments and assessing their performance.

g) Going concern

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a net loss after tax of \$268,708 for the period ended 31 December 2021 (31 December 2020: \$337,179). As at 31 December 2021 the Group had net assets of \$8,129,566 (30 June 2021: \$8,309,945) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2021 the Group had \$2,651,443 (30 June 2021: \$3,960,555) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. Should the Group be unable to raise additional funds, there is a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. As at 31 December 2021 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Group be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Group not continue as a going concern.

**DISCOVEX RESOURCES LIMITED
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**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 3: SUNDRY INCOME

	31 December 2021	31 December 2020
	\$	\$
Exploration Incentive Scheme grant	9,691	38,765
Other income	5,890	2,273
	<u>15,581</u>	<u>41,038</u>

NOTE 4: OTHER EXPENSES

Accounting and professional services	84,042	125,342
Legal fees	9,383	34,363
Occupancy expenses	27,437	9,000
Other administrative expenses	83,909	87,450
	<u>204,771</u>	<u>256,155</u>

NOTE 5: DISCONTINUED OPERATION

On 23 August 2021, Si6 Metals Limited (ASX: Si6) completed the acquisition of a 100% interest in the Monument Gold Project via the purchase of 100% of the issued capital of Monument Exploration Pty Ltd. The final consideration amount of \$400,000 was settled via \$100,000 in cash and \$300,000 in Si6 shares at a market price of \$0.0086 per share. A total of 34,883,721 Si6 shares were issued to the Company which had a fair value of \$453,489 as at the date of issue. The transaction resulted in a profit on sale before income tax of \$550,259.

Financial performance information

	31 December 2021	31 December 2020
	\$	\$
Other revenue – option fee over Monument Gold Project	-	100,000
Total revenue	<u>-</u>	<u>100,000</u>
Administrative expenses	(20)	(918)
Exploration expenditure impairment	-	(10,622)
Total expenses	<u>(20)</u>	<u>(11,540)</u>
Profit/(Loss) for the period	<u>(20)</u>	<u>88,460</u>
Profit on disposal	<u>550,259</u>	<u>-</u>
Profit from discontinued operation	<u>550,239</u>	<u>88,460</u>

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

NOTE 5: DISCONTINUED OPERATION (Continued)

Cash flow information

	31 December 2021	31 December 2020
	\$	\$
Net cash used in operating activities	(20)	(11,540)
Net cash from investing activities	96,770	-
Net increase/(decrease) in cash and cash equivalents from discontinued operation	96,750	(11,540)

Carrying amounts of assets and liabilities disposed

Cash and cash equivalents	3,230	-
Total assets	3,230	-
 Total liabilities	 -	 -
Net assets	3,230	-

Details of the disposal

Total sale consideration	553,489	-
Carrying amount of net assets disposed	(3,230)	-
Profit on disposal before income tax	550,259	-

NOTE 6: OPERATING SEGMENTS

The Group operates in the mineral exploration industry. For management purposes the Group is organised into one main operating segment which involves the exploration of minerals. All of the Group's activities are interrelated and financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon an analysis of the Group as one segment. The financial results and financial position from this segment are largely equivalent to the financial statements of the Group as a whole.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 7: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2021 \$	30 June 2021 \$
Listed ordinary shares – designated at fair value through profit or loss	964,669	457,459
	964,669	457,459

Reconciliation

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

Opening fair value	457,459	70,000
Additions	453,489	170,000
Disposals	-	-
Revaluation increments	53,721	217,459
Closing fair value	964,669	457,459

On 23 August 2021, SI6 Metals Limited (ASX: Si6) completed the acquisition of a 100% interest in the Monument Gold Project via the purchase of 100% of the issued capital of Monument Exploration Pty Ltd. The final consideration amount of \$400,000 was settled via \$100,000 in cash and \$300,000 in SI6 shares at a market price of \$0.0086 per share. A total of 34,883,721 SI6 shares were issued to the Company which had a fair value of \$453,489 as at the issue date.

NOTE 8: EXPLORATION AND EVALUATION ASSETS

Exploration expenditure capitalised	4,589,900	3,921,130
Movement in carrying value:		
Opening balance	3,921,130	610,737
Carrying value of tenements disposed of	-	(157,022)
Acquisition of Lighthouse Resource Holdings Pty Ltd	-	2,215,145
Exploration expenditure capitalised during the period	1,072,279	1,779,064
Exploration expenditure written off during the period	(403,509)	(516,172)
Exploration expenditure impaired during the period	-	(10,622)
Closing balance	4,589,900	3,921,130

On 23 August 2021, SI6 Metals Limited (ASX: Si6) completed the acquisition of a 100% interest in the Monument Gold Project via the purchase of 100% of the issued capital of Monument Exploration Pty Ltd. The capitalised exploration expenditure related to the Monument Gold Project was fully impaired and written off in prior periods.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 9: ISSUED CAPITAL

	31 December 2021 \$	30 June 2021 \$
(a) Issued and fully paid shares - at beginning of period	35,595,287	28,157,930
Additions during period	-	8,009,719
Less: capital issue costs net of tax	-	(572,362)
	<u>35,595,287</u>	<u>35,595,287</u>
 (b) Movements in issued and fully paid shares (ASX: DCX)		
	Number of shares	\$
Balance at the beginning of the period	2,568,664,076	35,595,287
Shares issued	-	-
Less: capital issue costs	<u>-</u>	<u>-</u>
Balance at the end of the period	<u>2,568,664,076</u>	<u>35,595,287</u>
	31 December 2021 \$	30 June 2021 \$

NOTE 10: SHARE BASED PAYMENT RESERVE

(a) Share Based Payment Reserve	<u>335,693</u>	<u>406,265</u>
 (b) Movement in share based payment reserve		
	Options (Number)	\$
Balance at the beginning of the period	160,228,213	406,265
Additions	53,500,000	88,329
Expired	<u>(13,666,666)</u>	<u>(158,901)</u>
Balance at the end of the period	<u>200,061,547</u>	<u>335,693</u>

No options vested during the current period.

**DISCOVEX RESOURCES LIMITED
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**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 10: SHARE BASED PAYMENT RESERVE (Continued)

Terms and conditions of options issued during period

The fair value of the options granted during the period have been calculated using the Black Scholes option valuation model which has utilised the following assumptions:

Grant date/Issued to	Number of instruments	Exercise price (cents)	Fair value \$	Share Price \$	Contractual life of options (years)	Volatility %	Risk free rate (%)	Vesting date
Options granted to directors, staff and consultants - 7 Oct 2021	26,750,000	0.725	121,515	0.005	4.0	176.32	1.08	14/04/22
Options granted to directors, staff and consultants – 7 Oct 2021	26,750,000	0.95	119,845	0.005	4.0	176.32	1.08	14/04/23
Total	<u>53,500,000</u>		<u>241,360</u>					

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	31 December 2021 \$	31 December 2020 \$
Options issued and/or vested	<u>88,329</u>	<u>35,306</u>
	<u>88,329</u>	<u>35,306</u>

There were no capital issue costs arising from share-based payment transactions that have been recognised as a reduction of Issued Capital during the period.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 11: FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Fair value hierarchy

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

31 December 2021	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	964,669	-	-	964,669
	964,669	-	-	964,669
30 June 2021	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	457,459	-	-	457,459
	457,459	-	-	457,459

Assets held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial year.

NOTE 12: DIVIDENDS

No dividend has been paid or provided for during the half-year ended 31 December 2021.

NOTE 13: CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent assets and liabilities since the last annual reporting date.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen subsequent to 31 December 2021 that has significantly affected, or may significantly affect the operations or the state of affairs of the Group in future financial years.

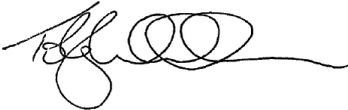
**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 61 115 768 986**

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Toby Wellman
Managing Director

4 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DISCOVEX RESOURCES LIMITED

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of DiscovEx Resources Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2021, or during the half year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.'

Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 2 (g) in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$268,708 during the half year ended 31 December 2021 and operating cash out flows of \$1,280,193. These conditions, along with other matters as set out in Note 2 (g), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

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Independence

We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

The Directors of the company are responsible for the preparation of the interim 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 controls as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year 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.



PKF PERTH



SHANE CROSS
PARTNER

4TH FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA