



ASX Announcement: 19 January 2022

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022 – REVISED TO INCLUDE ADDITIONAL JORC DISCLOSURE**

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DiscovEx Resources Limited (**Company or DiscovEx**) notes that it released its December Quarter Activities Report on 17 January 2022 summarising a number of significant achievements during the quarter.

The Activities Report included, among other things, a reference in Figure 6 to an indicated and inferred resource of 20Mt @ 1.8% CuEq% at the Kalaman Deposit as per Hammer Metals Limited (“HMX”) announcement dated the 27<sup>th</sup> September 2016 (Kalman Resource Update).

The December Quarter Activities Report is appended for re-release incorporating additional cross references to prior ASX releases, where relevant, and a further breakdown of the resource at the Kalman Deposit.

Authorised for release by and investor enquiries to:

**Toby Wellman**  
**Managing Director**  
T: 08 9380 9440

**For and on behalf of**  
**DISCOVEX RESOURCES LIMITED**



## ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

19 January 2022

### Amended December 2021 Quarterly Activities Report

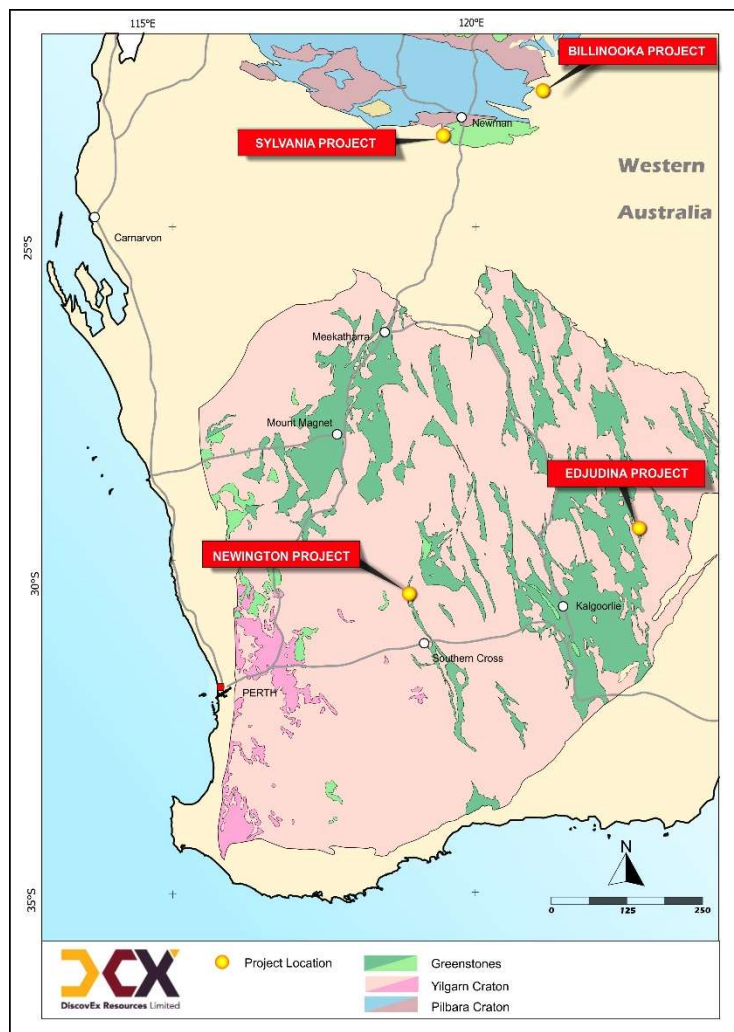
#### Highlights

- **Sylvania Project**
  - Multiple kilometre-scale gold geochemical targets defined with results up to 0.5g/t Au.
  - Several anomalies coincident with favourable geology and potential structural fluid pathways.
- **Edjudina Project**
  - Soil geochemical sampling at the Octavia Prospect defines potential strike continuation of the Celia Shear.
  - AC drilling completed with all assays pending.
- **Newington Project**
  - Auger geochemistry identifies potential extensions to the Newfield Central and Dawsons high-grade quartz lodes.
  - Interpreted intersection of both structures returns a highest assay result of 67ppb Au
- **Carnaby JV – Greater Duchess Project**
  - JV partners Carnaby Resources Limited (ASX: CNB) confirm major copper gold discovery at Nil Desperandum Prospect.

**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 distributed across all project areas within the company’s portfolio. Activities included broad scale (400 x 200m) soil sampling and infill soil sampling (100 x 100m) at the Sylvania Project, AC drilling and soil sampling at the Edjudina Project and analysis of auger results from the Newington Project. Additional activities were completed at the Greater Duchess Project, within the Joint Venture (“**JV**”) between Carnaby Resources Limited (ASX: CNB or “**Carnaby**”) and DiscovEx. Carnaby has returned significant copper mineralisation from recent RC drilling at the Nil Desperandum Prospect<sup>1</sup>. 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**

1. ASX announcement (ASX:CNB) “Major copper discovery 41m@4.1% Copper, including 9m@10.3% Copper at Greater Duchess Project” dated 29/12/2021.

## SYLVANIA PROJECT

Assay results from phase two, infill sampling was returned with coherent, large-scale Au anomalies generated. Sampling was completed on 100 x 100m sampling centres to compliment the phase one 400 x 200m sampling and sieved to -177um before analysis. Infill sampling has 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. Results referred to below were released by the Company in ASX announcement dated 25/10/2021 – “Positive geochemical results received from Sylvania Project”.

### Hilditch and Bondinis Prospects

Both Prospects are located at the northern end of the tenement package, approximately 18km south-west of the giant Mt Whaleback iron ore deposit. Multiple anomalies have been generated proximal to the interpreted extension of the Mt Whaleback fault which strikes SW and dips to the SE, however is largely obscured by transported cover within the tenement. This regionally significant fault is largely thought to have had an impact in upgrading iron ore mineralisation at Mt Whaleback, through the introduction of hydrothermal fluids via the fluid pathway provided by the structure. The Hilditch anomaly is located sub-parallel to a second order splay off the main fault and is continuous over a 1.2km strike length.

The interpreted SW continuation to the Mt Whaleback Fault coincides with the location of the Bondinis Prospect, which is split into two discrete anomalous areas (**Figure 2**) by an interpreted splay from the Mt Whaleback Fault. Surface mapping has identified Archaen greenstones including gabbros and metaquartzites, however much of the exposures are obscured by transported cover relating to the Western Creek. The importance of the Mt Whaleback fault cannot be overstated as this local structural feature is likely to have significant influence on fluid flow through the Project area.



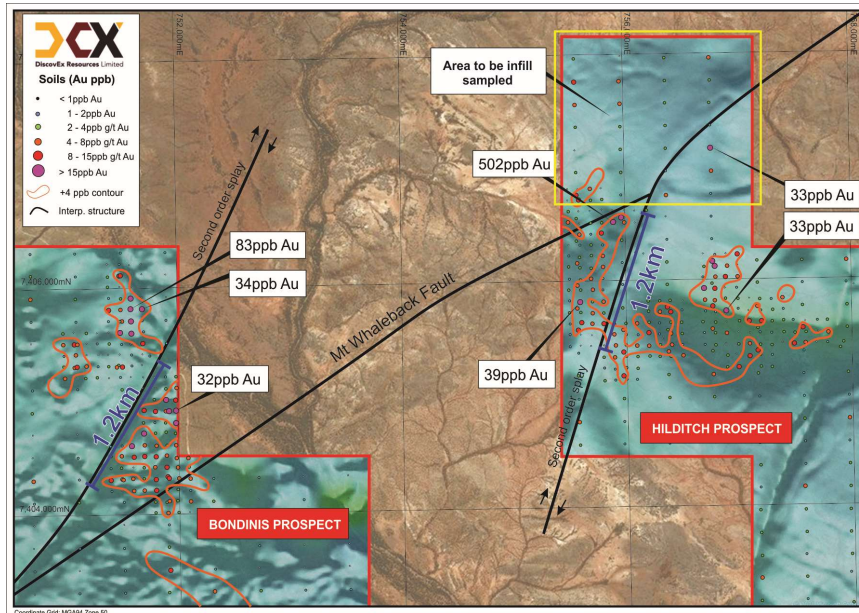
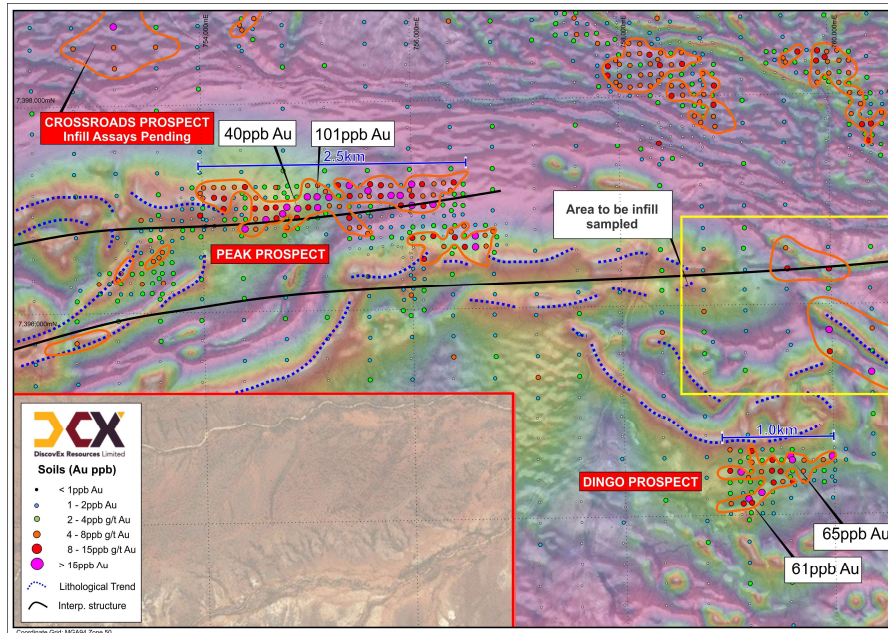


Figure 2: Hilditch and Bondini Prospects located proximal to the Mt Whaleback Fault zone. Background image TMI RTP magnetics.

### The Peak Prospect

The soil anomaly at The Peak is characterised by a 2.5km long, +4ppb Au trend that coincides with multiple E-W structural breaks in the underlying banded-iron formation (BIF). These structures have been interpreted from the magnetics and are sub-parallel to observed E-W foliation seen in the limited BIF outcrop. The surficial cover is widespread across the length of the anomaly however it is not yet known whether the Au response has been generated from a distal source or is reflecting any underlying mineralisation. Rio Tinto Exploration completed 3 holes within the western extents of the anomaly to test for iron ore potential, with the depth of transported cover logged as between 0 and 8m. All drill holes intersected BIF and dolerite lithologies with multiple quartz veins observed however no assaying for gold was completed.



**Figure 3: The Peak and Dingo Prospects. Background image of TMI RTP\_Tilt**

## Future Activities

Additional soil sampling is required to further define these targets, with exploration activities to continue in the next quarter. Previous explorer drillholes have been sourced and have been submitted for Au and multi-element analysis. Drillholes were generally drilled to the base of transported material however many penetrated through this interface to sample the underlying in-situ geology.

## EDJUDINA PROJECT

### Octavia Prospect

The Octavia Prospect is located 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 working was mined predominantly between 1897 and 1921 with workings 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. A total of 405 soil samples were returned within the quarter, highlighting the mineralised corridor before being obscured by transported cover. Results referred to below were released by the Company in ASX announcement dated 4/11/2021 – “Exploration Update”.

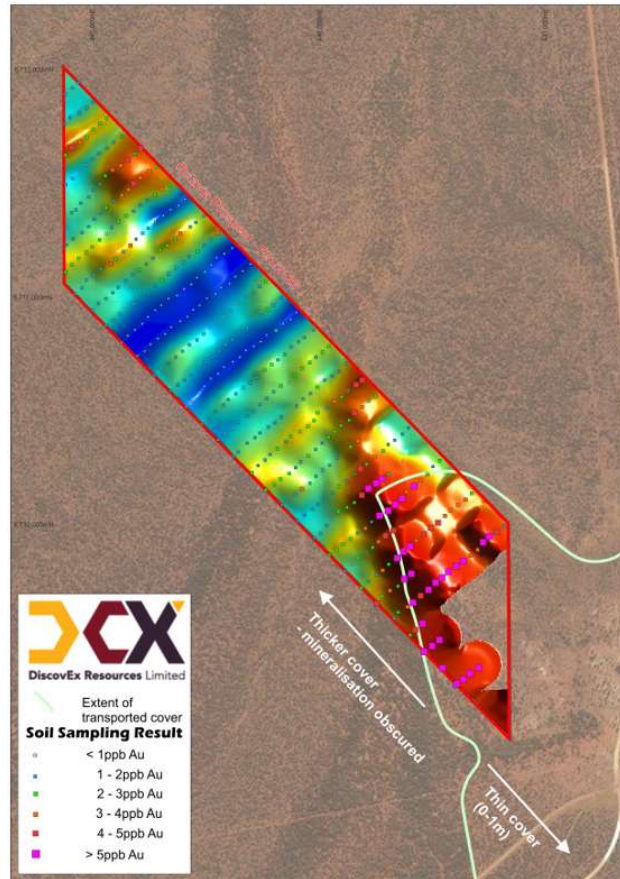


Figure 4: Soil sampling results returned from the Octavia Prospect.

In late November, a total of 49 aircore drillholes for 4,403m was completed to test the north-western continuation of the Celia Shear from the surface trace of the mineralised shear.

### Hornet East and Jaguar Prospects

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. Samples were sieved to -177um prior to being analysed for Au and a suite of multi-elements. All results are pending.

### Future Activities

Results are yet to be received from the recent Octavia AC drilling and Hornet East/Jaguar soil sampling. All results will be assessed once returned.



## NEWINGTON GOLD PROJECT

A program of shallow geochemical auger drilling was completed at the Newington Project, located approximately 100km north of Southern Cross, WA. Samples were planned to detect the potential 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 around the gold bearing quartz veins, the sample spacing was relatively close spaced, with holes being completed on 40m centres. Results referred to below were released by the Company in ASX announcement dated 4/11/2021 – “Exploration Update”. A total of 276 samples were taken 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.

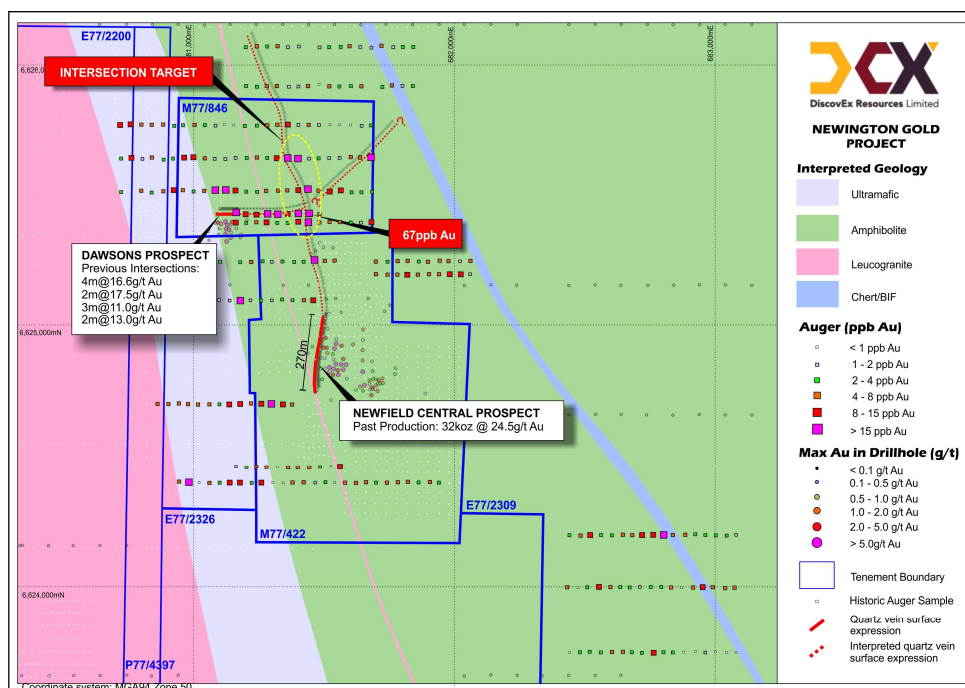


Figure 5: Location of infill soil samples collected to date. Background image TMI RTP magnetics

### Future Activities

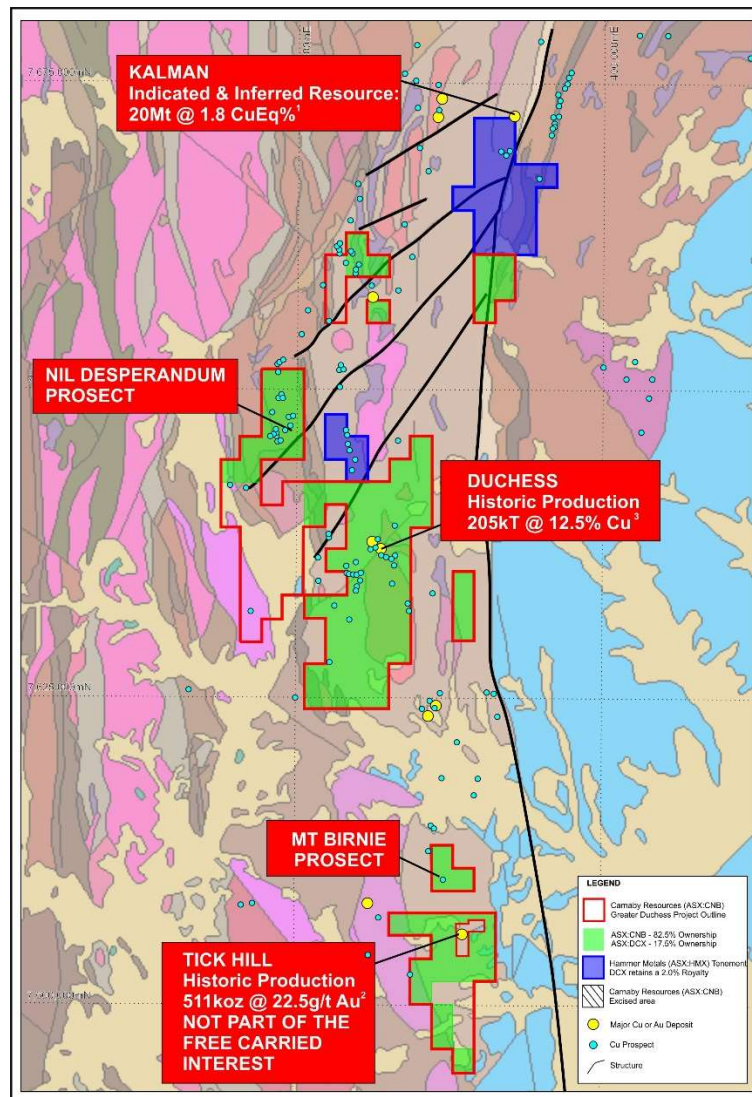
Analysis of auger results including a multi-element assessment to be completed.

### OTHER INTERESTS – 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 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. Forrestal 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**. As per the ASX announcement by Hammer Metals dated 27 September 2016 the breakdown of the resource is as follows:

Classification	Mining Method	CuEq Cut-Off	Tonnes Kt	CuEq %	Cu %	Mo %	Au ppm	Ag ppm	Re ppm
Indicated	Open Pit	0.75%	7,100	1.5	0.48	0.12	0.27	1.4	2.9
Inferred	Open Pit	0.75%	6,200	1.6	0.44	0.15	0.24	1.5	3.9
Inferred	Underground	1.4%	7,000	2.4	0.89	0.16	0.50	2.9	4.5
Total			20,000	1.8	0.61	0.14	0.34	1.9	3.7

Note – Totals may differ due to rounding

The copper equivalent equation is:

$$\text{CuEq} = \text{Cu} + (0.864268 * \text{Au}) + (0.011063 * \text{Ag}) + (4.741128 * \text{Mo}) + (0.064516 * \text{Re})$$

For full details of this deposit and competent persons statement refer to the ASX announcement by Hammer Metals dated 27 September 2016.

Within the quarter Carnaby released encouraging results from the Nil Desperandum Prospect with a best intersection of 41m@4.1% Copper, including 9m@10.3% Copper. All details relating to this intersection can be found within the Carnaby announcement dated 29/12/2021.

## CORPORATE

### Changes to Capital Structure

At the 2021 Annual General Meeting held on 7 October 2021, Shareholders approved the issue of 33,000,000 unlisted options to directors and former director with expiry date 4 years from the date of issue and the exercise price being:

- (i) Tranche 1: \$0.00725;
- (ii) Tranche 2: \$0.0095.

These were issued on 14 October 2021 along with 20,500,000 unlisted options with the same terms to staff and consultants under the Employee Equity Incentive Plan.

The Company's capital structure after issue of these unlisted options is now as follows:

Quoted Securities	Number
Fully paid ordinary shares (DCX)	2,568,664,076

Unquoted Securities	Number
Unlisted Options EXERCISE PRICE \$0.0135 EXPIRING 9 SEPTEMBER 2022	1,666,666
Unlisted Options EXERCISE PRICE \$0.0158 EXPIRING 9 SEPTEMBER 2022	1,666,667
Unlisted Options EXERCISE PRICE \$0.0180 EXPIRING 9 SEPTEMBER 2022	1,666,667
Unlisted Options EXERCISE PRICE \$0.03 EXPIRING 20 MAY 2022	10,000,000
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	16,000,000
Unlisted Options EXERCISE PRICE \$0.013 EXPIRING 20 AUGUST 2024	1,000,000
Unlisted Options EXERCISE PRICE \$0.013 EXPIRING 20 AUGUST 2022	20,000,000
Unlisted Options EXERCISE PRICE \$0.00725 EXPIRING 14 OCTOBER 2025	26,750,000
Unlisted Options EXERCISE PRICE \$0.0095 EXPIRING 14 OCTOBER 2025	26,750,000

## CASH RESERVES AND CASHFLOW DISCLOSURES

As at 31 December 2021, DiscovEx had cash reserves of \$2.651M, no corporate debt and minimal long-term commitments.

Operating cash outflows for the Quarter included payments for exploration and evaluation activities of \$467K. 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

Project	Expenditure (\$A'000)
Edjudina	205
Newington	77
Sylvania	185
<b>TOTAL</b>	<b>467</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 31 December 2021, DiscovEx had 2,568,664,076 fully-paid ordinary shares on issue and approximately 1,664 shareholders. The top 20 shareholders held approximately 43% of the Company's shares.

The Company also had 200,061,547 unlisted options on issue exercisable at prices between 0.725 cents and 3.15 cents and expiring in May 2022, August 2022, September 2022, December 2022, December 2023, August 2024 and October 2025 (see listing above).

## Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Toby Wellman, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Wellman has sufficient experience that is 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 this announcement of the Exploration Results in the form and context in which they appear.

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:

**Mr Toby Wellman**  
**Managing Director**  
T: 08 9380 9440



## 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	Earning Interest
E31/1187	Granted	Earning Interest
E31/1198	Granted	Earning Interest
E31/1227	Granted	Earning Interest
E39/2102	Granted	Earning Interest
E39/2126	Granted	Earning Interest
P31/2126	Granted	Earning Interest
P31/2125	Granted	Earning Interest
E39/1765	Granted	80%
E39/1882	Granted	80%
E39/2178	Granted	100%
E39/2182	Granted	100%
E39/2181	Granted	100%
E39/2186	Granted	100%
<b>Newington Gold Project – Southern Cross, WA</b>		
E77/2602	Granted	100%
E77/2604	Granted	100%
E77/2605	Granted	100%
E77/2309	Granted	100%
E77/2770	Granted	100%
M77/846	Granted	70%
M77/422	Granted	70%
E77/2200	Granted	51%
E77/2326	Granted	51%
E77/2558	Granted	51%
E77/2263	Granted	51%
P77/4397	Granted	51%
<b>Sylvania Project – Newman, WA</b>		
E52/3780	Granted	Earning Interest
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%

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:

Tenements E52/3996 and E52/3997, all within the Sylvania Project were applied for within the reporting period. E52/3995 within the Sylvania Project was applied for and granted within the reporting period. E77/2770 within the Newington Project was granted within the reporting period.

Mining tenements disposed of during the Quarter and their location:

E59/2593 within the Gullewa Project, was withdrawn during the quarter.

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

Farm-in Agreements

**Sylvania:** Under the terms of the Farm-in and Exploration JV agreement with Crest Investment Group 3 Limited, DiscovEx has the right to earn up to 90% of E52/3780 within the Sylvania Project. Refer to the ASX announcements dated the 18 January 2021. DCX owns 90% of Tenements E52/3996 and E52/3997 under the same terms as the JV Agreement with Crest as detailed above.

**Newington:** 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. DCX currently holds a 70% interest in the Tenements.

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. DCX currently holds a 51% interest in the Tenements.

**Edjudina:** 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:

Nil.