



DiscovEx Resources Limited

2023 ANNUAL REPORT

ABN 61 115 768 986



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CORPORATE DIRECTORY

DIRECTORS

Heath Hellewell - Non-Executive Chairman

Toby Wellman - Managing Director

David Morgan - Non-Executive Director

Kim Massey - Non-Executive Director

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West Perth, WA 6005

Telephone: (08) 9380 9440

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Perth, WA 6000

AUDITORS

PKF Perth

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West Perth, WA 6005

SHARE REGISTRY

Automic Group

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Perth, WA 6000

Telephone: 1300 288 664

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: DCX

BANK

Westpac Banking Corporation

St Georges Terrace

Perth, WA 6005

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report that over the past 12 months the Company has continued with its dedicated strategy of innovative, disciplined, and systematic exploration over its portfolio of large-scale exploration projects. Our exploration activities remain concentrated in Western Australia.

In Queensland our Joint Venture partner Carnaby Resources continues to grow the exciting Greater Duchess Copper Gold Project, where DiscovEx retains a 17.5% ownership over certain key project tenements.

Your management team led by Managing Director Toby Wellman have remained focussed on progressing our highest priority projects whilst at the same time have successfully realised the latent value of non-core tenement positions through the divestment of these surplus assets.

The Board and management team are strongly motivated and committed to delivering quality, long-term results and will continue to advance our key projects in a measured and systematic manner. Our focus remains on generating quality exploration targets and drilling them, we aim to do this in the most capital efficient way possible, whilst not forgoing the scientific rigour that is typically required for a meaningful mineral discovery.

The business of mineral exploration is challenging, not only requiring the dedication of our team but also the ongoing support of shareholders. I would like to thank our shareholders for this support as company-wide we continue to strive for the best possible outcomes for our shareholders and all stakeholders in the areas in which we operate.

Yours sincerely

Heath Hellewell
Chairman

DIRECTORS' REPORT

Your directors present the following report on DiscovEx Resources Limited (the Company) and the entities it controlled (Group) during or at the end of the financial year ended 30 June 2023.

INFORMATION ON DIRECTORS

The directors of the Company at any time during or since the end of the financial year are;

Mr Heath Hellewell

Non-Executive Chairman - Appointed 11 March 2021

Mr Hellewell joined the Company after senior executive roles at Capricorn Metals Ltd (ASX:CMM), Doray Minerals Limited and Independence Group NL (ASX:IGO) and exploration roles at Resolute Mining Limited (ASX:RSG) and DeBeers Australia Pty Ltd. Mr Hellewell joined IGO in 2000 prior to the Company's IPO and was part of the team that identified and acquired the Tropicana project area, eventually leading to the discovery of the Tropicana gold deposit.

Following the discovery of the Andy Well gold deposits in 2010, Doray Minerals was named "Gold Explorer of the Year" in 2011 by The Gold Mining Journal and in 2014 Mr Hellewell was the co-winner of the prestigious "Prospector of the Year" award, presented by the Association of Mining and Exploration Companies.

In 2016 Mr Hellewell was instrumental in the acquisition of the Karlawinda Gold Project to form Capricorn Metals Ltd (ASX: CMM). Mr Hellewell is currently an independent Non-Executive Director of Core Lithium Ltd (ASX:CXO) and Duketon Mining Limited (ASX:DKM).

Mr Hellewell holds an interest in 173,518,480 shares of the Company and 9,000,000 unlisted options.

Mr Toby Wellman

Managing Director - Appointed Technical Director 1 December 2019 and Managing Director 23 April 2021

Mr Wellman has more than 20 years' experience across exploration, development and production geology with exposure to varied mineralisation styles and commodities including gold, copper, lead, zinc, lithium and cobalt.

During his career, Mr Wellman made a significant contribution to the development of the Andy Well and Deflector Projects in WA as Senior Development Geologist and Senior Geologist for gold producer Doray Minerals. He was an integral part of the exploration team that discovered the Judy and Suzy deposits at Andy Well.

Other roles included senior geological positions for Boliden Minerals AB, where Mr Wellman led the targeting team that identified the Ravlidan Norra polymetallic deposit in Kristineberg, Northern Sweden and as Exploration Manager for Mont Royal Resources (ASX: MRZ).

Mr Wellman holds an interest in 36,571,429 shares of the Company and 39,000,000 unlisted options.

Mr David Morgan

Non-Executive Director - Appointed 20 March 2012

Mr Morgan is a mining executive and a qualified mining engineer and mechanical engineer with more than 35 years' experience in the mining industry in Australia and Africa. He has previously held a number of executive development and mine operations roles involving project engineering, maintenance and contract earthmoving for companies such as Rio Tinto, Macmahon and WMC Resources.

He was General Manager Operations for Equigold in Queensland where he was responsible for the management of the Mt Rawdon Gold Mine, including being a key member of the build and commissioning team. He was General Manager Mining and Metallurgy for Sundance Resources' Mbalam Iron Ore Project in Cameroon where he oversaw the completion of a PFS on a \$3.3 billion Direct Shipping Ore and Itabirite project for that company, including the delivery of 10 years of JORC compliant, high grade Ore Reserves and the establishment of project metallurgical and processing parameters.

INFORMATION ON DIRECTORS (CONT)

Mr Morgan is a Chartered Professional Engineer (CPEng), a Member of the Institution of Engineers Australia (MIEAust), a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and holds a Graduate Membership of the Australian Institute of Company Directors (GAICD). He is also currently a Non-Executive Director of Strickland Metals Ltd (ASX:STK)

Mr Morgan was Managing Director of the Company from 26 April 2018 until 1 December 2019.

Mr Morgan holds an interest in 35,966,677 shares of the Company and 7,000,000 unlisted options.

Mr Kim Massey

Non-Executive Director - Appointed 11 March 2021

Mr Massey is the Chief Executive Officer of Capricorn Metals Ltd and was appointed to the DiscovEx board following the completion of the Lighthouse Resources acquisition and the substantial investment of Capricorn Metals Ltd in the share placement in March 2021.

Mr Massey brings a wealth of corporate, financial, markets and industry experience to the role. He was previously Chief Financial Officer of Australian gold producer Regis Resources Ltd (ASX:RRL) for 10 years, until May 2019. Mr Massey oversaw Regis Resources' financial and corporate activities and had responsibilities in investor relations, business development and strategy. He was an integral part of the financing and development of the Duketon gold projects for Regis. Given the high profile of his previous role, he is well known to the relevant sections of equity and debt markets in Australia. Mr Massey is a qualified Chartered Accountant.

Mr Massey does not hold any shares or options in the Company.

The directors have been in office to the date of this report unless otherwise stated.

COMPANY SECRETARY

Ms Nerida Schmidt has held the position of Company Secretary for the Company and its subsidiaries since 1 August 2020.

Ms Schmidt has more than 30 years' professional experience as the CFO and company secretary of a number of ASX, TSX and AIM listed companies in a variety of industries.

She holds a Bachelor of Commerce from the University of Western Australia, is a Certified Practising Accountant and a Fellow of Finsia. She is also a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

During the year the principal activity of the Group consisted of mineral exploration and evaluation in relation to its gold and base metals mineral resources in WA. The Company continued its exploration and evaluation activities at the Sylvania Project in the Pilbara region and the Edjudina Gold Project in the southern Laverton district in WA. On 30 June 2022, Midas Minerals Limited exercised its option to purchase the Newington Gold Project and in early July 2022 the Company received consideration of \$70,000 cash and 2,693,639 Midas shares valued at \$498,323. Apart from these transactions, there were no significant changes in the nature of the activities of the Group during the year.

OPERATING AND FINANCIAL REVIEW

Operating Results

The net loss of the Group for the financial year after provision for income tax was \$628,926 (2022: \$818,127) which includes mineral exploration expenditure impaired amounting to \$104,111 (2022: \$453,066).

Financial Performance

During the year ended 30 June 2023 the Group's net cash position increased by \$255,401 due to cash inflows from capital raising and disposal of listed securities.

Financial Position

At year end the Group had a cash balance of \$1,823,408 (2022: \$1,568,007), no corporate debt and minimal non-discretionary long-term commitments. The net assets of the Group increased from \$7,641,395 at 30 June 2022 to \$9,878,216 at 30 June 2023 predominantly as a result of increased exploration balances. Total liabilities amounted to \$398,269 (2022: \$493,274) and were limited to trade and other payables, lease liabilities and employee benefit provisions.

Strategy

The focus of the Group during the financial year was the ongoing exploration and evaluation activities at its Sylvania gold and base metals project south-west of Newman in WA and the Edjudina Gold Project in the Southern Laverton region of WA. The Newington Gold Project was sold to Midas Minerals Limited with the sale proceeds received in July 2022.

For the year ended 30 June 2024 the Group plans to continue exploration and evaluation of the WA-based Sylvania gold and base metals project and the Edjudina gold project whilst continuing to assess potential new project opportunities as they arise.

OPERATING AND FINANCIAL REVIEW (CONT)

Operations Overview

During the reporting period, the Company continued its greenfield exploration strategy with AC drilling campaigns completed at both the Sylvania and Edjudina Projects. In addition to these drilling campaigns, geophysics and soil sampling was continued across the project portfolio, to generate additional targets for future drill testing.

The Newington Gold Project north of Southern Cross in WA was divested to Midas Minerals Limited (ASX:MM1) in June 2022 with the consideration received in July 2022.

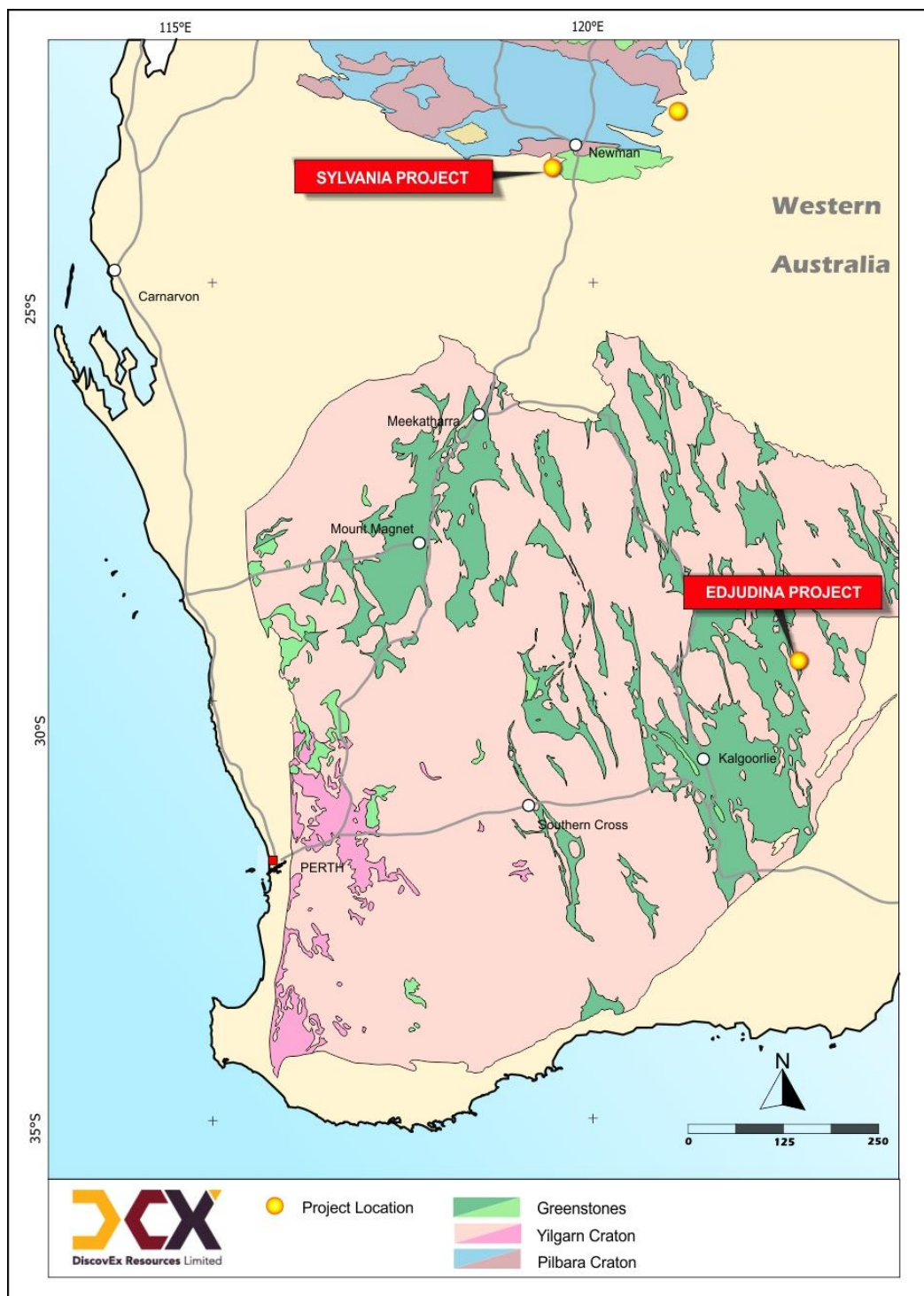


Figure 1: Project Locations within Western Australia

OPERATING AND FINANCIAL REVIEW (CONT)

Exploration and Evaluation

Sylvania Gold and Base Metals Project – Newman, WA

The Sylvania Project consists of fifteen granted exploration licences and three exploration licence applications (which includes 3 tenements subject to a 90/10 Joint Venture) that cover a total of 2,143km² 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 97.4Mt @ 0.7g/t Au for 2.23Moz (Indicated – 80.4Mt @ 0.7g/t Au for 1.88Moz and Inferred – 17Mt @ 0.6g/t Au for 0.35Moz) and poured its first gold in 2021 (Refer ASX: CMM announcement 27 July 2023 – Quarterly Exploration and Annual Resource/Reserve Update).

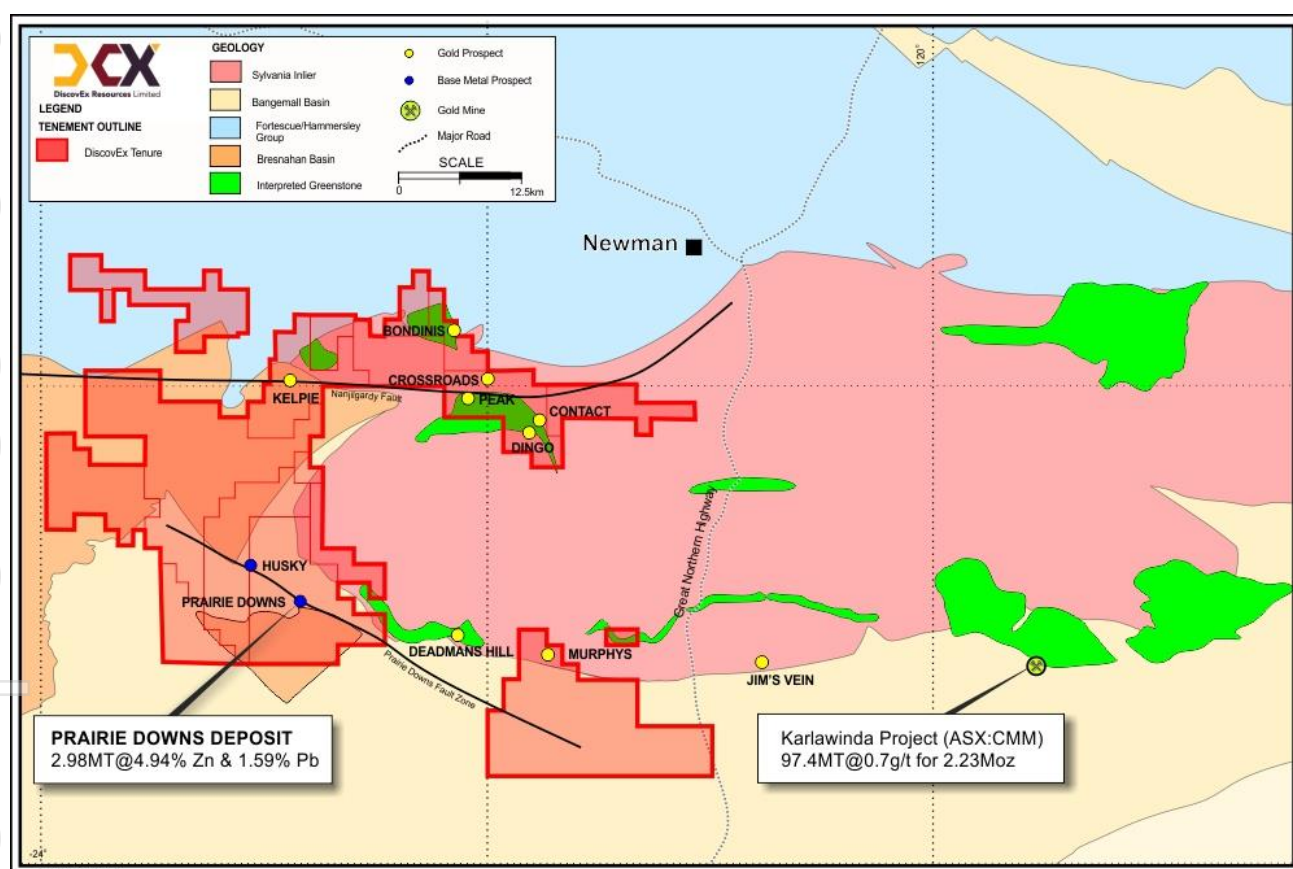


Figure 2: DiscovEx tenement holdings at the Sylvania Project

Aircore Drilling

Activities included the completion of drilling activities at multiple prospect areas including 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.

OPERATING AND FINANCIAL REVIEW (CONT)

Significant gold results included 4m@76ppb Au (SYAC005) and 4m@68ppb Au (SYAC040) (refer ASX announcement 23 September 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.

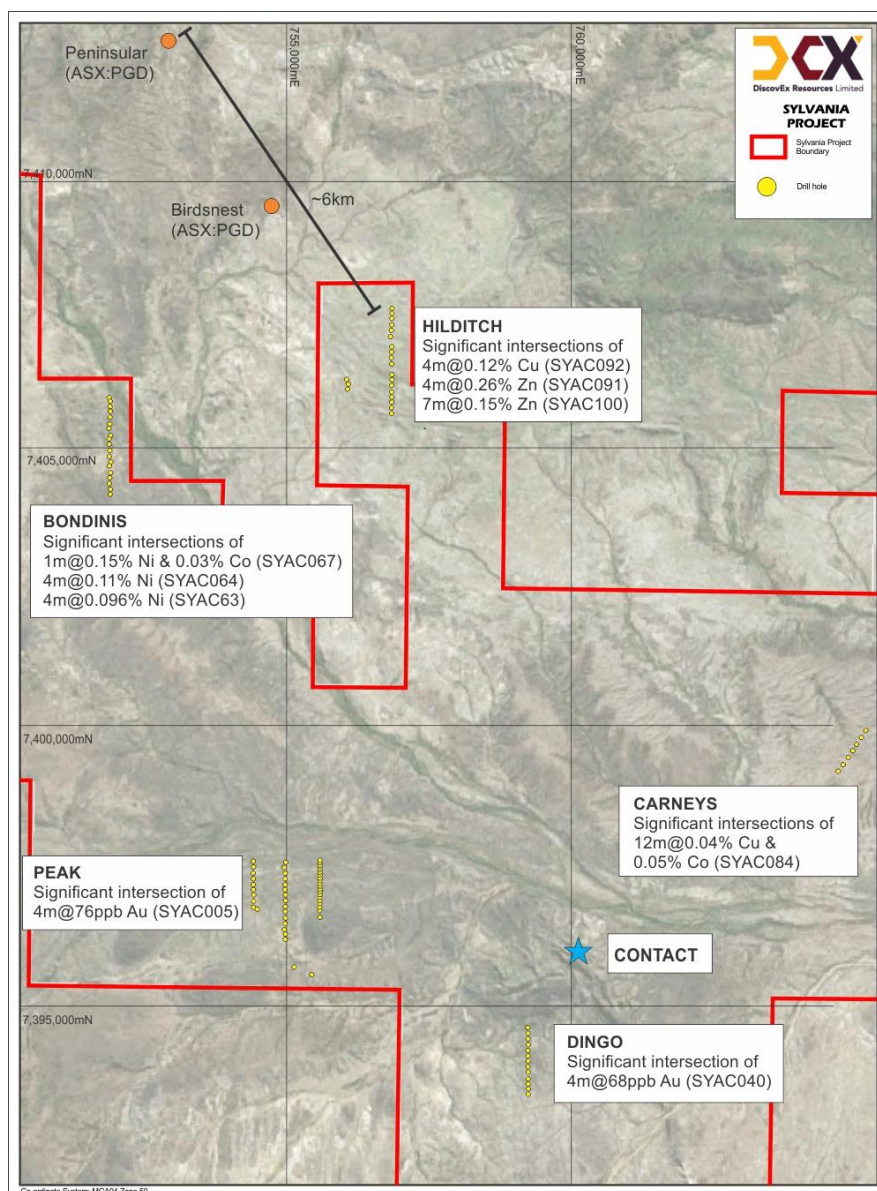


Figure 3: Drillhole locations from aircore drilling program at Sylvania

OPERATING AND FINANCIAL REVIEW (CONT)

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 several elevated gold/arsenic/antimony/silver in soil results up to 55ppb Au/34ppm As/0.56ppm Sb/0.38ppm Ag at the Contact Prospect (*refer ASX announcement 23rd 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.

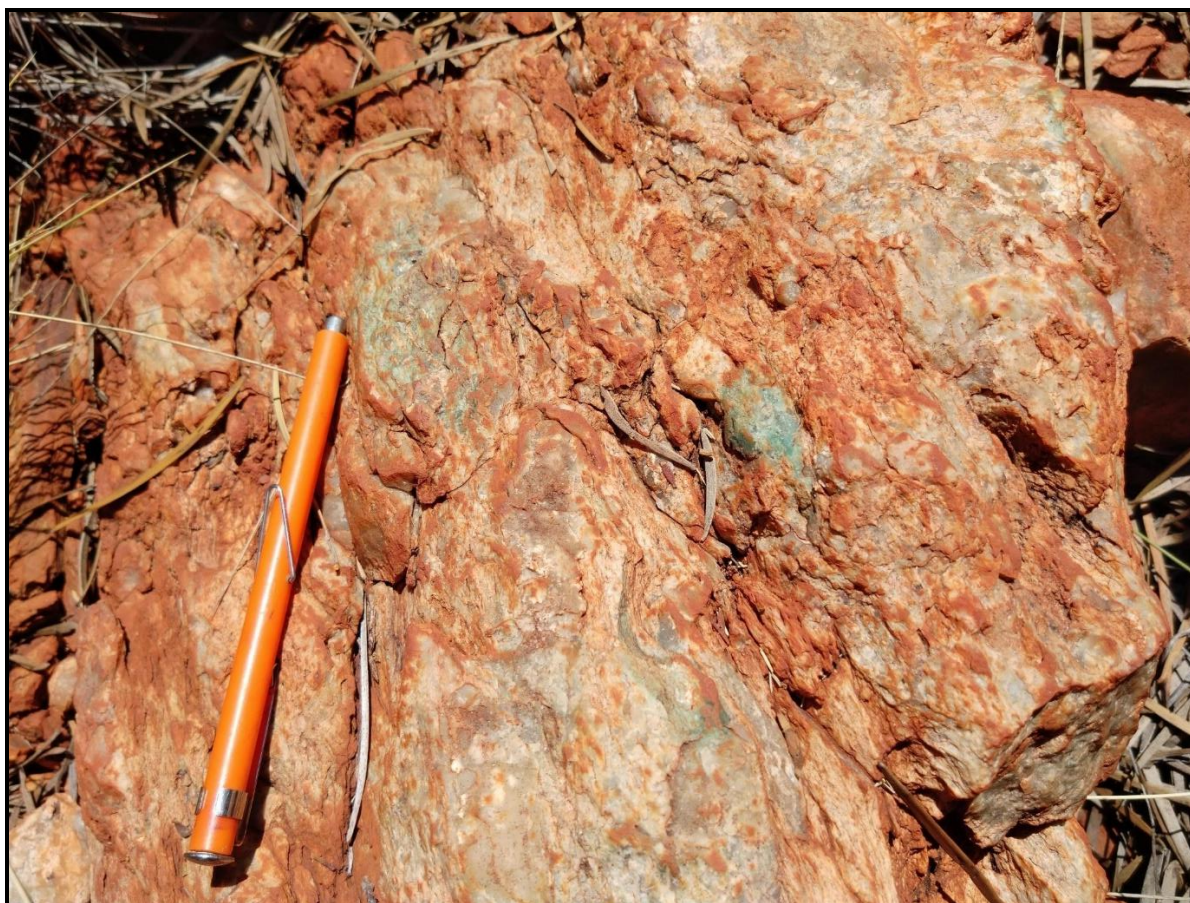


Figure 4: Fuchsite altered shear zone mapped within felsic sediments

Contact Prospect

A total of 37 samples were completed along the Contact shear, selectively sampling well developed foliation and fuchsite alteration within felsic lithologies. Several other samples were collected where pegmatite occurrences were noted as part of the sampling exercise. Assays confirmed the Contact shear zone is mineralised along its length with elevated gold results returned up to 0.13g/t Au (130ppb Au). Elevated antimony and silver results were also returned from samples within the shear zone, with assays peaking at 4.12 ppm and 1.08ppm respectively.

Murphy's Prospect

The Murphy's Prospect is located within a recently granted tenement (E52/3887), which straddles the southern margin of the Sylvania Inlier, ~5km east of the Deadman's Hill greenstone belt (**Figure 5**) and ~57km west of the Karlawinda Gold Project (**Figure 2**).

OPERATING AND FINANCIAL REVIEW (CONT)

The majority of the southern margin is obscured by recent transported sands and alluvium, making it difficult to determine exactly where the Sylvania Inlier is in contact with the overlying Fortescue Group and Bangemall Basin sediments. To provide additional confidence to the existing airborne magnetics data, a gravity survey was completed to confirm the location of this contact as well as providing additional information on a 2.5km long by 2km wide magnetic anomaly north of the interpreted contact.

Results from the gravity survey, which was completed on 250m x 250m centres have confirmed the location of the Sylvania Inlier contact and generated a gravity high north of the contact, coincident with the magnetic anomaly. These two elevated geophysical responses are interpreted as representing buried Archaean greenstone of the Sylvania Inlier and is a significant target area that will be drill tested once heritage and statutory compliance approvals have been received.

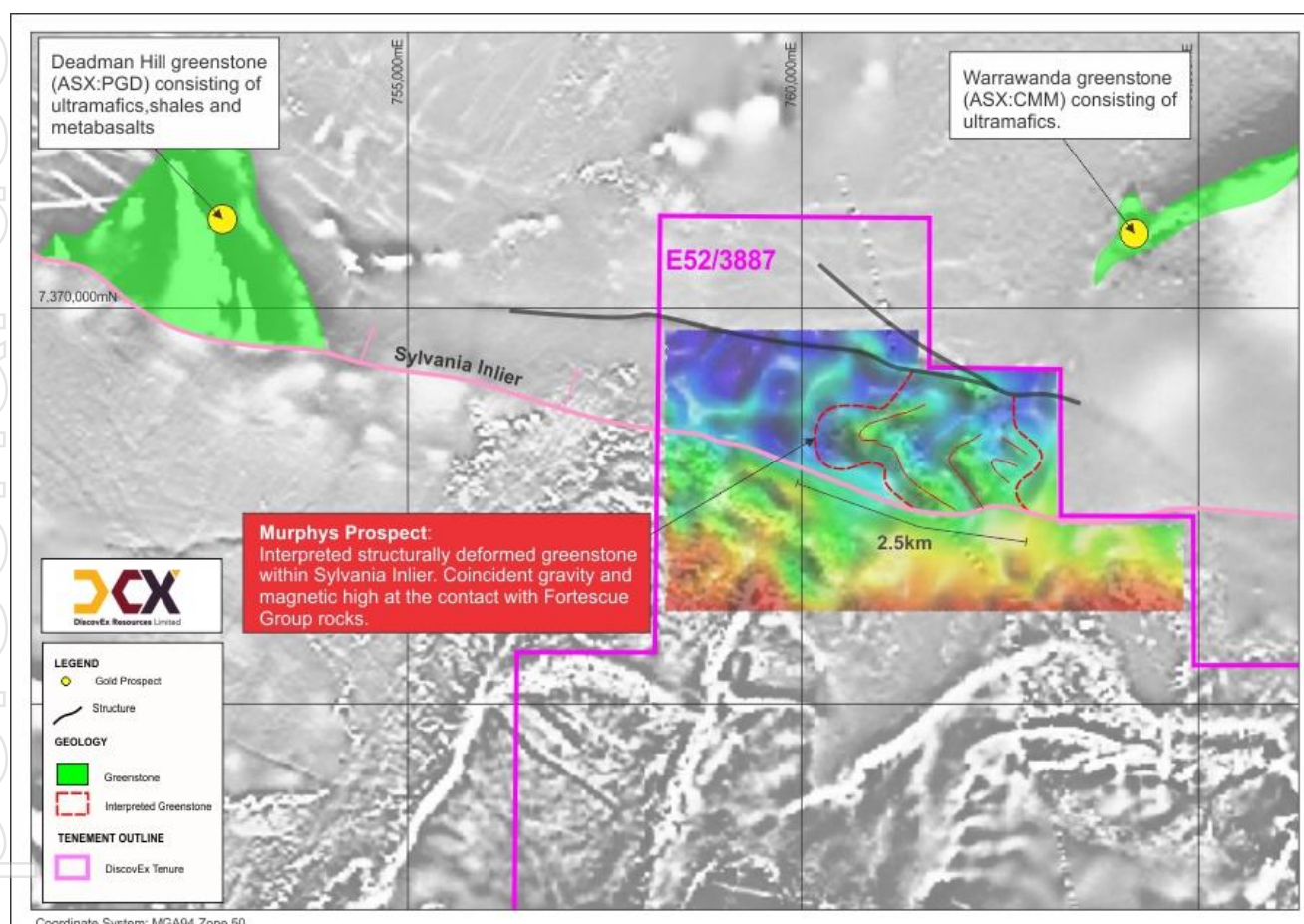


Figure 5: Image showing TMI 1VD magnetics in black and white, overlain by a coloured gravity image (BG 1VD)

Heritage Survey

Final heritage reports were received from Traditional Owners, confirming clearance of multiple drill lines at the Contact, Murphys, Kelpie and Husky Prospects. These areas have been highlighted as priority drill targets. The Contact Prospect covers a large zone of geological complexity at the intersection of two major structural trends, the Contact Shear Zone and the regionally significant Nanjilgardy Fault (Figure 6), both of which are important gold bearing structures regionally and locally.

OPERATING AND FINANCIAL REVIEW (CONT)

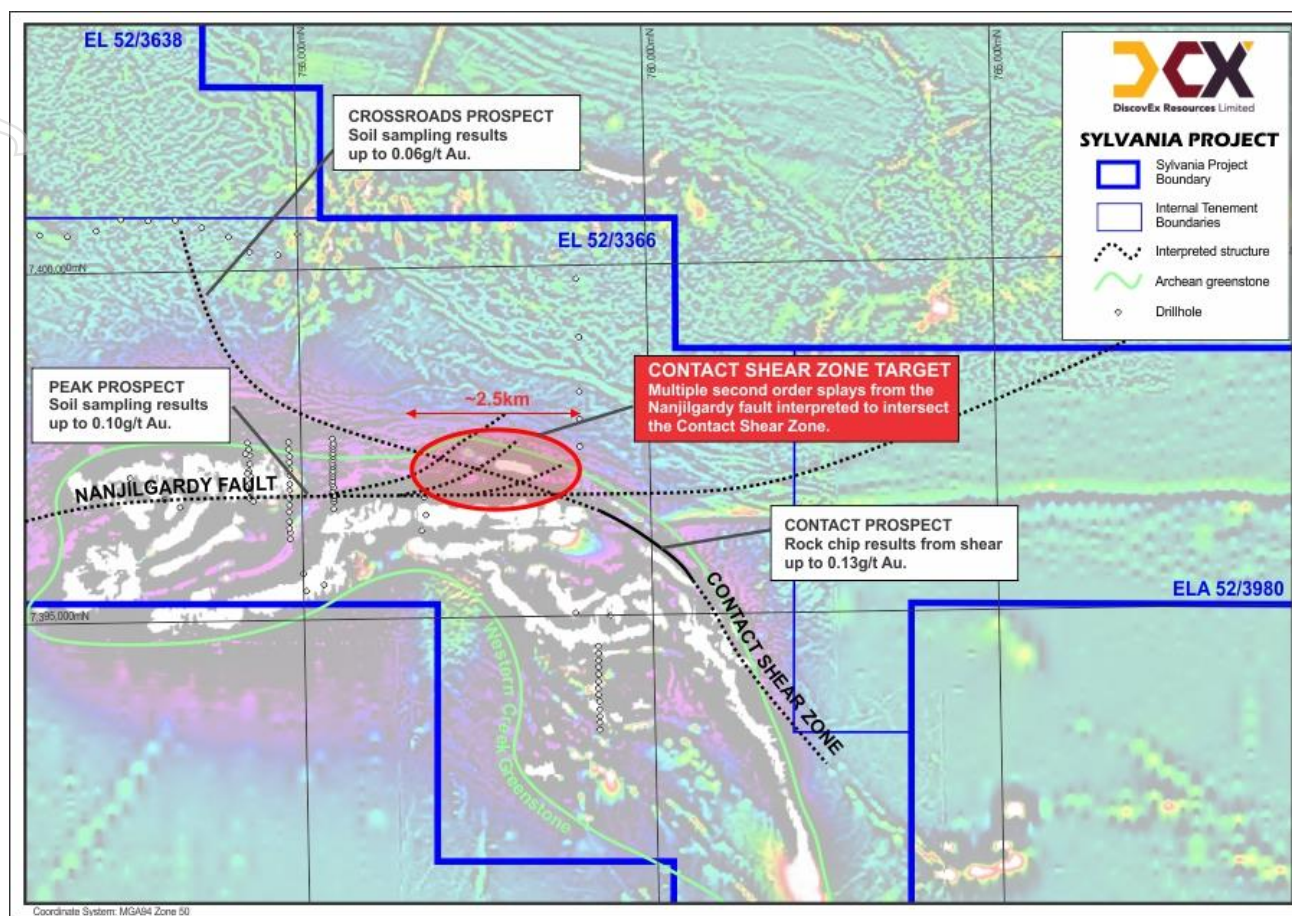


Figure 6: 2VD Magnetics image highlighting the interpreted intersection zone between the Nanjilgardy Fault and the Contact Shear Zone.

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.

The project contains thirteen granted exploration licences, two granted prospecting licences and one exploration licence application for a total of 1,880km² of underexplored, and highly prospective tenure.

OPERATING AND FINANCIAL REVIEW (CONT)

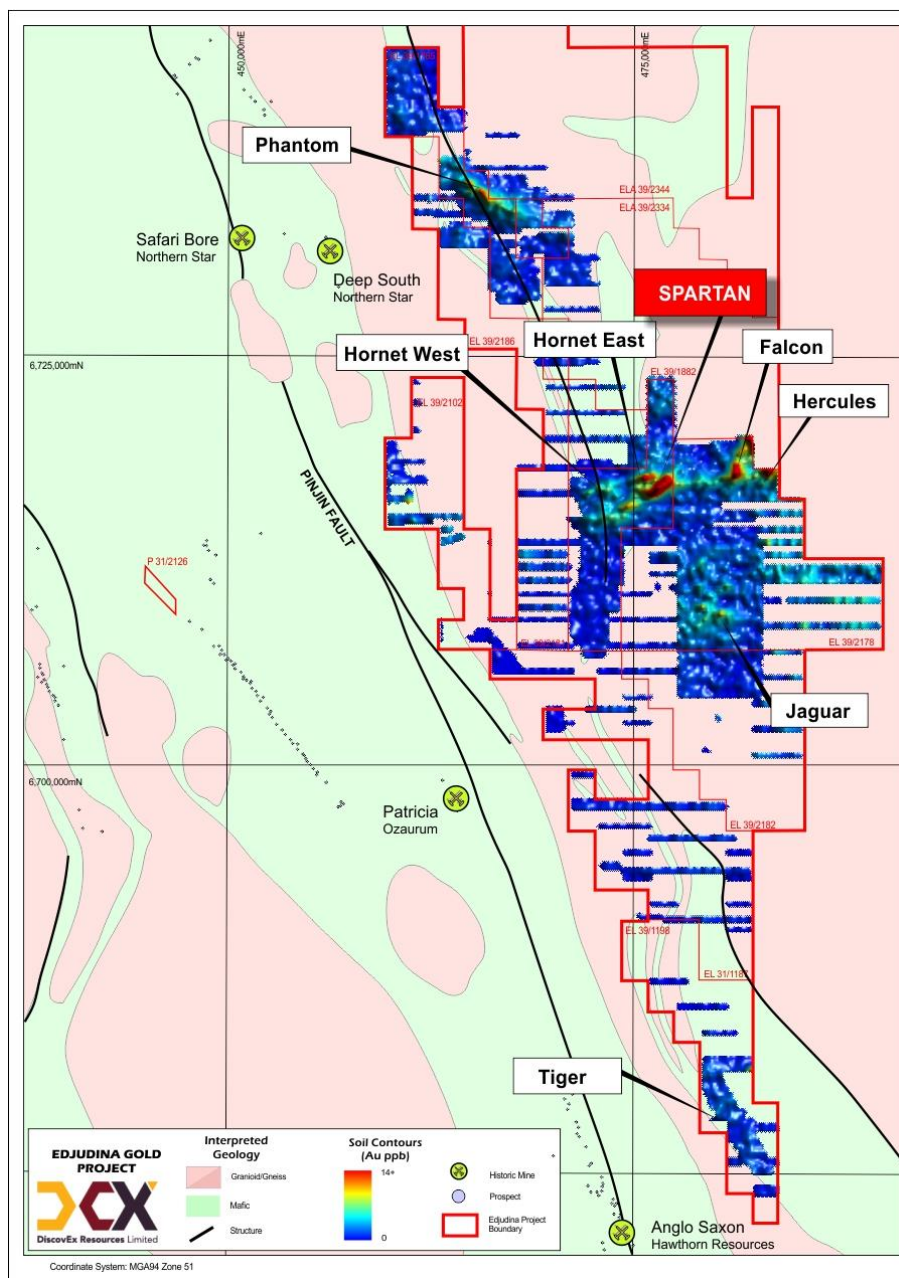


Figure 7: DiscovEx tenement holdings at the Edjudina Project, with gridded gold in soils.

Spartan Prospect

Following the identification of the Spartan anomaly through a program of systematic soil sampling (*refer ASX announcement 5th May 2022 "Surface sampling defines exceptional target at Edjudina"*), a 200 x 200m gravity survey, centred on the Spartan anomaly was completed (*refer ASX announcement 25th August 2022 "Gravity Survey at Edjudina"*) to provide detailed context around the geological setting of the prospect area.

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 8**). 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.

OPERATING AND FINANCIAL REVIEW (CONT)

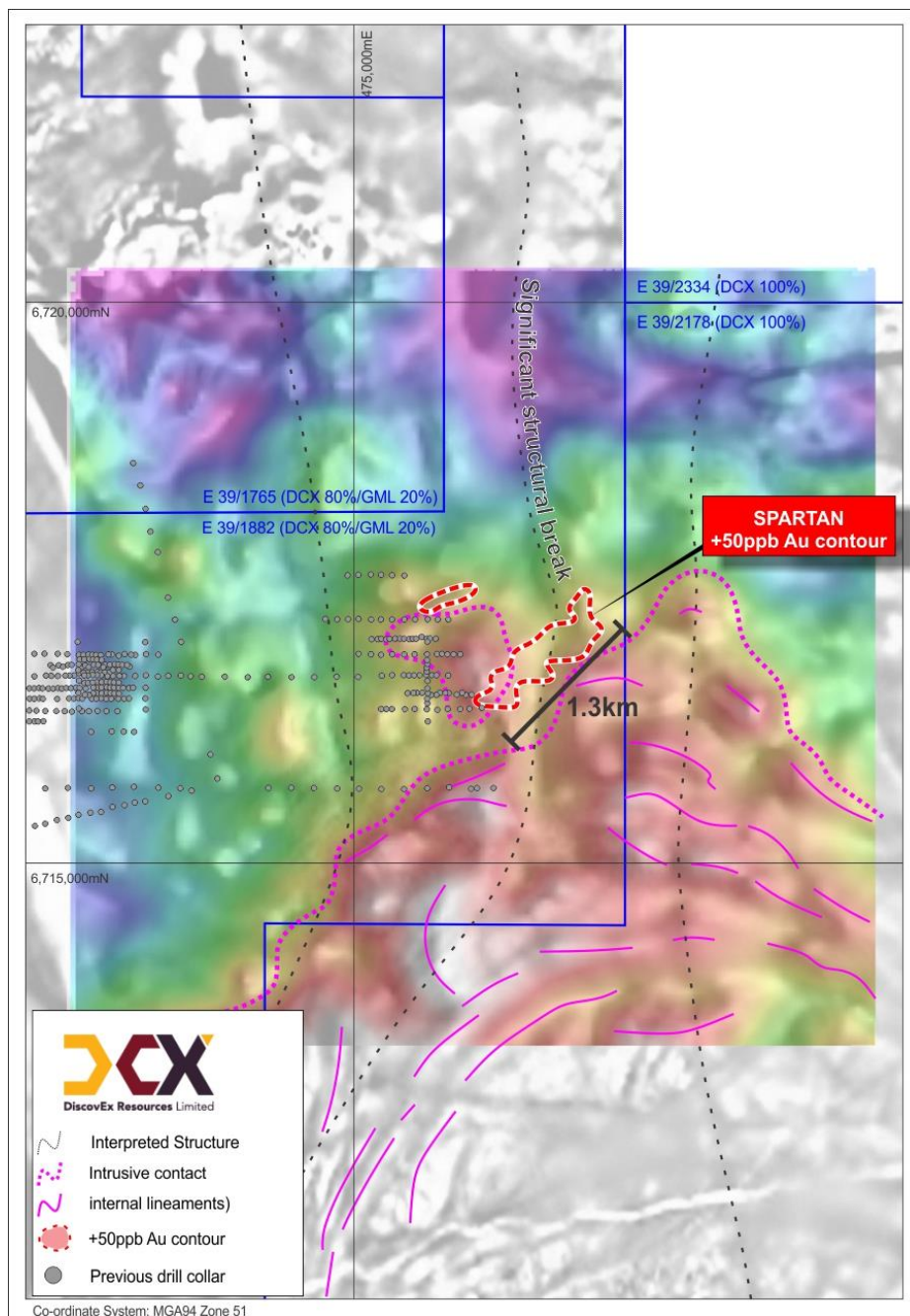


Figure 8: Plan view of the Spartan 50ppb Au anomaly relative to bouguer gravity image (colour) and magnetics (black and white image TMI RTP 1VD)

Drilling of the generated anomaly was initiated with results identifying gold mineralisation across multiple horizons within the regolith profile, the first being within carbonate rich sandy soils at surface (0-8m), repeating the original surface geochemical anomaly. Elevated gold results were 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 weathered bedrock material beneath the paleochannel gold results (refer ASX announcement 24th October 2022 "Bedrock and paleochannel gold intersected at Spartan" and 8th May 2023 "Bedrock gold confirmed at Spartan and Colossus").

OPERATING AND FINANCIAL REVIEW (CONT)

Completed holes were focussed on penetrating the transported cover sequence to obtain samples of the weathered bedrock. Significant gold results across the three phases of aircore drilling are listed below:

Surface mineralisation

- 4m@0.16g/t Au (SPAC012)
- 12m@0.12g/t Au (SPAC013)
- 8m@0.15g/t Au (SPAC014)
- 4m@0.1g/t Au (SPAC015)
- 4m@0.19g/t Au (SPAC016)
- 16m@0.23g/t Au (SPAC017)
- 4m@0.16g/t Au (SPAC019)
- 4m@0.1g/t Au (SPAC020)
- 4m@0.1g/t Au (SPAC025)
- 4m@0.18g/t Au (SPAC026)
- 4m@0.14g/t Au (SPAC027)
- 4m@0.14g/t Au (SPAC028)
- 4m@0.11g/t Au (SPAC034)

Base of paleochannel mineralisation

- 8m@0.28g/t Au (SPAC010)
- 4m@0.40g/t Au (SPAC011)
- 8m@0.23g/t Au (SPAC012)
- 4m@0.10g/t Au (SPAC013)
- **1m@4.82g/t Au** from 35m within **8m@1.64g/t Au** from 29m (SPAC017)
- 4m@0.64g/t Au (SPAC025)
- **1m@2.00g/t Au** from 32m within **6m@1.24g/t Au** from 29m (SPAC029),
- 4m@0.24g/t Au from 24m (SPAC057),
- 4m@0.20g/t Au from 28m (SPAC094).
- 4m@0.94g/t Au from 32m within 8m@0.58g/t Au from 28m (SPAC135)

Weathered bedrock mineralisation

- 1m@0.22g/t Au (SPAC001)
- **1m@3.42g/t Au** from 82m within **4m@1.24g/t Au** from 82m (SPAC016)
- **1m@1.06g/t Au** from 74m (SPAC026)
- 2m@0.16g/t Au (SPAC032)
- 2m@0.24g/t Au from 60m - EOH (SPAC042)
- 4m@0.11g/t Au from 72m (SPAC096)
- **1m@1.35g/t Au** from 62m - EOH (SPAC128)
- 9m@0.18g/t Au from 60m - EOH (SPAC130)
- 1m@0.63g/t Au from 83m - EOH within 4m@0.42g/t Au from 80m (SPAC150)
- 3m@0.70g/t Au from 68m within 11m@0.27g/t Au from 60m (SPAC196),
- 1m@0.48g/t Au from 62m - EOH within 7m@0.16g/t Au from 56m (SPAC203),
- 1m@0.32g/t Au from 80m - EOH (SPAC208),
- 1m@0.61g/t Au from 72m within 5m@0.55g/t Au from 72m - EOH (SPAC218),
- 1m@0.59g/t Au from 86m (SPAC219) - EOH.

OPERATING AND FINANCIAL REVIEW (CONT)

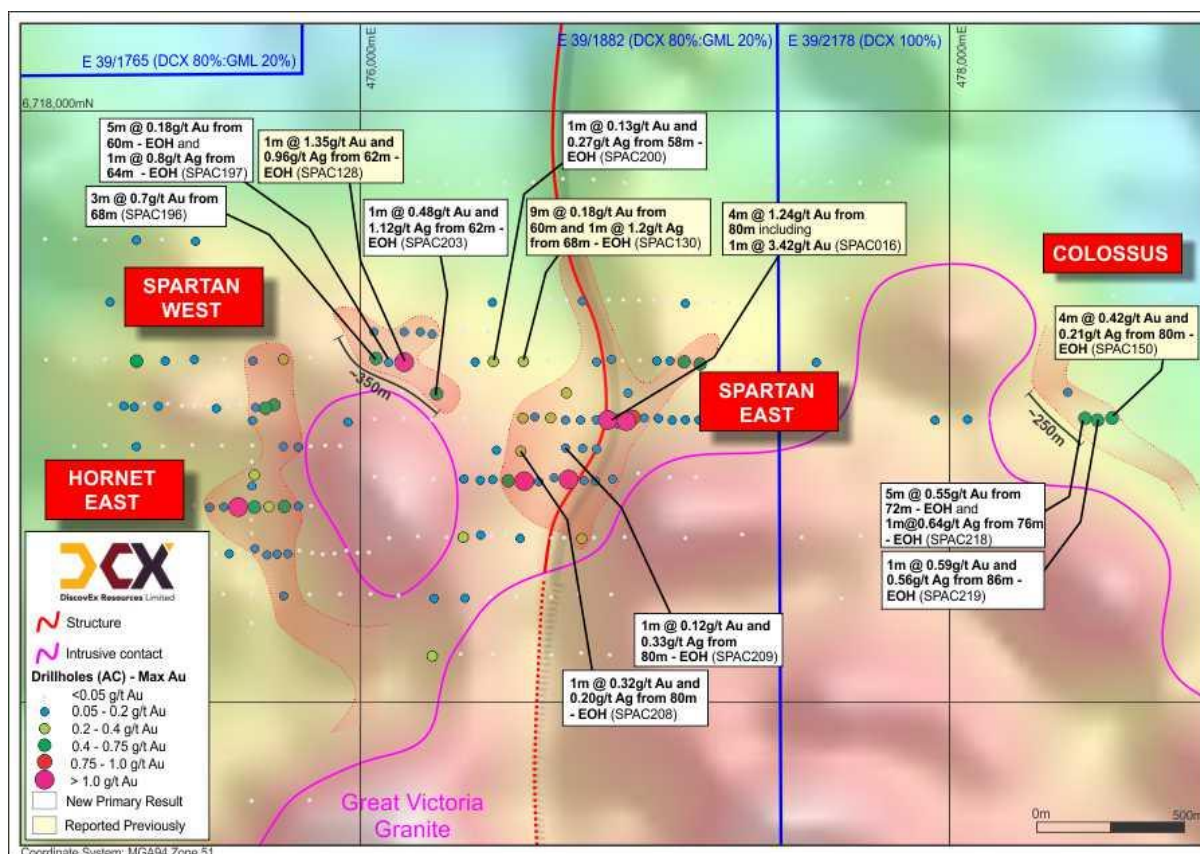


Figure 9: Drill hole locations and significant bedrock assays shown from the Spartan Prospect. Coloured background is a 1st vertical derivative bouguer gravity image.

The relationship between the base of transported mineralisation and bedrock gold remains uncertain, but regardless of the distribution of the transported gold mineralisation at Edjudina, continued anomalous mineralised intersections remain encouraging. With multiple targets having now been generated, a regional review has been completed to establish if further lookalike targets exist within the project area, that would add to the Company's growing target pipeline.

Falcon Prospect

Surface geochemical sampling was completed at the Falcon Prospect, located approximately 5km east of the Spartan Prospect. The sampling was completed to infill previous 200 x 400m spaced samples. Results confirmed the scale of the original anomaly (~3km) and upgraded the tenor, with best results returned of 98ppb Au, 95ppb Au and 51ppb Au, proximal to a previously returned sample of 48ppb Au (refer ASX announcement 21st July 2022 "Infill Surface Sampling Upgrades Spartan Anomaly"). A new anomaly was also generated approximately 2km to the east of Falcon, peaking at 76ppb Au (Figure 10). This anomaly, known as the Hercules Prospect remains open to the north and will be the subject of an additional soil sampling campaign on E39/2334.

OPERATING AND FINANCIAL REVIEW (CONT)

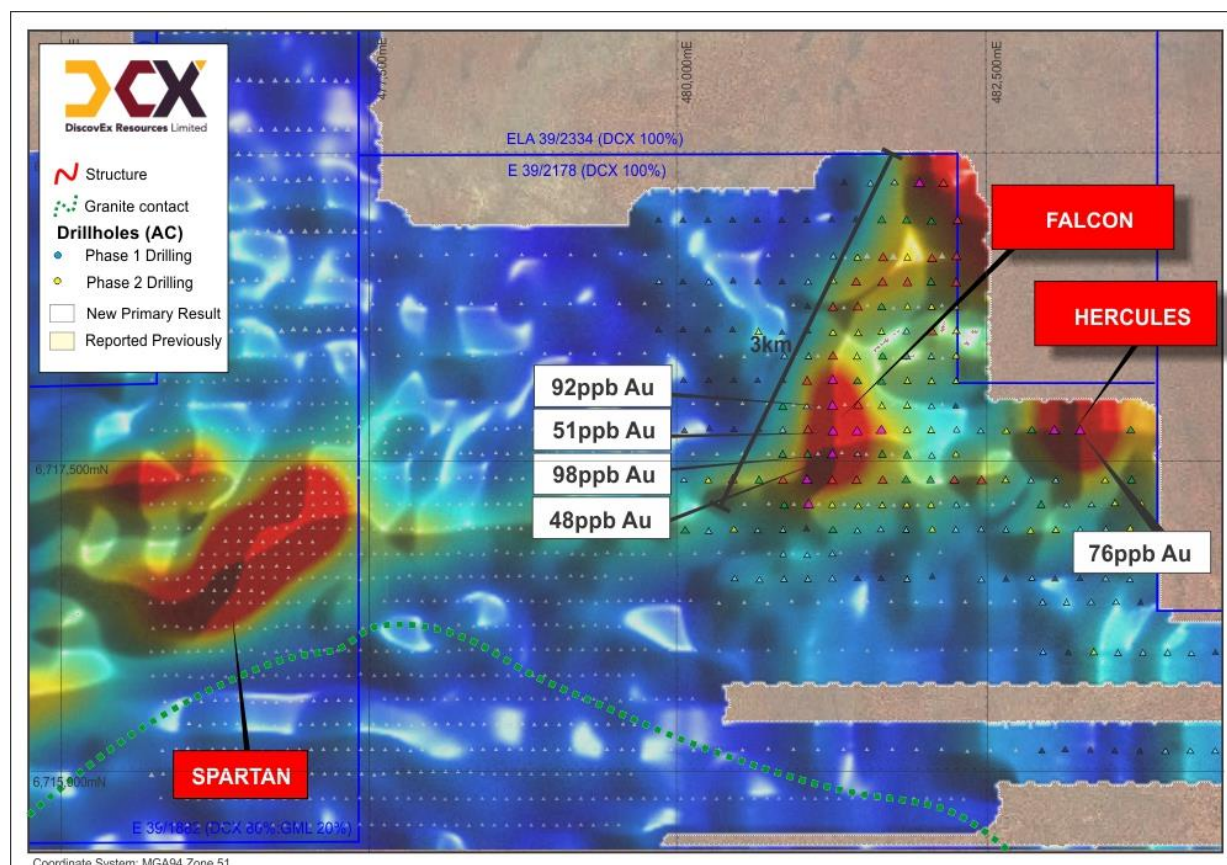


Figure 10: Infill surface sampling locations completed at the Falcon Prospect, with contoured gold image as background

Greater Duchess Copper Gold Joint Venture – Mt Isa, Queensland

The Greater Duchess Copper Gold Joint Venture, held by Carnaby Resources Limited (ASX: CNB) contains several tenements that are subject to a 17.5% free-carried interest held by DiscovEx and are held under a Joint Venture 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 when 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. Tenements included within the 17.5% free-carried interest are EPM 9083, EPM 11013, EPM 14366, EPM 14369, EPM 17637, EPM 18223, EPM 18990, EPM 19008, EPM 25435, EPM 25439, EPM 25853 and EPM 25972 (**Figure 11**).

Refer to the Subsequent Events disclosure regarding the Company's announcement on 18 September 2023 concerning the Company's position with regard to its rights over EPM14366, which covers the Lady Fanny Prospect area.

Other Projects

Syndicated Royalties Pty Ltd (a 100% owned subsidiary of DiscovEx) holds a 2% Net Smelter Return (NSR) royalty over metals extracted from tenement EPM13870 held by Hammer Metals Limited (ASX: HMX) in the Mt Isa region of Queensland.

OPERATING AND FINANCIAL REVIEW (CONT)

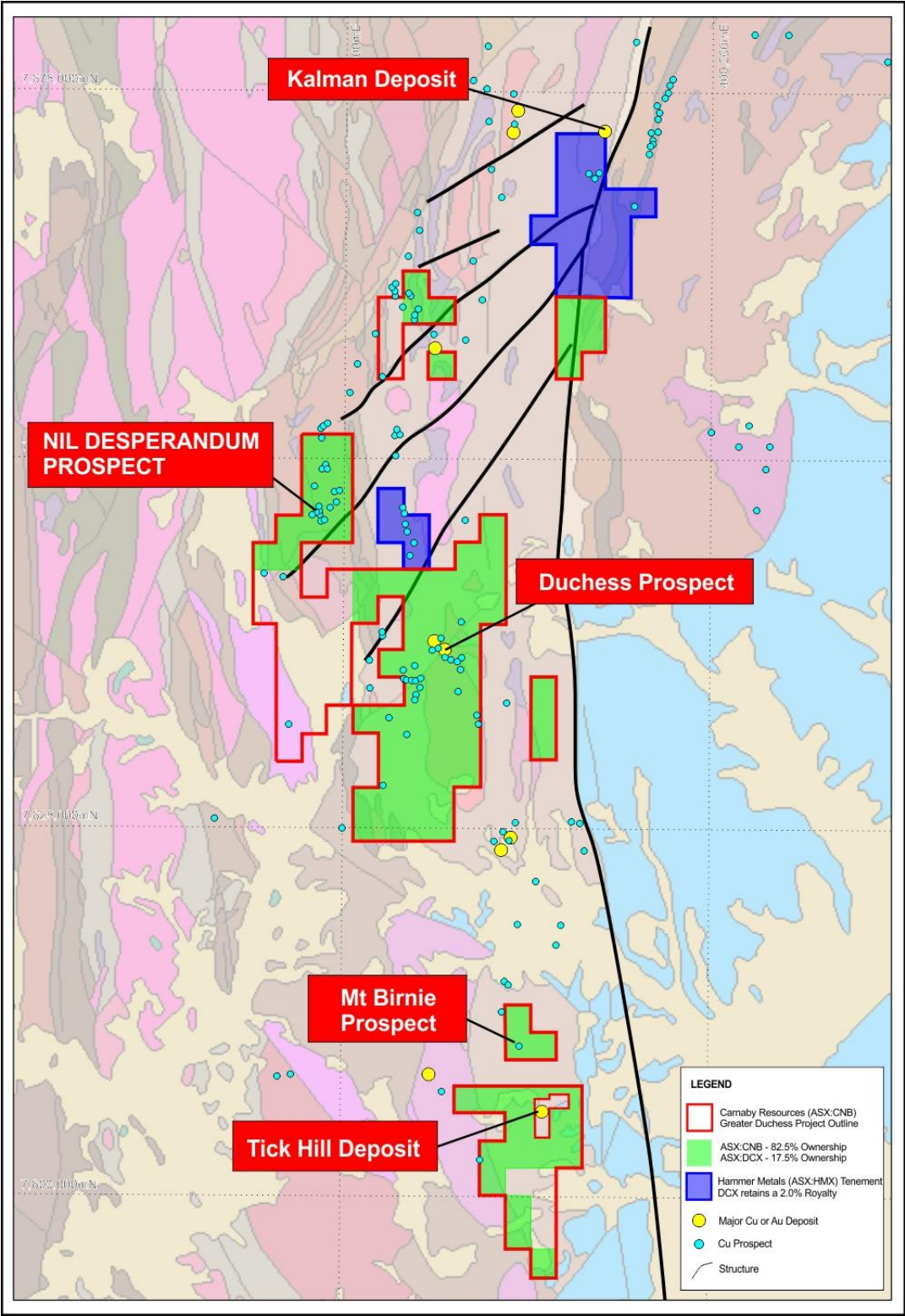


Figure 11: DiscoverEx tenement interests in Queensland with Carnaby Resources Ltd and Hammer Metals Ltd

OPERATING AND FINANCIAL REVIEW (CONT)

Disposal of Newington Gold Project – Southern Cross, WA

On 4 April 2022, the Company entered into a binding and exclusive Option Agreement with Midas Minerals Limited (ASX:MM1) to dispose of the Company's interests in the Newington Project. Midas paid an up-front option fee of \$30,000 cash for a 90-day option and due diligence period (refer ASX:MM1 Announcement dated 4 April 2022).

Midas exercised the option on 30 June 2022 (refer ASX:MM1 Announcement dated 1 July 2022) with DiscovEx receiving final consideration of \$70,000 cash and 2,693,639 Midas shares valued at \$498,323.

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: BMY announcement dated 25 May 2015) and has not changed during the reporting period.

Mineral Resource Estimate for the Prairie Downs Deposit					
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 preceding statement of Mineral Resources conforms 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.

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.

OPERATING AND FINANCIAL REVIEW (CONT)

Approval of Mineral Resource Statement

The Company reports its Mineral Resources on an annual basis in accordance with the JORC Code 2012 Edition. The Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by competent and qualified professionals and is 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.

Tenements

Refer to the Schedule of Interests in Mining Tenements for a comprehensive list of all mineral tenements held by the Group.

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.

Material in this release that relates to the Mineral Resources of 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.

Corporate

Rights Issue

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 per share to raise up to \$2,935,616 (before costs) as announced to and lodged with ASX on 20 June 2022. Funds raised are being used to progress exploration at both the Sylvania and Edjudina Projects.

Expiry and Cancellation of Options

On 20 August 2022 a total of 20,000,000 unlisted options with an exercise price of \$0.013 expired. On 9 September 2022 a total of 5,000,000 unlisted options with exercise prices of \$0.0135, \$0.0158 and \$0.018 expired. On 9 December 2022 a total of 62,561,547 unlisted options with an exercise price of \$0.02 expired. On 19 January 2023 the Company cancelled 1,125,000 unlisted options with an exercise price of \$0.0095 as the vesting conditions were not met.

OPERATING AND FINANCIAL REVIEW (CONT)**Annual General Meeting**

The Company's 2022 Annual General Meeting was held on 13 October 2022 with all 3 resolutions receiving strong support and being passed via poll.

Disposal of tenement

In February 2023, the Company divested ownership of tenement E59/2512 in the Gullewa region of Western Australia to Cooper Metals Limited (ASX: CPM or "**Cooper**"). Under the Acquisition Agreement, Cooper agreed to pay up to \$50,000 in Cooper shares for the Acquisition. Upon completion DiscovEx received 170,648 shares in Cooper Metals Limited.

Listed equity positions

As at the date of this report, the Company holds a portfolio of the following ASX listed equities:

Midas Minerals Ltd (ASX:MM1): DiscovEx holds 693,639 shares in ASX listed Midas Minerals Ltd. This equity position was established following the sale of the Newington Project, executed in June 2022.

SI6 Metals (ASX:SI6): DiscovEx holds 24,836,411 shares in ASX listed SI6 Metals. This equity position was established following the sale of the Monument Project, executed in August 2021.

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

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 in May 2022.

Cooper Metals Limited (ASX:CPM): DiscovEx holds 170,648 shares in ASX listed Cooper Metals Limited. This equity position was established following the sale of tenement E59/2512 in May 2023.

Factors and Business Risks Affecting Future Business Performance

The following factors and business risks could have a material impact on the Company's ability to deliver its strategy:

Access to funding

The Company's ability to continue to explore and evaluate its projects is contingent upon its ability to source timely access to additional equity funding as it is required.

Commodity demand and pricing

The Company is exposed to adverse global demand for commodities and/or adverse commodity price movements. This could affect the Company's ability to raise equity to fund its activities.

Tenure risks

The Company is exposed to loss of its tenure holding if it is unable to meet its tenement commitments due to lack of funding to do so.

Operational risks

The Company is exposed to several operational risks including unsuccessful exploration efforts, environmental issues and health and safety issues.

OPERATING AND FINANCIAL REVIEW (CONT)**Significant Changes in the State of Affairs**

On 4 April 2022, the Company entered into an Option Agreement with Midas Minerals Limited (ASX:MM1) to dispose of the Company's interests in the Newington Project. Midas paid an up-front option fee of \$30,000 cash for a 90-day option and due diligence period. Midas exercised the option on 30 June 2022 with DiscovEx receiving final consideration of \$70,000 cash and 2,693,639 Midas shares valued at \$498,323 in July 2022.

In the opinion of the directors, other than as outlined in this report, there were no other significant changes in the state of affairs of the Group that occurred during the 2023 financial year.

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid or declared since the start of the financial year and no dividend is recommended.

EVENTS SUBSEQUENT TO REPORTING DATE

On 18 September 2023, the Company announced that it had recently written to Carnaby Resources Limited (ASX: CNB) requesting that a formal joint venture agreement (JVA) be entered into in regard to the Greater Duchess Joint Venture in the Mt Isa region of Queensland, consistent with the terms of the Heads of Agreement dated 11 March 2019 between DiscovEx and Carnaby (HoA), with the terms of the JVA to reflect that the area of EPM14366 amalgamated with two expired mining leases, ML5400 and ML90015 (Mining Leases), which cover the Lady Fanny Prospect area, are subject to the JVA.

Carnaby asserts that it owns 100% of the area of EPM14366 amalgamated with the two expired Mining Leases which cover the Lady Fanny Prospect area. Prior to the amalgamation with EPM14366, Carnaby did not have an interest in the area of the Mining Leases.

DiscovEx's position under the HoA, supported by digital records from the Queensland Department of Resources, is that EPM14366 is held by DiscovEx and Carnaby in accordance with their joint venture interests. Therefore, DiscovEx continues to hold a 17.5% legal and beneficial interest (free-carried until a decision to mine) in the whole of EPM14366 (with Carnaby holding an 82.5% interest), including the area of the Lady Fanny Prospect situated within EPM14366.

Accordingly, and pursuant to the terms of the HoA, the areas previously covered by the Mining Leases form part of EPM14366 and the Greater Duchess Joint Venture tenure package which is jointly owned by DiscovEx (17.5%) and Carnaby (82.5%).

Other than the above matter, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity, in future years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Other than likely developments contained in the Operating and Financial Review, further information on likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as the directors believe that inclusion of such information is likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

The Group's operations are regulated by the requirements of the WA Department of Mines, Industry Regulation and Safety environmental regulations. The Company has complied with all of these requirements.

MEETINGS OF DIRECTORS

During the financial year meetings of directors were held and the number of meetings attended by each director during the year is shown below.

	Board Meetings		Audit & Risk Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
H A Hellewell	8	8	2	2	-	-
T Wellman	8	8	2	2	-	-
D B Morgan	8	8	2	2	-	-
K A Massey	8	7	2	2	-	-

INDEMNIFYING OFFICERS

During the financial year, the Group paid insurance premiums (inclusive of fees and charges) in respect of Directors' and Officers' liability insurance.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against Officers in their capacity as Officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

SHARE OPTIONS

Unissued shares under options

As at the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

Grant date	Expiry date	Exercise price (cents)	Quantity
17/03/2020	1/12/2023	1.70	16,000,000
17/03/2020	1/12/2023	2.25	16,000,000
17/03/2020	1/12/2023	3.15	8,000,000
17/08/2020	20/08/2024	1.30	1,000,000
7/10/2021	14/10/2025	0.725	25,750,000
7/10/2021	14/10/2025	0.95	24,625,000
			<u>91,375,000</u>

No options have been issued after the reporting date and up to the date of this report.

If exercised, each option entitles the holder to one fully paid ordinary share in the Company at any time up until the expiry date. As at the reporting date no shares had been issued as a result of the exercise of options.

Shares issued on the exercise of options

There were no ordinary shares issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid to PKF for non-audit services provided during the year ended 30 June 2023:

Taxation Services	<u>\$8,150</u>
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INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF PKF PERTH

There are no officers of the Company who are former partners of the Group's auditors, PKF Perth.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2023 has been received and is included in the financial report.

REMUNERATION REPORT - AUDITED

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Remuneration policy

The remuneration policy of DiscovEx Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of DiscovEx Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on industry experience and comparable rates for similar industry roles), superannuation and share based payments.
- The Board of Directors review key management personnel packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed with each executive. The board may, however, exercise its discretion in relation to approving incentives and share based payments. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Under the Company's Employee Equity Incentive Plan, if in the opinion of the Board a participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or any of its subsidiaries, then the Board may, in its absolute discretion determine that:

- all of the participant's incentives have lapsed; or
- all shares held by the participant (or their nominee), as a result of the exercise of incentives as of the date of such determination will be bought back and cancelled by the Company (subject to the passage of a special resolution of shareholders), and until then will be subject to a transfer restriction.

The key management personnel receive a superannuation contribution, which for the year ended 30 June 2023 was 10.5%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and either expensed through the statement of profit or loss or capitalised to exploration and evaluation costs on the statement of financial position as appropriate. Share based payments are valued using the Black-Scholes or binomial methodologies.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

REMUNERATION REPORT - AUDITED

PRINCIPLES OF COMPENSATION

Company performance, shareholder wealth and Director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives by the issue of share based payments to the Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Executive Contractual Arrangements

Details of executive contractual arrangements including major provisions of the agreements relating to remuneration are detailed below. The agreements provide for participation in the Employee Equity Incentive Plan.

Mr H A Hellewell – Non-Executive Chairman

Mr Hellewell is engaged under a service agreement with fees of \$60,000 per annum plus statutory superannuation. The term of the agreement is 3 years unless extended by shareholders and contains no termination notice period requirements or benefits.

Mr T Wellman - Managing Director

Mr Wellman is engaged on a full-time basis under an executive service agreement and is paid \$220,000 per annum exclusive of superannuation. The term of the agreement is continuous, with a termination notice period of 3 months. Upon demotion due to operational matters of the Company the executive may give 1 month's notice and will be entitled to 6 months base salary and superannuation.

Prior to being appointed to the role of Managing Director, Mr Wellman was engaged as Technical Director on a full-time basis under an executive service agreement and was paid \$190,000 per annum inclusive of superannuation. The term of the agreement was 3 years, unless extended by shareholders, with a termination notice period of 3 months.

Mr D B Morgan – Non-Executive Director

Mr Morgan is engaged under a service agreement with fees of \$31,000 per annum plus statutory superannuation. The term of the agreement is 3 years unless extended by shareholders and contains no termination notice period requirements or benefits.

Mr K A Massey – Non-Executive Director

Mr Massey is engaged under a service agreement with fees of \$31,000 per annum plus statutory superannuation. The term of the agreement is 3 years unless extended by shareholders and contains no termination notice period requirements or benefits.

REMUNERATION REPORT - AUDITED

Additional Information

The earnings of the Group and the factors that are considered to affect total shareholders return for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
Sales revenue	Nil	Nil	Nil	Nil	Nil
Profit/(loss) after income tax	(628,926)	(818,127)	(743,257)	(4,586,630)	(39,957)
Share price at financial year end (\$)	\$0.002	\$0.004	\$0.005	\$0.009	\$0.004
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	(0.02)	(0.05)	(0.06)	(0.55)	(0.01)

Remuneration of Directors and key management personnel

Details of the remuneration of Directors and key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of DiscovEx Resources Limited:

- Heath Hellewell – Non-Executive Chairman (appointed 11 March 2021)
- Toby Wellman – Managing Director (appointed 23 April 2021). Technical Director (appointed 1 December 2019)
- David Morgan – Non-Executive Director (appointed 20 March 2012)
- Kim Massey – Non-Executive Director (appointed 11 March 2021)

For the year ended 30 June 2023

	Short-Term Benefits		Post-Employment Benefits	Share-Based Payments		Proportion of remuneration linked to fixed component	Proportion of remuneration linked to long term incentive
	Directors Fees	Salary and Fees	Superannuation	Options	Total		
	\$	\$	\$	\$	\$		
Directors							
H A Hellewell ⁽¹⁾	66,300	-	-	10,081	76,381	87%	13%
T Wellman	-	220,000	23,100	16,801	259,901	94%	6%
D B Morgan	31,000	-	3,255	7,841	42,096	81%	19%
K Massey ⁽¹⁾	34,255	-	-	-	34,255	100%	-
Total	131,555	220,000	26,355	34,723	412,633		

⁽¹⁾ The total amount of short-term benefits paid to the Director or their nominee includes Director fees and 10.5% statutory superannuation in accordance with the Director's service agreement.

REMUNERATION REPORT – AUDITED

For the year ended 30 June 2022

	Short-Term Benefits		Post-Employment Benefits	Share-Based Payments		Proportion of remuneration linked to fixed component	Proportion of remuneration linked to long term incentive
	Directors Fees	Salary and Fees	Superannuation	Options	Total		
	\$	\$	\$	\$	\$		
Directors							
H A Hellewell ⁽¹⁾	66,000	-	-	30,522	96,522	68%	32%
T Wellman	-	220,000	22,000	61,641	303,641	80%	20%
D B Morgan	31,000	-	3,100	23,738	57,838	59%	41%
K Massey ⁽¹⁾	34,100	-	-	-	34,100	100%	-
Total	131,100	220,000	25,100	115,901	492,101		

⁽¹⁾ The total amount of short-term benefits paid to the Director or their nominee includes Director fees and 10% statutory superannuation in accordance with the Director's service agreement.

Shareholdings of key management personnel

The movement during the reporting year in the number of shares in DiscovEx Resources Limited held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2023	Balance at 1 July 2022	Granted as compensation	Bought/ (Sold)	Held upon appointment / termination	Balance at 30 June 2023
Directors					
H A Hellewell	55,236,595	-	118,281,885	-	173,518,480
T Wellman	12,500,000	-	24,071,429	-	36,571,429
D B Morgan	30,966,677	-	5,000,000	-	35,966,677
K A Massey	-	-	-	-	-
	98,703,272	-	147,353,314	-	246,056,586

REMUNERATION REPORT – AUDITED

2022	Balance at 1 July 2021	Granted as compensation	Bought/ (Sold)	Held upon appointment / termination	Balance at 30 June 2022
Directors					
H A Hellewell	51,236,595	-	4,000,000	-	55,236,595
T Wellman	12,500,000	-	-	-	12,500,000
D B Morgan	30,966,677	-	-	-	30,966,677
K A Massey	-	-	-	-	-
	94,703,272	-	4,000,000	-	98,703,272

Option holdings of key management personnel

2023	Balance at 1 July 2022	Issued	Expired	Held upon appointment /termination	Balance at 30 June 2023*
Directors					
H A Hellewell**	9,000,000	-	-	-	9,000,000
T Wellman**	39,000,000	-	-	-	39,000,000
D B Morgan**	12,000,000	-	(5,000,000)	-	7,000,000
K A Massey	-	-	-	-	-
	60,000,000	-	(5,000,000)	-	55,000,000

* Of the above options, all are vested and exercisable.

** Mr Hellewell (1,250,000 Options), Mr Wellman (1,250,000 options) and Mr Morgan (1,250,000 options) also held free options issued pursuant to the share placement announced on 2 September 2019. These options were not part of director remuneration and expired on 9 September 2022.

2022	Balance at 1 July 2021	Issued	Expired	Held upon appointment /termination	Balance at 30 June 2022*
Directors					
H A Hellewell**	-	9,000,000	-	-	9,000,000
T Wellman**	24,000,000	15,000,000	-	-	39,000,000
D B Morgan**	7,000,000	7,000,000	(2,000,000)	-	12,000,000
K A Massey	-	-	-	-	-
	31,000,000	31,000,000	(2,000,000)	-	60,000,000

* Of the above options, 44,500,000 are vested and exercisable.

** Mr Hellewell (1,250,000 Options), Mr Wellman (1,250,000 options) and Mr Morgan (1,250,000 options) also held free options issued pursuant to the share placement announced on 2 September 2019. These options are not part of director remuneration and expired on 9 September 2022.

Options and rights over equity instruments granted as compensation

No options were granted over ordinary shares in the Company as compensation to key management personnel during the reporting period. No options have been granted since the end of the financial year.

REMUNERATION REPORT - AUDITED

Exercise of options granted as compensation

No options were exercised by key management personnel during the reporting period.

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



Toby Wellman
Managing Director

27 September 2023

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

In relation to our audit of the financial report of DiscovEx Resources Limited for the year ended 30 June 2023, 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
PKF PERTH

Shane Cross

SHANE CROSS
PARTNER

27 SEPTEMBER 2023
WEST PERTH,
WESTERN AUSTRALIA

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CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be found on the Company's website at <http://www.discovexresources.com.au/index.php/corporate-governance/>, under the section marked "Corporate Governance".

The following governance-related documents can also be found on the Company's website at the Corporate Governance page:

DiscovEx Resources Limited Constitution

Charters

Board
Nomination Committee
Audit and Risk Committee
Remuneration Committee

Policies and Procedures

Anti-Bribery & Anti-Corruption Policy
Code of Conduct (Summary)
Compliance Procedures (Summary)
Diversity Policy (Summary)
Induction Program
Policy and Procedure for Selection and (Re) Appointment of Directors
Policy on Continuous Disclosure (Summary)
Procedure for the Selection, Appointment and Rotation of External Auditor
Process for Performance Evaluation
Risk Management Policy
Shareholder Communication and Investor Relations Policy
Securities Trading Policy
Whistleblower Protection Policy

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue from continuing operations			
Interest income	3	43,288	518
Gain on disposal of tenement		37,153	-
Gain on disposal of listed securities		39,073	-
Gain on fair value of financial assets	18	62,830	-
Cash received for project acquisition option fees		-	137,500
		<u>182,344</u>	<u>138,018</u>
Other income		727	19,293
Expenses			
Administration expenses	4	(340,879)	(375,037)
Occupancy expenses	4	(84,226)	(98,716)
Depreciation expense	4	(2,260)	(3,679)
Employee benefits expense	4	(227,880)	(268,222)
Exploration expenditure written off	4	(104,111)	(453,066)
Loss on disposal of tenements		-	(72,152)
Loss on fair value of financial assets	18	-	(82,961)
Share based payments	4,19	(52,641)	(171,844)
		<u>(811,997)</u>	<u>(1,525,677)</u>
Loss before income tax from continuing operations		(628,926)	(1,368,366)
Income tax benefit	5	-	-
Loss from continuing operations		(628,926)	(1,368,366)
Profit after income tax expense from discontinuing operation	30	-	550,239
Loss for the period		(628,926)	(818,127)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(628,926)</u>	<u>(818,127)</u>

Earnings per share

		Cents	Cents
Basic and diluted loss per share from continuing operations	27	(0.02)	(0.05)
Basic and diluted profit per share from discontinued operation	27	-	0.02

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,823,408	1,568,007
Financial assets at fair value through profit or loss	18	1,044,166	831,700
Trade and other receivables	7	107,849	649,971
TOTAL CURRENT ASSETS		2,975,423	3,049,678
NON CURRENT ASSETS			
Plant and equipment	8	84,040	120,417
Right-of-use asset	9	67,347	96,480
Exploration and evaluation costs	10	7,149,675	4,868,094
TOTAL NON CURRENT ASSETS		7,301,062	5,084,991
TOTAL ASSETS		10,276,485	8,134,669
CURRENT LIABILITIES			
Trade and other payables	11	288,835	343,027
Lease liabilities	12	61,946	60,007
Provisions	13	32,266	45,175
TOTAL CURRENT LIABILITIES		383,047	448,209
NON CURRENT LIABILITIES			
Lease liabilities	12	11,595	45,065
Provisions	13	3,627	-
TOTAL NON CURRENT LIABILITIES		15,222	45,065
TOTAL LIABILITIES		398,269	493,274
NET ASSETS		9,878,216	7,641,395
EQUITY			
Issued capital	14	38,386,126	35,573,020
Share based payments reserve	15	325,846	399,226
Accumulated losses		(28,833,756)	(28,330,851)
TOTAL EQUITY		9,878,216	7,641,395

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	35,573,020	399,226	(28,330,851)	7,641,395
Loss for the period	-	-	(628,926)	(628,926)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(628,926)	(628,926)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	2,935,616	-	-	2,935,616
Share issue costs	(122,510)	-	-	(122,510)
Lapse of options upon expiry	-	(126,021)	126,021	-
Fair value of options recognised	-	52,641	-	52,641
	2,813,106	(73,380)	126,021	2,865,747
Balance at 30 June 2023	38,386,126	325,846	(28,833,756)	9,878,216

	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	-	-	(818,127)	(818,127)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(818,127)	(818,127)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	-	-	-	-
Share issue costs	(22,267)	-	-	(22,267)
Lapse of options upon expiry	-	(178,883)	178,883	-
Fair value of options recognised	-	171,844	-	171,844
	(22,267)	(7,039)	178,883	149,577
Balance at 30 June 2022	35,573,020	399,226	(28,330,851)	7,641,395

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Interest received		42,329	518
Payments to suppliers and employees		(585,511)	(664,478)
Payments for exploration and evaluation		(2,448,274)	(1,855,651)
Sundry income		-	15,581
Finance expense		(5,690)	(6,450)
<i>Net cash used in operating activities</i>	17	<u>(2,997,146)</u>	<u>(2,510,480)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(6,960)	(59,425)
Project option fees		-	137,500
Proceeds on disposal of listed securities		453,333	-
Net proceeds from disposal of subsidiary	30	-	96,770
Proceeds from disposal of Newington Project		70,000	-
<i>Net cash from investing activities</i>		<u>516,373</u>	<u>174,845</u>
Cash flows from financing activities			
Proceeds from issue of shares		2,935,616	-
Capital raising costs		(134,721)	(10,056)
Lease payments		(64,721)	(46,857)
<i>Net cash from/(used in) financing activities</i>		<u>2,736,174</u>	<u>(56,913)</u>
Net increase/(decrease) in cash		255,401	(2,392,548)
Cash and cash equivalents at 1 July		<u>1,568,007</u>	<u>3,960,555</u>
Cash and cash equivalents at 30 June	6	<u>1,823,408</u>	<u>1,568,007</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

DiscovEx Resources Limited (the "Company") is a company domiciled and incorporated in Australia and listed on the Australian Securities Exchange.

The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in mineral exploration activity.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Preparation and Going Concern Basis

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* as appropriate for for-profit entities. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRS) and Interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial report was authorised for issue in accordance with a resolution of the Directors on 27 September 2023. The Directors have the power to amend and reissue the financial statements.

Basis of Measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical cost except for certain financial instruments which are fair valued through the profit or loss.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 26.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DiscovEx Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. DiscovEx Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Principles of Consolidation (cont)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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.

Significant Accounting Policies

(a) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(a) Income tax (cont)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

DiscovEx Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(b) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at reporting date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) Exploration and evaluation expenditure (cont)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Company's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has been incurred as at the reporting date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from sale of assets or from plant clean-up at closure.

(c) Revenue Recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance for expected losses of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

The amount of the allowance for expected losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected losses.

(e) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture	15 - 30%
Plant and equipment	25 - 50%
Vehicles	20 - 30%
Computer equipment	25 - 33%

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(f) Plant and Equipment (cont)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

(g) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Employee Benefits

(i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) Superannuation

Contributions are made by the Company to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) Employee benefit on costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, options over shares or performance rights that are provided to employees in exchange for the rendering of services.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(i) Employee Benefits (cont)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods. All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

(j) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Fair Value Measurement (cont)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST where applicable.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(i) Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Investments and other financial assets (cont)

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(o) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) New Standards and Interpretations not yet mandatory or early adopted

The AASB has issued the following new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The Group has assessed the potential impact on the financial statements from the adoption of these standards and interpretations and the effects are not material on the Group's profit or loss.

AASB No.	Title	Issue Date	Application Date (Annual reporting periods beginning on or after)
2014-10	Amendments to Australian Accounting Standards – Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	Dec 2014	1 Jan 2025
2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	Mar 2020	1 Jan 2024
2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	Mar 2021	1 Jan 2023
2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	July 2021	1 Jan 2023
2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply)	Dec 2021	1 Jan 2025
2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	Mar 2022	1 Jan 2023
2022-6	Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	Dec 2022	1 Jan 2024
2022-7	Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	Dec 2022	1 Jan 2023

(r) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(s) Interests in Joint Arrangements

IFRS defines a joint arrangement as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Company recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the net profit/(loss) after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(v) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

(w) Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Use of Estimates and Judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT)

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a loss of \$628,926 for the year ended 30 June 2023 (2022: \$818,127). Included within this loss was the write-off of exploration expenditure of \$104,111 (2022: \$453,066). As at 30 June 2023 the Group had net assets of \$9,878,216 (30 June 2022: \$7,641,395) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 30 June 2023 the Group had \$1,823,408 (30 June 2022: \$1,568,007) in cash and cash equivalents.

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing its mineral properties.

The accounts have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises.

Critical Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the employee options is determined by a valuation using the Black-Scholes option pricing model, using the assumptions detailed in Note 19.

Classification of Investments

The Company has decided to classify investments in listed securities as financial assets at fair value through profit or loss. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or debited to the statement of profit or loss and other comprehensive income.

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since expenditures are expected to be recouped as noted above. Such capitalised expenditure is carried at reporting date at \$7,149,675.

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT)

Critical Accounting Judgements, Estimates and Assumptions (cont)

Impairment of Exploration and Evaluation Assets and Investments in Subsidiaries

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.

Reviews for impairment indicators are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Economic factors that have an impact on the operations and carrying values of assets and liabilities.

Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements

NOTE 2: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT)

Critical Accounting Judgements, Estimates and Assumptions (cont)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	2023 \$	2022 \$
Operating activities		
Interest received	43,288	518

NOTE 4: EXPENSES

Depreciation expense	43,337	40,407
less capitalised in exploration and evaluation	(41,077)	(36,728)
	2,260	3,679
Share based payments	52,641	171,844
Employee benefits expenses		
Salaries and on-costs	710,934	753,995
Superannuation	62,574	59,570
less capitalised in exploration and evaluation	(545,628)	(545,343)
	227,880	268,222
Exploration expenditure written off	104,111	453,066
Administration expenses	340,879	375,037
Occupancy expenses		
Right-of-use asset depreciation	62,323	61,476
Interest on lease liabilities	5,690	6,450
Rent less than 12 month term	16,213	30,790
	84,226	98,716

Notes to the Financial Statements

NOTE 5: INCOME TAX (EXPENSE)/BENEFIT

	2023 \$	2022 \$
The prima facie tax payable on the operating loss is reconciled to the income tax provided in the accounts as follows:		
Prima facie tax payable on operating loss before income tax at 25% (2022: 25%)	(157,231)	(204,532)
Effect of non-deductible expenses	13,720	45,279
Increase/(decrease) in deferred tax balances not brought to account	143,511	159,253
Income tax benefit	-	-

The following deferred tax balances have not been recognised:

Deferred Tax Assets at 25% (2022: 25%):

Carry forward revenue losses	8,161,388	7,484,738
Capital raising costs	91,874	103,508
Provisions, accruals & other	15,897	16,629
Investments	61,756	10,318
	8,330,915	7,615,193

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company in utilising the benefits.

Deferred Tax Liabilities at 25% (2022: 25%):

Exploration and evaluation costs	1,333,101	765,613
Accrued interest	240	-
Prepayments	5,871	5,371
	1,339,212	770,984

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

Tax consolidation legislation

The Company and its wholly-owned Australian subsidiaries implemented the tax consolidation legislation as of 1 July 2016. The accounting policy on implementation of the legislation is set out in Note 1. The impact on the income tax expense for the year is disclosed in the tax reconciliation above.

Notes to the Financial Statements

NOTE 5: INCOME TAX (EXPENSE)/BENEFIT (CONT)

The entities have also entered into a tax sharing and funding agreement. Under the terms of this agreement, the wholly-owned subsidiaries reimburse the Company for any current income tax payable by the Company arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and will therefore be recognised as a current tax-related receivable by the Company when they arise. In the opinion of the Directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by the Company.

	2023 \$	2022 \$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	-	300
Cash at bank	1,823,408	1,567,707
	<u>1,823,408</u>	<u>1,568,007</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

GST receivable	13,703	14,648
Sundry receivables	28,938	3,792
Cash and shares owing from Midas Minerals Limited upon exercise of option to acquire Newington Gold Project	-	568,323
Security deposits	41,722	41,722
Prepayments	23,486	21,486
	<u>107,849</u>	<u>649,971</u>

There are no assets in trade & other receivables that are past due or with expected credit losses.

NOTE 8: PLANT AND EQUIPMENT

Plant and equipment at cost	225,870	222,323
Less: accumulated depreciation	(215,605)	(209,670)
	<u>10,265</u>	<u>12,653</u>
 Furniture at cost	 100,269	 99,225
Less: accumulated depreciation	(98,865)	(98,421)
	<u>1,404</u>	<u>804</u>
 Computer equipment at cost	 92,361	 89,991
Less: accumulated depreciation	(85,538)	(78,591)
	<u>6,823</u>	<u>11,400</u>
 Vehicles at cost	 281,627	 281,627
Less: accumulated depreciation	(216,079)	(186,067)
	<u>65,548</u>	<u>95,560</u>
 Total plant and equipment	 <u>84,040</u>	 <u>120,417</u>

Notes to the Financial Statements

NOTE 8: PLANT AND EQUIPMENT (CONT)

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial year are as follows:

	Plant and equipment \$	Furniture \$	Computer equipment \$	Vehicles \$	Total \$
Carrying amount at 30 June 2021	12,714	1,077	16,851	69,848	100,490
Net additions	5,183	-	2,054	53,097	60,334
Depreciation expense	(5,244)	(273)	(7,505)	(27,385)	(40,407)
Carrying amount at 30 June 2022	12,653	804	11,400	95,560	120,417
Net additions	3,547	1,044	2,369	-	6,960
Depreciation expense	(5,935)	(444)	(6,946)	(30,012)	(43,337)
Carrying amount at 30 June 2023	10,265	1,404	6,823	65,548	84,040

Of the total depreciation expense, \$41,077 (2022: \$36,728) is capitalised to exploration and evaluation costs.

	2023 \$	2022 \$
NOTE 9: RIGHT-OF-USE ASSET		
Buildings – Right-of-use	203,711	170,521
Less: accumulated depreciation	(136,364)	(74,041)
	<u>67,347</u>	<u>96,480</u>

Reconciliations of the carrying amounts of the right-of-use assets at the beginning and end of the current and previous financial year are as follows:

	\$
Carrying amount at 30 June 2021	157,956
Net additions	-
Depreciation expense	(61,476)
Carrying amount at 30 June 2022	96,480
Net additions	33,190
Depreciation expense	(62,323)
Carrying amount at 30 June 2023	67,347

During the period the Group renewed its storage lease: \$33,190 (2022: Nil).

The Group leases buildings for its offices and storage under agreements of between one to three years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than three years. These leases are either short-term or low-value, and as such have been expensed as incurred and not capitalised as right-of-use assets.

NOTE 10: EXPLORATION AND EVALUATION COSTS

	2023 \$	2022 \$
Exploration expenditure capitalised	7,149,675	4,868,094
Movement in carrying value:		
Balance at 1 July	4,868,094	3,921,130
Exploration expenditure capitalised during the year	2,413,386	2,040,504
Exploration expenditure on tenements disposed of	(27,694)	(640,474)
Exploration expenditure written off during the year	(104,111)	(453,066)
Balance at 30 June	7,149,675	4,868,094

The value of the exploration expenditure is dependent upon:

- The ongoing rights to tenure of the areas of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

During the period a total of \$40,583 was written off on tenements that were still in application.

A further amount of \$63,528 was written off in relation to project assessment activities and tenement application expenses for tenements that are yet to be granted to the Company.

NOTE 11: TRADE AND OTHER PAYABLES

Trade and other payables	193,449	160,906
Accruals	75,711	154,656
PAYG payable	17,139	14,855
GST payable	2,536	12,610
	288,835	343,027

Notes to the Financial Statements

NOTE 12: LEASE LIABILITIES

	2023 \$	2022 \$
Lease liability – current	61,946	60,007
Lease liability – non-current	11,595	45,065
	<u>73,541</u>	<u>105,072</u>

The Company leases office and storage premises. The weighted average lessee's incremental borrowing rates applied to these lease liabilities recognised in the statement of financial position at the date of inception are 5% and 6.19% respectively. The lease liabilities recognised at inception of each of the leases were \$129,269 and \$32,899 respectively.

NOTE 13: PROVISIONS

Provision for annual leave – current	32,266	45,175
Provision for long service leave – non-current	3,627	-
	<u>35,893</u>	<u>45,175</u>

NOTE 14: ISSUED CAPITAL

	2023 Shares	2022 Shares	2023 \$	2022 \$
(a) Share capital				
Fully paid ordinary shares	3,302,568,098	2,568,664,076	40,096,446	37,160,830
Less: capital issue costs	-	-	(1,710,320)	(1,587,810)
	<u>3,302,568,098</u>	<u>2,568,664,076</u>	<u>38,386,126</u>	<u>35,573,020</u>

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	Value \$
	Balance at 30 June 2021	2,568,664,076		35,595,287
	Less: capital issue costs	-	-	(22,267)
	Balance at 30 June 2022	2,568,664,076		35,573,020
20/07/2022	Rights issue	436,196,840	0.004	1,744,787
28/07/2022	Rights issue shortfall	297,707,182	0.004	1,190,829
	Less: capital issue costs	-	-	(122,510)
	Balance at 30 June 2023	3,302,568,098		38,386,126

NOTE 14: ISSUED CAPITAL (CONT)

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. These shares have no par value.

(d) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets for in-specie distributions.

The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at reporting date. Capital includes accumulated losses and share based payments reserve.

The Group encourages employees to be shareholders through the issue of free options or performance rights. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

	2023 \$	2022 \$
(e) Capital Risk Management		
Cash and cash equivalents	1,823,408	1,568,007
Less: Total liabilities	(398,269)	(493,274)
Net cash and cash equivalents	<u>1,425,139</u>	<u>1,074,733</u>
 Total equity	 <u>9,878,216</u>	 <u>7,641,395</u>
 Debt to equity ratio at 30 June	 4.03%	 6.45%

Management of Share Capital

The Directors primary objective is to maintain a capital structure that ensures the lowest cost of capital available to the Group.

Notes to the Financial Statements

NOTE 14: ISSUED CAPITAL (CONT)

Unissued shares under options

As at the reporting date, the unissued ordinary shares of DiscovEx Resources Limited under unlisted options are as follows:

Grant date	Expiry date	Exercise price (cents)	Quantity
17/03/2020	1/12/2023	1.70	16,000,000
17/03/2020	1/12/2023	2.25	16,000,000
17/03/2020	1/12/2023	3.15	8,000,000
17/08/2020	20/08/2024	1.30	1,000,000
7/10/2021	14/10/2025	0.725	25,750,000
7/10/2021	14/10/2025	0.95	24,625,000
			<u>91,375,000</u>

If exercised, each option entitles the holder to one fully paid ordinary share in the Company at any time up to expiry date. As at the reporting date no shares had been issued as a result of the exercise of options.

	2023 \$	2022 \$
NOTE 15: SHARE BASED PAYMENTS RESERVE		
Balance at 1 July	399,226	406,265
Share based payments during the period – refer to Note 19	52,641	171,844
Lapse of options upon expiry	(126,021)	(178,883)
Balance at 30 June	<u>325,846</u>	<u>399,226</u>

The share based payments reserve represents the unexpired portion of expense of options on issue.

NOTE 16: AUDITORS REMUNERATION

Audit and review of financial reports	36,725	37,016
Other services - taxation	8,150	18,070
	<u>44,875</u>	<u>55,086</u>

Notes to the Financial Statements

	2023 \$	2022 \$
NOTE 17: NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of cash flows from operations with loss from ordinary activities after income tax.		
Loss for the period	(628,926)	(818,127)
Adjustment for:		
Depreciation	64,583	65,156
Exploration expenditure written off	104,111	453,066
Share based payments	52,641	171,844
Loss/(gain) on fair value of investments	(62,830)	82,961
Payments for exploration and evaluation	(2,372,308)	(2,003,774)
Net gain on disposal of listed securities/tenement	(76,953)	-
Net gain on disposal of subsidiary/tenements	-	(378,107)
Non-operating activities		
Shares received in-specie	-	(3,714)
Cash received upon disposal of subsidiary	-	(100,000)
Cash received for project option fees	-	(137,500)
(Increase/decrease in accrued interest	(959)	
(Increase)/decrease in prepayments	(2,000)	(4,761)
(Increase)/decrease in trade debtors	(23,242)	(6,381)
Increase/(decrease) in accruals and trade creditors	(41,981)	147,216
Increase/(decrease) in provision for employee entitlements	(9,282)	21,641
Net cash flows used in operating activities	<u>(2,997,146)</u>	<u>(2,510,480)</u>

Refer to Note 29 for details in regard to non-cash investing and financing activities.

NOTE 18: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed ordinary shares – designated at fair value through profit or loss	1,044,166	831,700
	<u>1,044,166</u>	<u>831,700</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	831,700	457,459
Additions ⁽ⁱ⁾	563,169	457,202
Disposals	(413,533)	-
Revaluation increments/(decrements)	62,830	(82,961)
Closing fair value	<u>1,044,166</u>	<u>831,700</u>

- ⁽ⁱ⁾ Additions during the reporting period comprised 2,693,639 Midas Minerals Limited (ASX: MM1) shares with a fair value on issue date of 18.5 cents per share as partial consideration upon disposal of the Newington Gold Project and 170,648 Cooper Metals Limited (ASX: CPM) shares with a fair value on issue date of 38 cents per share upon disposal of a tenement.

Refer to Note 22 for further information on fair value measurement.

Notes to the Financial Statements

NOTE 19: SHARE BASED PAYMENTS

Number and weighted average exercise prices of share options

The following table illustrates the total number, weighted average exercise prices, and movement in share options issued and/or expired during the year:

	2023		2022	
	Number of options No.	Weighted average exercise price (cents)	Number of options No.	Weighted average exercise price (cents)
Outstanding at 1 July	117,500,000	1.42	97,666,666	2.18
Issued during the year	-	-	53,500,000	0.8375
Expired during the year	(26,125,000)	1.34	(33,666,666)	2.70
Outstanding at 30 June	91,375,000	1.44	117,500,000	1.42
Exercisable at 30 June	91,375,000	1.44	91,750,000	1.55

A total of 24,625,000 options vested during the period.

Number and terms of share options on issue

The following table illustrates the total number of share options on issue at the end of the reporting period and their exercise prices, vesting periods and term:

Option Qty	Ex Price (cents)	Grant Date	Vesting Date	Expiry Date	Weighted average remaining contractual life (years)
16,000,000	1.70	17/03/2020	Immediate	1/12/2023	0.42
16,000,000	2.25	17/03/2020	1/12/2020*	1/12/2023	0.42
8,000,000	3.15	17/03/2020	1/06/2022*	1/12/2023	0.42
1,000,000	1.30	17/08/2020	Immediate	20/08/2024	1.14
25,750,000	0.725	7/10/2021	14/04/2022	14/10/2025	2.28
24,625,000	0.95	7/10/2021	14/04/2023	14/10/2025	2.28
<u>91,375,000</u>					

*These options have vesting conditions based upon certain safety milestones and exploration expenditure requirements having been met. The remaining options either vested immediately or have time based vesting periods.

Terms and conditions of options

There were no grants of options in the current period.

NOTE 19: SHARE BASED PAYMENTS (CONT)

Expenses arising from share-based payment transactions

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

	2023	2022
	\$	\$
Options issued	52,641	171,844
	<u>52,641</u>	<u>171,844</u>
<i>Reconciliation</i>		
Options issued to key management personnel, staff and consultants	52,641	171,844
Fair value of options issued	<u>52,641</u>	<u>171,844</u>

NOTE 20: COMMITMENTS FOR FUTURE EXPENDITURE

The Group has commitments for future expenditure in respect of its tenements. Commitments are as follows:

	2023	2022
	\$	\$
Tenement commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
- within one year	1,191,900	954,400
- one to five years	6,647,700	7,901,000
	<u>7,839,600</u>	<u>8,855,400</u>

Tenement commitments are only valid if the tenement remains held by the Group. Should the Group decide not to retain the tenure the corresponding commitment for that tenement lapses. The Company recognises commitments on tenements only upon grant of the tenement to the Company.

NOTE 21: FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash, short term deposits and investments in listed shares. The main purpose of the financial instruments is to earn the maximum amount of interest and capital growth at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and market price risk. The board reviews and agrees policies for managing each risk and they are summarised below:

a) Market Risk

(i) Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 180 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposits at interest rates maturing over 30-180 day rolling periods.

	Carrying Amount 2023 \$	Carrying Amount 2022 \$
Profile		
At the reporting date the interest rate profile of the Company's and the Group's interest bearing financial instruments was:		
Variable rate instruments		
Cash and cash equivalents	1,123,408	1,568,007
Fixed rate instruments		
Cash and cash equivalents	700,000	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis is performed on the same basis for 2022.

	100bp Increase \$	100bp Decrease \$
30 June 2023		
Cash and cash equivalents	18,234	18,234
	18,234	18,234
30 June 2022		
Cash and cash equivalents	15,680	15,680
	15,680	15,680

(ii) Foreign currency risk

The Group is not exposed to currency risk and at reporting date the Company and the Group hold no financial assets or liabilities which are exposed to foreign currency risk.

NOTE 21: FINANCIAL INSTRUMENTS (CONT)**(iii) Other market price risk**

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Group is exposed to market price risk from the investments that it holds in Australian stock exchange listed securities of \$1,044,166 (2022: \$831,700). Should the market price of these listed shares change by 10% at the reporting date this would increase/(decrease) profit or loss by \$104,416 (2022: \$83,170).

(iv) Commodity price risk

The Group operates in the resources industry and is in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

b) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any expected credit losses, represents the Group's maximum exposure to credit risk.

	Carrying Amount 2023 \$	Carrying Amount 2022 \$
Exposure to credit risk		
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:		
Cash and cash equivalents	1,823,408	1,568,007
Other receivables	-	-
	<u>1,823,408</u>	<u>1,568,007</u>

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Notes to the Financial Statements

NOTE 21: FINANCIAL INSTRUMENTS (CONT)

	Carrying amount	Contractual cash flows	<6 months	6-12 months	1-2 Years	2-5 Years	>5 Years
30 June 2023							
Trade and other payables	288,835	288,835	288,835	-	-	-	-
Lease liability	73,541	73,541	35,121	26,825	11,595	-	-
	<u>362,376</u>	<u>362,376</u>	<u>323,956</u>	<u>26,825</u>	<u>11,595</u>	<u>-</u>	<u>-</u>
30 June 2022							
Trade and other payables	343,027	343,027	343,027	-	-	-	-
Lease liability	105,072	105,072	31,954	28,053	45,065	-	-
	<u>448,099</u>	<u>448,099</u>	<u>374,981</u>	<u>28,053</u>	<u>45,065</u>	<u>-</u>	<u>-</u>

Fair values versus carrying amounts

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 22: 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 Group'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.

Consolidated 2023	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Financial assets at fair value	1,044,166	-	-	1,044,166
	<u>1,044,166</u>	<u>-</u>	<u>-</u>	<u>1,044,166</u>
Consolidated 2022				
<i>Assets</i>				
Financial assets at fair value	831,700	-	-	831,700
	<u>831,700</u>	<u>-</u>	<u>-</u>	<u>831,700</u>

There were no transfers between levels during the financial year.

Notes to the Financial Statements

NOTE 23: INTERESTS IN CONTROLLED ENTITIES

Controlled entities consolidated

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Name	Country of Incorporation	Class of Shares	Equity Holding %*		Investment \$	
			2023	2022	2023	2022
Wedgetail Exploration Pty Ltd	Australia	Ordinary	100	-	100	-
Syndicated Royalties Pty Ltd	Australia	Ordinary	100	100	1	1
Lighthouse Resource Holdings Pty Ltd	Australia	Ordinary	100	100	2,362,500	2,362,500
					<u>2,362,601</u>	<u>2,362,501</u>

* Percentage of voting power is in proportion to ownership.

Incorporation of controlled entities

Wedgetail Exploration Pty Ltd was incorporated on 15 November 2022. Syndicated Royalties Pty Ltd was incorporated on 12 April 2010. Lighthouse Resource Holdings Pty Ltd was incorporated on 15 April 2020 and was purchased by DiscovEx Resources on 11 March 2021.

NOTE 24: SEGMENT REPORTING

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 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.

NOTE 25: RELATED PARTY DISCLOSURE

(a) Key management personnel compensation

The key management personnel compensation comprised:

	2023 \$	2022 \$
Post-employment benefits	26,355	25,100
Short term employment benefits	351,555	351,100
Share based payments	34,723	115,901
	<u>412,633</u>	<u>492,101</u>

(b) Individual directors' and executives' compensation disclosure

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

(c) Loans to key management personnel

There were no loans to key management personnel during or at the end of the year.

(d) Transactions with related parties

There were no transactions with related parties during or at the end of the year.

Notes to the Financial Statements

NOTE 26: PARENT ENTITY INFORMATION

	2023	2022
	\$	\$
Information for DiscovEx Resources Limited		
Cash and cash equivalents	1,814,202	1,567,306
Trade and other receivables	107,849	649,971
Financial assets at fair value through profit or loss	1,044,166	831,700
Current assets	2,966,217	3,048,977
Total assets	8,061,339	5,919,526
Current liabilities	383,047	448,209
Total liabilities	398,269	493,274
Issued capital	38,386,126	35,573,020
Share based payments reserve	325,846	399,226
Accumulated losses	(31,048,902)	(30,545,994)
Total shareholder's equity	7,663,070	5,426,252
Net loss before income tax expense/benefit of the parent entity	(628,926)	(818,127)
Total comprehensive loss of the parent	(628,926)	(818,127)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and its subsidiaries are not party to deeds of cross guarantee under which each company guarantees the debts of the others.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Commitments for future expenditure

The parent entity has commitments for future expenditure in respect of its tenements for \$3,081,000 (30 June 2022: \$3,719,400).

Capital commitments - Plant and equipment

The parent entity had no capital commitments for plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except that, investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Notes to the Financial Statements

	2023 \$	2022 \$
NOTE 27: EARNINGS PER SHARE		
Loss for the period	(628,926)	(818,127)
Loss used in calculating basic and diluted profit/(loss) per share	(628,926)	(818,127)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	3,257,839,786	2,568,664,076
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	26,658,824
Weighted average number of ordinary shares used in calculating diluted earnings per share	3,257,839,786	2,595,322,900
	Cents	Cents
Basic earnings per share	(0.02)	(0.05)
Diluted earnings per share	(0.02)	(0.05)

NOTE 28: CONTINGENT ASSETS AND LIABILITIES

During the prior period, two Option Agreements were executed with Rio Tinto Exploration Pty Ltd, a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO) to acquire 100% of the iron ore rights over four tenements at the Sylvania Project. The Option Agreements will allow Rio Tinto to explore and investigate potential development opportunities within the tenements, inclusive of the Spearhole detrital iron ore deposit. The Agreements include potential total consideration of up to \$9.3M, inclusive of option extension fees and option exercise payments. Upon exercise of the option, royalties on future production subject to certain time conditions exist.

The Group is unaware of any other contingent assets or liabilities that may have a material impact on the Company's financial position.

NOTE 29: NON-CASH INVESTING AND FINANCING ACTIVITIES

	2023 \$	2022 \$
Midas Minerals Limited shares received upon disposal of Newington Project	498,323	-
Cooper Metals Limited shares received upon disposal of tenement	64,846	-
Si6 Metals Limited shares received upon disposal of Monument Exploration Pty Ltd	-	453,489
Solstice Minerals Limited shares received in-specie upon demerger from OreCorp Limited	-	2,970
	563,169	456,459

Notes to the Financial Statements

NOTE 30: 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

	2023	2022
	\$	\$
Other revenue – option fee over Monument Gold Project	-	-
Total revenue	-	-
Administrative expenses	-	(20)
Exploration expenditure impairment	-	-
Total expenses	-	(20)
Profit/(Loss) for the period	-	(20)
Profit on disposal	-	550,259
Profit from discontinued operation	-	550,239

Cash flow information

Net cash from/(used in) operating activities	-	(20)
Net cash from investing activities	-	96,770
Net increase/(decrease) in cash and cash equivalents from discontinued operation	-	96,750

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 31: DIVIDENDS

There were no dividends paid or declared during the financial year.

NOTE 32: EVENTS SUBSEQUENT TO REPORTING DATE

On 18 September 2023, the Company announced that it had recently written to Carnaby Resources Limited (ASX: CNB) requesting that a formal joint venture agreement (JVA) be entered into in regard to the Greater Duchess Joint Venture in the Mt Isa region of Queensland, consistent with the terms of the Heads of Agreement dated 11 March 2019 between DiscovEx and Carnaby (HoA), with the terms of the JVA to reflect that the area of EPM14366 amalgamated with two expired mining leases, ML5400 and ML90015 (Mining Leases), which cover the Lady Fanny Prospect area, are subject to the JVA.

Carnaby asserts that it owns 100% of the area of EPM14366 amalgamated with the two expired Mining Leases which cover the Lady Fanny Prospect area. Prior to the amalgamation with EPM14366, Carnaby did not have an interest in the area of the Mining Leases.

DiscovEx's position under the HoA, supported by digital records from the Queensland Department of Resources, is that EPM14366 is held by DiscovEx and Carnaby in accordance with their joint venture interests. Therefore, DiscovEx continues to hold a 17.5% legal and beneficial interest (free-carried until a decision to mine) in the whole of EPM14366 (with Carnaby holding an 82.5% interest), including the area of the Lady Fanny Prospect situated within EPM14366.

Accordingly, and pursuant to the terms of the HoA, the areas previously covered by the Mining Leases form part of EPM14366 and the Greater Duchess Joint Venture tenure package which is jointly owned by DiscovEx (17.5%) and Carnaby (82.5%).

Other than the above matter, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity, in future years.

NOTE 33: COMPANY DETAILS

The registered office and principal place of business of the company is Unit 1, Ground Floor, 72 Kings Park Road, West Perth, Western Australia, 6005.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, notes and additional disclosures included in the Directors' Report and designated as audited, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group; and
 - (c) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. 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 Board of Directors.



Toby Wellman
Managing Director

27 September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DISCOVEX RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of DiscovEx Resources Limited, (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of DiscovEx Resources Limited is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 2 (Going Concern) in the financial report, which indicated that the consolidated entity incurred a net loss after tax of \$628,926 during the year ended 30 June 2023 (2022: net loss after tax of \$818,127) and had net cash outflows from operating activities of \$2,997,146 (2022: \$2,510,480). This, along with other matters as set forth in Note 2 (Going Concern), 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.

Independence

We are independent of the consolidated entity in accordance with 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 Requirements)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be key audit matters to be communicated in our report.

1. Carrying value of capitalised exploration expenditure

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2023 the carrying value of exploration and evaluation assets was \$7,149,675 (2022: \$4,868,094), as disclosed in Note 10.</p> <p>The entity wrote off \$104,111 (2022: \$453,066) for certain tenements during the period where the group were not granted these tenements by the relevant mining authorities or the tenements are still under application.</p> <p>The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(b) with the nature of critical estimates and judgements relating to this balance outlined in Note 2.</p> <p>This is considered to be a key audit matter due to the significant judgement required:</p> <ul style="list-style-type: none"> in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"); and in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular: <ul style="list-style-type: none"> whether areas of interest meet the recognition conditions for an asset; and which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest. 	<p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes; considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and assessing the appropriateness of the related disclosures in Note 10.

2. Equity based payments

Why significant

For the year ended 30 June 2023 the value of equity-based payments vested totalled \$52,641 (2022: \$171,844) as disclosed in Note 19.

The consolidated entity's accounting judgement and estimates in respect of equity-based payments is outlined in Note 2. This is considered to be a key audit matter due to the significant judgement required in relation to:

- the valuation method used in the model; and
- the assumptions and inputs used within the model.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- reviewed management's valuation of options issued, including:
 - assessing the appropriateness of the valuation method used; and
 - assessing the reasonableness of the assumptions and inputs used within the valuation model.
- reviewed board meeting minutes and Australian Securities Exchange (ASX) announcements as well as enquired of relevant personnel to ensure all equity-based payments had been recognised;
- assessed the allocation and recognition to ensure reasonable; and
- assessed the appropriateness of the related disclosures in Note 2 and Note 19.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of DiscovEx Resources Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

Shane Cross

SHANE CROSS
PARTNER

27 SEPTEMBER 2023
WEST PERTH,
WESTERN AUSTRALIA

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The Company presents the following additional information included in accordance with the listing requirements of the Australian Securities Exchange:

Shareholders

Distribution of shareholders as at 1 September 2023:

	Number of Shareholders	Number of Ordinary Shares
1 – 1,000	50	4,359
1,001 – 5,000	36	116,375
5,001 – 10,000	60	537,679
10,001 – 100,000	480	28,517,390
100,001 and over	1,237	3,273,392,295
	1,863	3,302,568,098

There are 955 shareholders holding unmarketable parcels (being a minimum \$500 parcel at \$0.002 per unit) totalling 84,861,663 shares.

The Company has the following substantial shareholders as at the date of this Report:

	Number of Ordinary Shares	% of Ordinary Shares
Capricorn Metals Limited	350,000,000	10.60%

Unlisted Options

As at the date of this report, the unissued ordinary shares of DiscovEx Resources Limited under options are as follows:

Expiry date	Exercise price (cents)	Quantity	Number of Holders
01/12/2023	1.70	16,000,000	2
01/12/2023	2.25	16,000,000	2
01/12/2023	3.15	8,000,000	1
20/08/2024	1.30	1,000,000	1
14/10/2025	0.725	25,750,000	8
14/10/2025	0.95	24,625,000	7
		91,375,000	21

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

Unlisted options do not carry the right to vote until such time as they are exercised and converted to ordinary shares.

Additional Information for Listed Public Companies

Restricted Securities

There are currently no restricted securities on issue.

On-market Buy-back

There is no on-market buy-back currently being undertaken.

Twenty Largest Shareholders as at 1 September 2023

Name	Number of Ordinary Fully Paid Shares Held	% of Issued Ordinary Capital Held
CAPRICORN METALS LIMITED	350,000,000	10.60%
CREST INVESTMENT GROUP LIMITED	158,592,888	4.80%
NEDLANDS NOMINEES PTY LTD <WINDANDSEA INVESTMENTS A/C>	128,535,715	3.89%
OAKTOWN INVESTMENTS PTY LTD	65,000,000	1.97%
MR LEI WANG	64,285,715	1.95%
MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS <SHARPLESS INVESTMENT A/C>	58,418,886	1.77%
MR GREGORY JOHN MCAULIFFE	57,000,000	1.73%
HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	49,000,000	1.48%
CENTREPEAK RESOURCES GROUP PTY LTD	44,982,765	1.36%
MR PETER ALARIC HAYES	39,614,859	1.20%
MR MARK COLIN HANSEN	38,504,891	1.17%
MR TOBY WELLMAN <SERPENTINE INVESTMENT A/C>	36,571,429	1.11%
OMNI GEOX PTY LTD	34,986,595	1.06%
MR GLYN EVANS & MRS THI THU VAN EVANS <G VAN SUPERANNUATION A/C>	32,142,858	0.97%
GECKO RESOURCES PTY LTD	32,142,858	0.97%
MISS RABIA YIGIT	30,000,000	0.91%
ROCK THE POLO PTY LTD <ROCK THE POLO A/C>	30,000,000	0.91%
EMLYN HOLDINGS PTY LTD <GLYN DWR A/C>	28,095,885	0.85%
TROCA ENTERPRISES PTY LTD <COULSON SUPER A/C>	25,000,000	0.76%
ACN 112 940 057 PTY LTD	23,715,052	0.72%
Total	1,326,590,396	40.18%

SCHEDULE OF INTERESTS IN MINING TENEMENTS

Tenement	Holder(s)	Percentage Held by Group	Status
Edjudina Gold Project – South Laverton, WA			
E39/1765	DiscovEx Resources Limited/Gateway Mining Limited	80%	Granted
E39/1882	DiscovEx Resources Limited/Gateway Mining Limited	80%	Granted
E28/2884	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1187	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1198	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E31/1227	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2102	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2126	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
P31/2126	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
P31/2125	DiscovEx Resources Limited/Crest Investment Group Limited	80%	Granted
E39/2178	DiscovEx Resources Limited	100%	Granted
E39/2181	DiscovEx Resources Limited	100%	Granted
E39/2182	DiscovEx Resources Limited	100%	Granted
E39/2186	DiscovEx Resources Limited	100%	Granted
E39/2344	DiscovEx Resources Limited	-	Application
E39/2334	DiscovEx Resources Limited	100%	Granted
Sylvania Gold & Base Metals Project – Newman, WA			
E52/3638	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3884	DiscovEx Resources Limited	-	Application
E52/3366	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E46/1341	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E46/1342	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3748	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3365	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3784	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3911	DiscovEx Resources Limited	100%	Granted
E52/3887	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3997	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3889	Lighthouse Resource Holdings Pty Ltd	-	Application
E52/3996	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3780	Lighthouse Resource Holdings Pty Ltd/Crest Investment Group 3 Limited	90%	Granted
E52/3890	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3995	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3888	Lighthouse Resource Holdings Pty Ltd	100%	Granted
E52/3980	Lighthouse Resource Holdings Pty Ltd	-	Application

Schedule of Interests in Mining Tenements

Tenement	Holder(s)	Percentage Held by Group	Status
Other Projects - Regional WA			
E59/2812	Wedgetail Exploration Pty Ltd	100%	Granted
E27/695	Wedgetail Exploration Pty Ltd	-	Application
E30/563	Wedgetail Exploration Pty Ltd	-	Application
E59/2828	Wedgetail Exploration Pty Ltd	-	Application
E59/2829	Wedgetail Exploration Pty Ltd	-	Application
E59/2833	Wedgetail Exploration Pty Ltd	-	Application
E57/1277	Wedgetail Exploration Pty Ltd	-	Application
E57/1282	Wedgetail Exploration Pty Ltd	-	Application
E57/1287	Wedgetail Exploration Pty Ltd	-	Application
E57/1293	Wedgetail Exploration Pty Ltd	-	Application
E57/1297	Wedgetail Exploration Pty Ltd	-	Application
E57/1301	Wedgetail Exploration Pty Ltd	-	Application
E27/723	Wedgetail Exploration Pty Ltd	-	Application
E27/724	Wedgetail Exploration Pty Ltd	-	Application
E59/2833	Wedgetail Exploration Pty Ltd	-	Application
Greater Duchess Copper Gold Joint Venture – Mt Isa, Queensland			
EPM 14366	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 14369	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 17637	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 18223	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 18980	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 19008	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25435	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25439	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25853	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 9083	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 11013	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
EPM 25972	Carnaby Resources Limited/DiscovEx Resources Limited	17.5%	Granted
Net Smelter Return (NSR) Royalty – Mt Isa, Queensland			
EPM 13870	Hammer Metals Limited (Syndicated Royalties Pty Ltd holds 2% NSR Royalty)	2% NSR Royalty	Granted