



ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

26 October 2022

## September 2022 Quarterly Activities Report

### Highlights

- **Sylvania Project.**
  - AC drilling completed at Peak, Dingo, Bondinis and Hilditch Prospects.
  - Priority structural and geochemical targets generated at Contact.
- **Edjudina Project.**
  - Gravity Survey confirms prospectivity of Spartan anomaly.
  - Maiden drilling initiated to test Spartan anomaly.
  - Additional soil anomalies generated.
- **Carnaby JV – Greater Duchess Project.**
  - IP anomalies generated at Lady Fanny North/South and Lady Don.

## Putting the Explore back into Modern Exploration

### EXPLORATION AND EVALUATION

DiscovEx Resources Limited (“**DiscovEx**” or the “**Company**”) continued its greenfield exploration approach within the quarter with activities progressing at the Sylvania and Edjudina Projects.

Further drilling and geophysical activities continued at the Greater Duchess Project (QLD), within the Joint Venture (“**JV**”) between Carnaby Resources Limited (**ASX:CNB** or “**Carnaby**”) and DiscovEx. DiscovEx holds a 17.5% interest in the Greater Duchess tenements and is free carried through to a decision to mine.

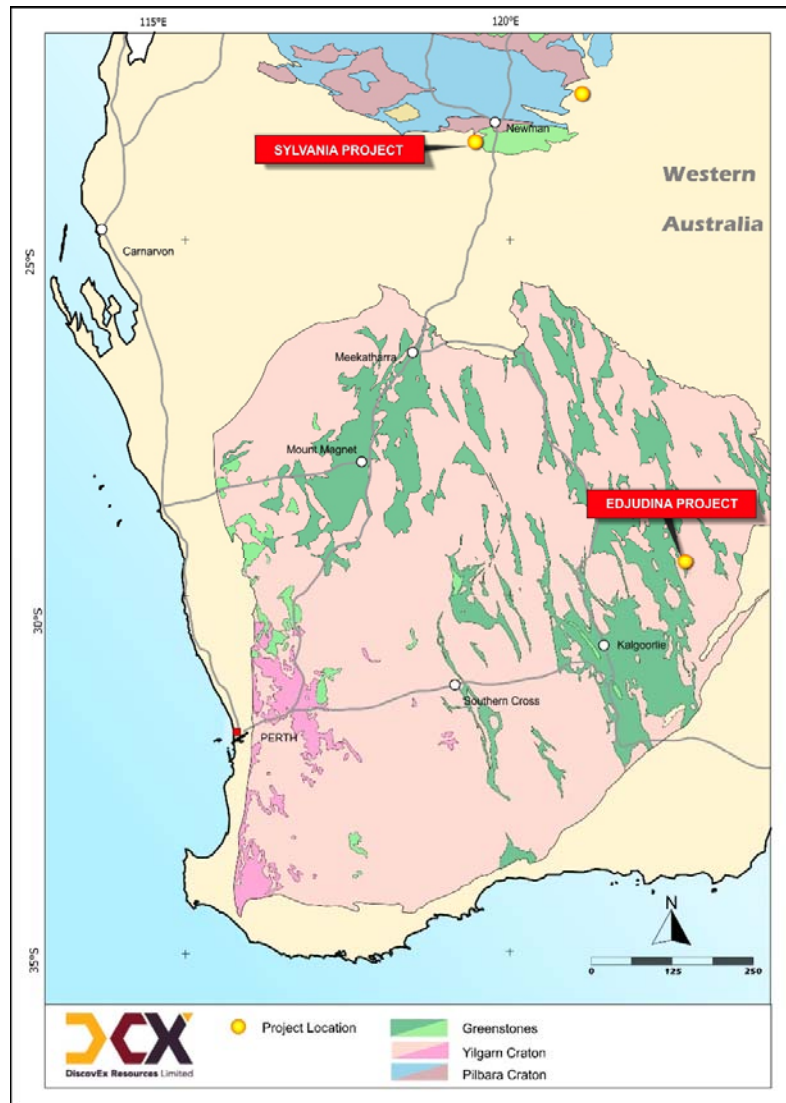


Figure 1: DiscovEx Resources Limited Project locations

## SYLVANIA PROJECT

Quarterly activities included the completion of drilling activities at the Sylvania Project, including the testing of multiple prospect areas (Peak, Dingo, Bondinis, Carneys and Hilditch). A total of 109 holes for 6,060m were completed with the program representing the first ever drilling completed in the area, specific for gold and base metals.

Significant gold results included 4m@76ppb Au (SYAC005) and 4m@68ppb Au (SYAC040) (refer previous announcement – 23/09/2022 “Sylvania Exploration Update”), which have highlighted a number of key structures which may potentially influence gold deposition within the Archaean basement and Fortescue-age rocks. Drilling also provided much needed and very useful information with respect to the complex regolith regime in the Northern Sylvania Dome. This information has enabled Discovex to prioritise a number of recently generated geochemical targets, including the high

priority Contact prospect, for future drilling programs once the relevant heritage and statutory approvals can be obtained.

In addition, a number of significant base metal intersections were returned including 1m@0.15% Ni and 0.03% Co (SYAC067) and 4m@0.11% Ni (SYAC064) from a previously unrecognised older Archaean ultramafic unit, and 4m@0.12% Cu (SYAC092) and 4m@0.26% Zn (SYAC091) from weathered chert and dolerite within the Fortescue sequence.

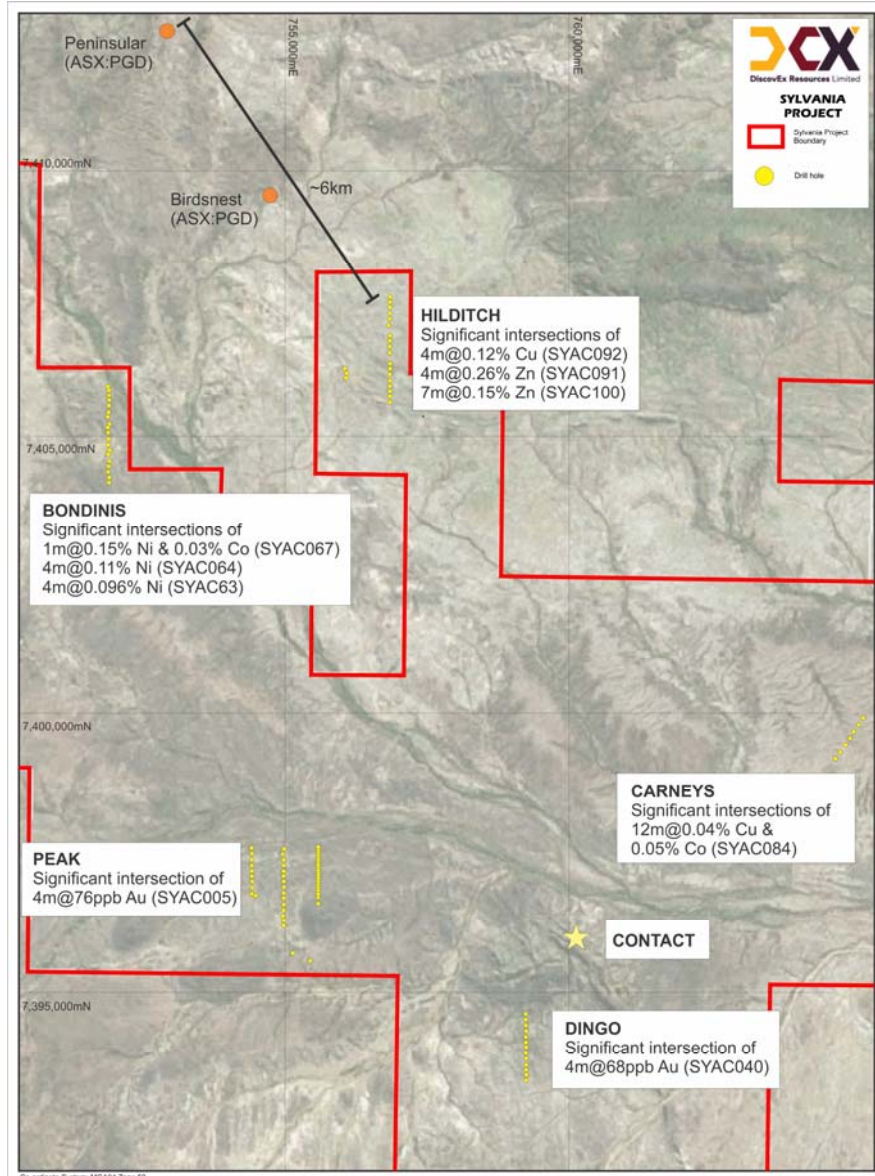


Figure 2: Drillhole locations from aircore drilling program at Sylvania

In conjunction with the aircore drilling, a regional mapping exercise was completed by Lithify Consulting which identified a significant fuchsite altered shear zone coincident with a number of elevated gold/arsenic/antimony/silver in soil results up to 55ppb Au/34ppm As/0.56ppm

Sb/0.38ppm Ag at the Contact Prospect (*previously announced on 23<sup>rd</sup> May 2022 – “New geochemical anomalies light up Sylvania Project”*). This partially outcropping structure is the likely source of gold and pathfinder element anomalism at Contact, with this potentially significant fluid pathway now defined over a strike length of ~2.5km, before being obscured by transported cover to the northwest. This target area will be the subject of a future Heritage survey in preparation for drill testing, anticipated to be completed by the end of the calendar year.



*Figure 3: Fuchsite altered shear zone mapped within felsic sediments*

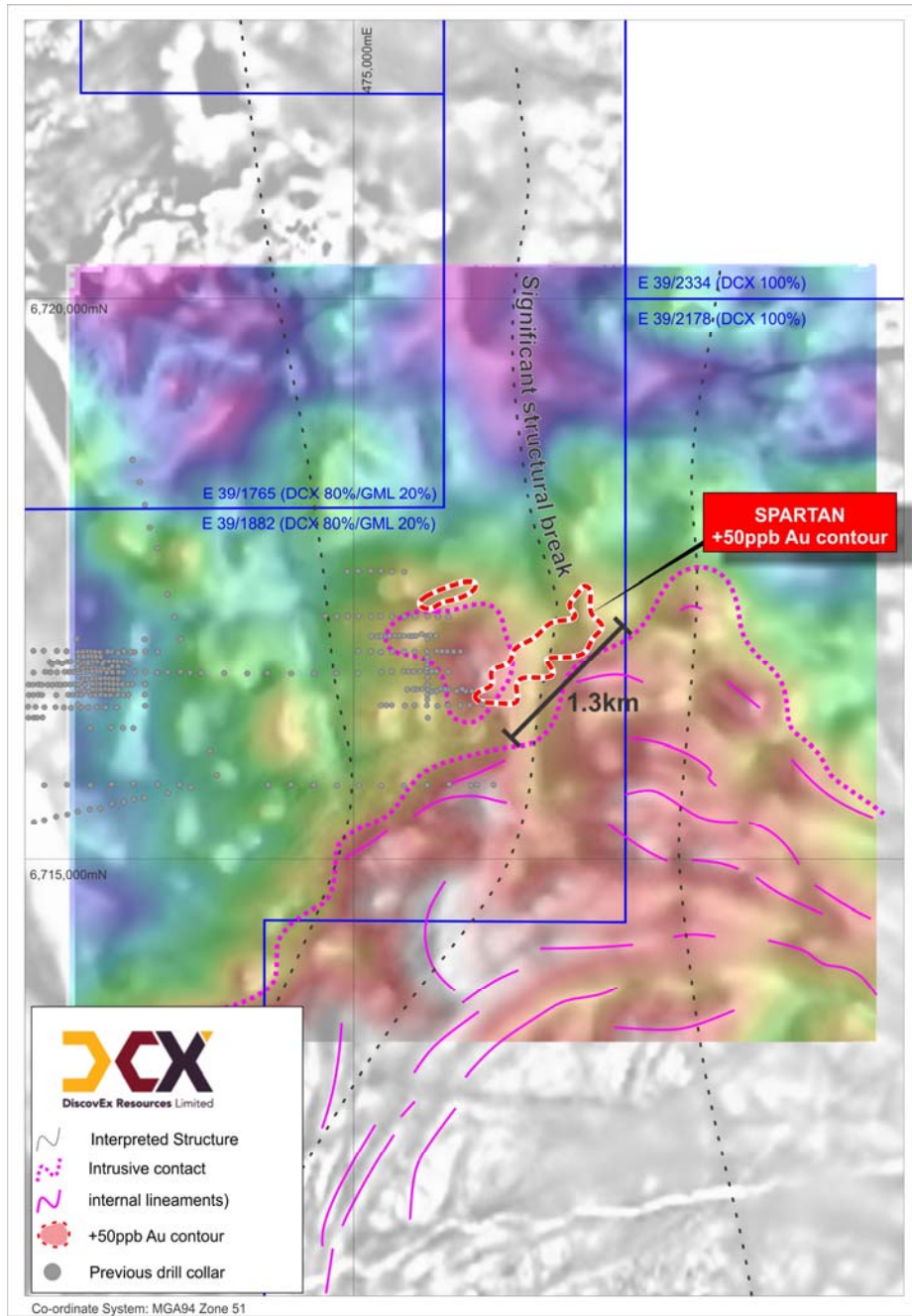
### **Future Activities**

Rock chip sampling of the Contact shear zone has been completed and a heritage request submitted to traditional owners for clearance of drill sites. Several additional key tenements are progressing through the application phase of the tenement grant process with planned activities to be scheduled once completed.

## **EDJUDINA PROJECT**

### **Spartan Prospect**

Following the identification of the Spartan anomaly through systematic soil sampling (*refer announcement dated 5<sup>th</sup> May 2022 – “Surface sampling defines exceptional target at Edjudina”*), a 200 x 200m gravity survey, centred on the Spartan anomaly was completed (*refer announcement dated 25<sup>th</sup> August 2022 – “Gravity Survey at Edjudina”*) to provide detailed context around the geological setting of the prospect area, complementing the existing detailed magnetics. Interpretation of the geophysical information confirmed the location of a large, intrusive body to the south of the anomaly as well as a smaller, potentially structurally displaced intrusive body to the west of the anomaly (**Figure 4**). Together with the elevated geological confidence, the gravity survey has also provided complimentary information around the presence of large-scale north-south structural breaks that appear to wrap around the younger intrusive body to the south.



**Figure 4: Plan view of the Spartan 50ppb Au anomaly relative to bouguer gravity image (colour) and magnetics (black and white image TMI RTP 1VD)**

Drilling of the generated anomaly was initiated during the quarter with initial results released subsequent to the end of the quarter. Results returned identified gold mineralisation across multiple horizons, the first being within carbonate rich sandy soils at surface (0-8m), repeating the original surface geochemical anomaly. Elevated gold results have also been returned from a shallow, quartz gravel (+silcrete) paleochannel at or close to the base of transported material (~32-40m) and more significantly, anomalous gold (and copper) values have also been intersected

within in-situ bedrock material beneath the paleochannel gold results (*refer announcement dated 24<sup>th</sup> October 2022 – “Bedrock and paleochannel gold intersected at Spartan”*).

Completed holes were drilled on 200 x 50m and 200 x 100m centres, with drilling focussed on penetrating the transported cover sequence to obtain samples of the weathered bedrock. Significant gold results returned from the initial 37 holes within the broader program include 4m@2.1g/t Au from 32m within 12m@0.83g/t Au from 28m (SPAC017), 4m@0.95g/t Au from 32m within 16m@0.46g/t Au from 28m (SPAC029) and 4m@0.64g/t Au from 36m (SPAC025).

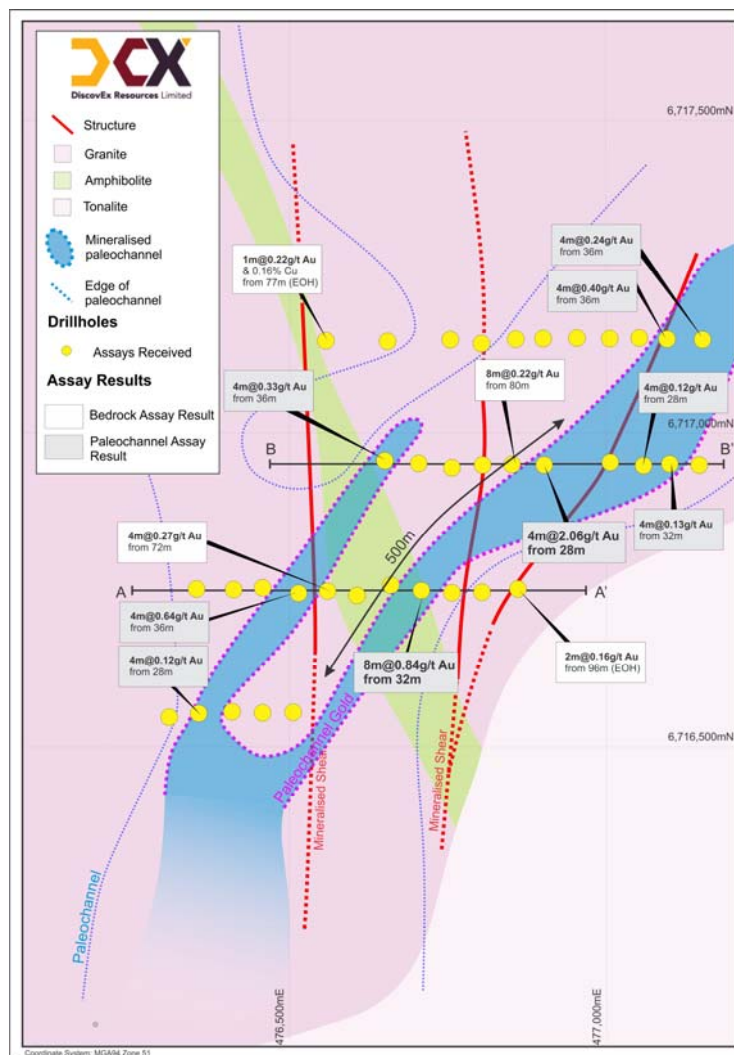


Figure 5: Significant intersections from weathered bedrock and paleochannel mineralisation.

### **Future Activities**

Results from the ongoing AC drill program at the Spartan anomaly will be announced to the market once available.

## OTHER INTERESTS

### Free Carried Interests - Carnaby Resources Limited

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 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 must acquire DiscovEx’s interest for fair market value of the remaining interest.

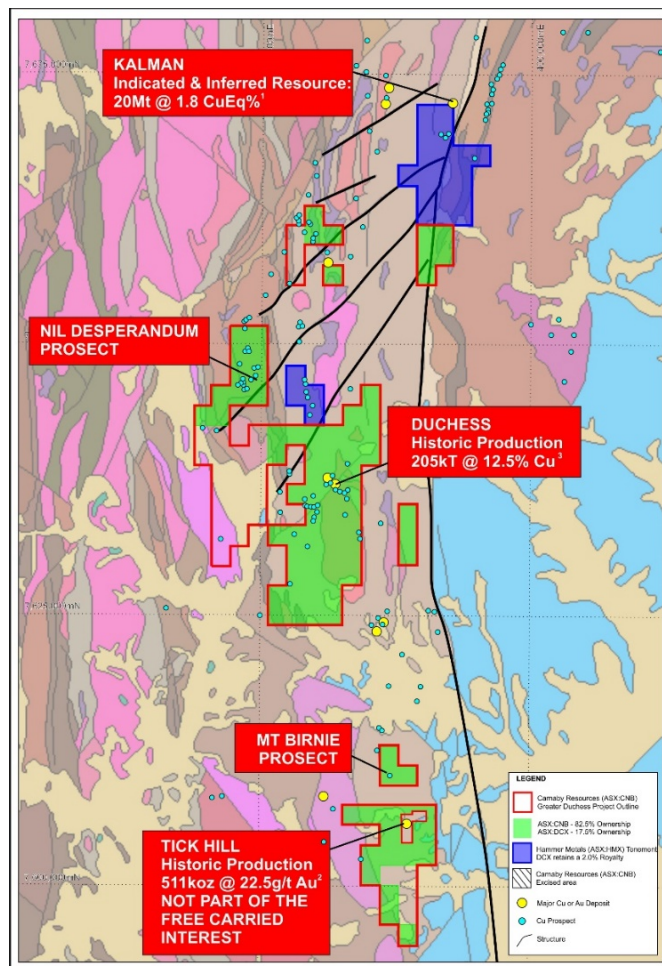


Figure 6: DiscovEx tenement interests in Queensland within Carnaby Resources Ltd and Hammer Metals Ltd.

1. Refer Hammer Metals announcement dated the 27<sup>th</sup> September 2016 (Kalman Resource Update).
2. Forrester P.J. et al, 1998 (Tick Hill Gold Deposit).
3. Blake D.H. et al, 1994 BMR Bulletin 219

The free carried interest includes 12 tenements, covering an area of approximately 293km<sup>2</sup> and is located approximately 100km south-east of Mt Isa in North Queensland. In addition to the Carnaby interest, DiscovEx also holds a 2% royalty over Hammer Metals Ltd (ASX: HMX) held tenement EPM13870, which contains a portion of the Kalman Deposit including the down-plunge extent. Tenement locations are shown in **Figure 6**.

### Equity Positions

The Company currently has a portfolio of ASX listed stocks, listed below:

Midas Minerals Ltd (ASX:MM1): DiscovEx holds 2,693,639 shares in ASX listed Midas Minerals Ltd. This equity position was established following the sale of the Newington Project, executed on the 30<sup>th</sup> of June 2022.

Six Sigma Metals (ASX:SI6): DiscovEx holds 39,979,997 shares in ASX listed Six Sigma Metals. This equity position was established following the sale of the Monument Project, executed on the 23<sup>rd</sup> of August 2021.

Dreadnought Resources Limited (ASX:DRE): DiscovEx holds 10,000,000 shares in ASX listed Dreadnought Resources.

OreCorp Limited (ASX:ORR): DiscovEx holds 184,615 shares in ASX listed OreCorp Limited. This equity position was established following the sale of various tenements in the Edjudina region of Western Australia, executed on the 17<sup>th</sup> of December 2020.

Solstice Minerals Limited (ASX:SLS): DiscovEx holds 18,563 shares in ASX listed Solstice Minerals Limited. This equity position was established following an in-specie distribution to existing OreCorp shareholders on the 1<sup>st</sup> of May 2022.

### CORPORATE

#### Rights Issue, Option Expiry and Changes to Capital Structure

In July 2022 the Company issued 733,904,022 fully paid ordinary shares pursuant to the Prospectus in respect to the 2 for 7 non-renounceable rights issue at \$0.004 to raise up to \$2,935,616 (before costs) announced to ASX on 20 June 2022.

During the quarter the following unlisted options expired without exercise:

Number	Exercise Price	Expiry Date
20,000,000	\$0.013	20 AUGUST 2022
1,666,666	\$0.0135	9 SEPTEMBER 2022
1,666,667	\$0.0158	9 SEPTEMBER 2022
1,666,667	\$0.018	9 SEPTEMBER 2022



The Company's capital structure after issue and expiry of these securities is now as follows:

<b>Quoted Securities</b>	<b>Number</b>
Fully paid ordinary shares (DCX)	3,302,568,098

<b>Unquoted Securities</b>	<b>Number</b>
Unlisted Options EXERCISE PRICE \$0.02 EXPIRING 9 DECEMBER 2022	62,561,547
Unlisted Options EXERCISE PRICE \$0.017 EXPIRING 1 DECEMBER 2023	16,000,000
Unlisted Options EXERCISE PRICE \$0.0225 EXPIRING 1 DECEMBER 2023	16,000,000
Unlisted Options EXERCISE PRICE \$0.0315 EXPIRING 1 DECEMBER 2023	8,000,000
Unlisted Options EXERCISE PRICE \$0.013 EXPIRING 20 AUGUST 2024	1,000,000
Unlisted Options EXERCISE PRICE \$0.00725 EXPIRING 14 OCTOBER 2025	25,750,000
Unlisted Options EXERCISE PRICE \$0.0095 EXPIRING 14 OCTOBER 2025	25,750,000

### **CASH RESERVES AND CASHFLOW DISCLOSURES**

As at 30 September 2022, DiscovEx had cash reserves of \$3.456M, no corporate debt and minimal long-term commitments.

Operating cash outflows for the Quarter included payments for exploration and evaluation activities of \$800K. As disclosed in item 6.1 of the Company's Appendix 5B, payments to related parties totalled \$94K for the quarter and consisted of remuneration paid to executive and non-executive directors in line with their service and employment agreements.

### **Project Expenditure**

<b>Project</b>	<b>Expenditure (\$A'000)</b>
Edjudina	311
Newington	6
Sylvania	465
Gullewa	18
<b>TOTAL</b>	<b>800</b>

### **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 1 to this report.



## SHAREHOLDER INFORMATION

As at 30 September 2022, DiscovEx had 3,302,568,098 fully-paid ordinary shares on issue and 1,925 shareholders. The top 20 shareholders held approximately 44% of the Company's shares.

The Company also had 155,061,547 unlisted options on issue exercisable at prices between 0.725 cents and 3.15 cents and expiring in December 2022, December 2023, August 2024 and October 2025 (see listing above).

The forward-looking statements in this announcement 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.

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

**For further information please visit: [www.discovexresources.com.au](http://www.discovexresources.com.au) or contact:**

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**Managing Director**  
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## APPENDIX 1 – Additional Information Required under Listing Rule 5.3.3

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

Tenement	Status	% Ownership
<b>Edjudina Gold Project – Laverton, WA</b>		
E28/2884	Granted	80%
E31/1187	Granted	80%
E31/1198	Granted	80%
E31/1227	Granted	80%
E39/2102	Granted	80%
E39/2126	Granted	80%
P31/2126	Granted	80%
P31/2125	Granted	80%
E39/1765	Granted	80%
E39/1882	Granted	80%
E39/2178	Granted	100%
E39/2182	Granted	100%
E39/2181	Granted	100%
E39/2186	Granted	100%
E39/2334	Application	100%
E39/2344	Application	100%
<b>Sylvania Project – Newman, WA</b>		
E52/3780	Granted	90%
E46/1341	Granted	100%
E46/1342	Granted	100%
E52/3365	Granted	100%
E52/3366	Granted	100%
E52/3638	Granted	100%
E52/3748	Granted	100%
E52/3784	Granted	100%
E52/3888	Granted	100%
E52/3890	Granted	100%
E52/3911	Granted	100%
E52/3995	Granted	100%
E52/3996	Application	90%
E52/3997	Application	90%
E52/3884	Application	100%
E52/3887	Application	100%
E52/3889	Application	100%
E52/3980	Application	100%

<b>Gullewa Gold Project – Gullewa, WA</b>		
E59/2584	Granted	100%
E59/2732	Application	100%
<b>Other – Kalgoorlie, WA</b>		
E27/695	Application	100%

The Company also 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:

Tenement E27/695 was applied for on the 22/08/2022 and is located proximal to the regional center of Kalgoorlie, WA.

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

**Edjudina:** Under the terms of the JV agreement with Crest Investment Group Limited, DiscovEx owns 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. This interest was earned on the 14<sup>th</sup> April 2022.

Farm-out Agreements

Nil.

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

Nil.