



DiscovEx Resources Limited

ABN 61 115 768 986

FINANCIAL REPORT FOR THE HALF YEAR ENDED

31 DECEMBER 2023

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

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**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
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CORPORATE DIRECTORY

DIRECTORS

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

REGISTERED OFFICE

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

SOLICITORS

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Perth, WA 6000

AUDITORS

PKF Perth
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West Perth, WA 6005

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, WA 6000
Telephone: 1300 288 664
Email: hello@automicgroup.com.au

STOCK EXCHANGE LISTING

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

BANK

Westpac Banking Corporation
130 Rokeby Road
Subiaco, WA 6008

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

DIRECTORS' REPORT

Your directors submit the financial accounts of DiscovEx Resources Limited and controlled entities (the Group) for the half year ended 31 December 2023.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

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

OPERATING PROFIT

The net loss of the Group for the financial period after provision for income tax was \$1,054,130 (2022: \$200,781 profit).

DIVIDENDS PAID OR RECOMMENDED

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

DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
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REVIEW OF OPERATIONS

Overview

DiscovEx Resources Limited (“DiscovEx” or the “Company”) continued its greenfield exploration approach during the period with activities progressing at the Sylvania and Edjudina Projects (Figure 1).

A Maiden Mineral Resource Estimate (“MRE”) was reported by Joint Venture (“JV”) partners Carnaby Resources Limited (ASX:CNB or “Carnaby”) at the Greater Duchess Project (QLD). DiscovEx holds a 17.5% interest in the Greater Duchess tenements and is free carried through to a decision to mine.

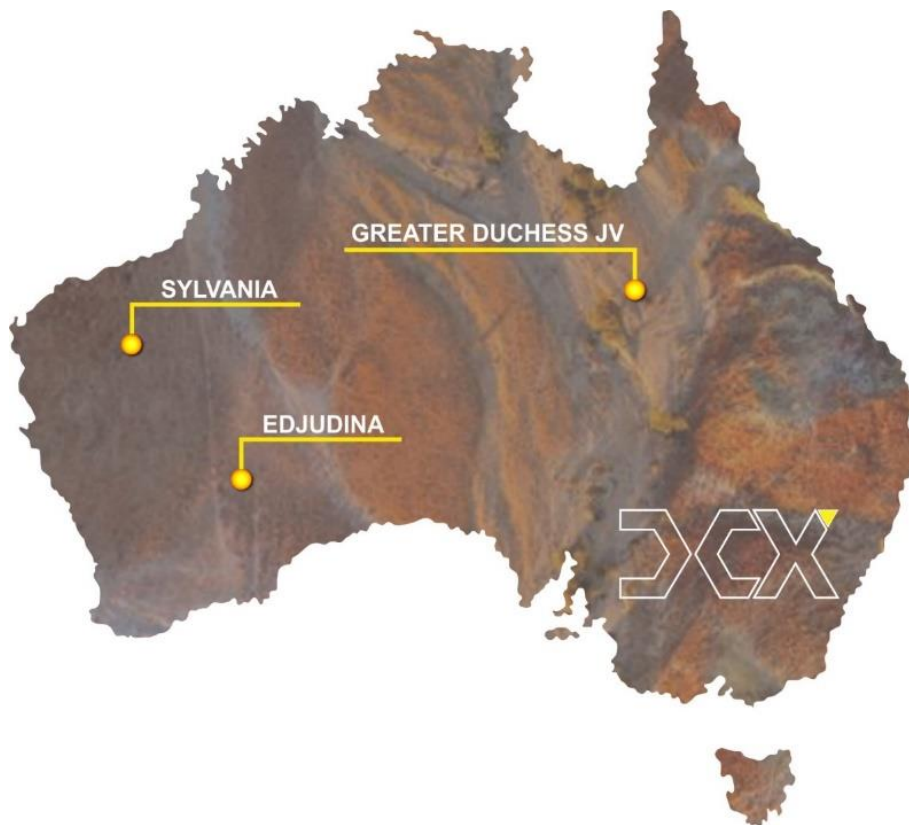


Figure 1: DiscovEx Resources Limited project locations

Exploration and Evaluation

Sylvania Gold and Base Metal Projects – Newman, WA

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

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

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

REVIEW OF OPERATIONS (Continued)

Activities during the half year reporting period included systematic soil sampling north of the Prairie Downs Fault Zone, a dipole-dipole induced polarisation (“DDIP”) geophysical survey and an RC program consisting of three holes for 702m.

A total of 2,032 soil samples were taken from the southern tenements within the Sylvania Project, concentrating on the PDFZ and surrounding Fortescue Group basalts, dolerites and shales. Sampling avoided large areas of transported material, only focussing on subcrop/outcrop or areas where thin transported cover was interpreted.

Samples were taken on a broad 400 x 200m grid over the bulk of the exposed Fortescue Group rocks and later infilled to 200 x 100m over identified gold-in-soil anomalies. A tighter 100 x 50m grid was also completed over the Husky and Prairie Downs Prospects.

Multiple large-scale anomalous gold trends were defined (**Figure 2**) with strike lengths up to 3.5km. Many of these anomalous trends are spatially coincident with mapped NW trending structures including Jackal, Hyena and Jack Russell. The highest tenor gold result of **79ppb Au** (Hyena) was returned within a higher strain zone, where shearing is associated with strong carbonate alteration and stringer quartz veining.

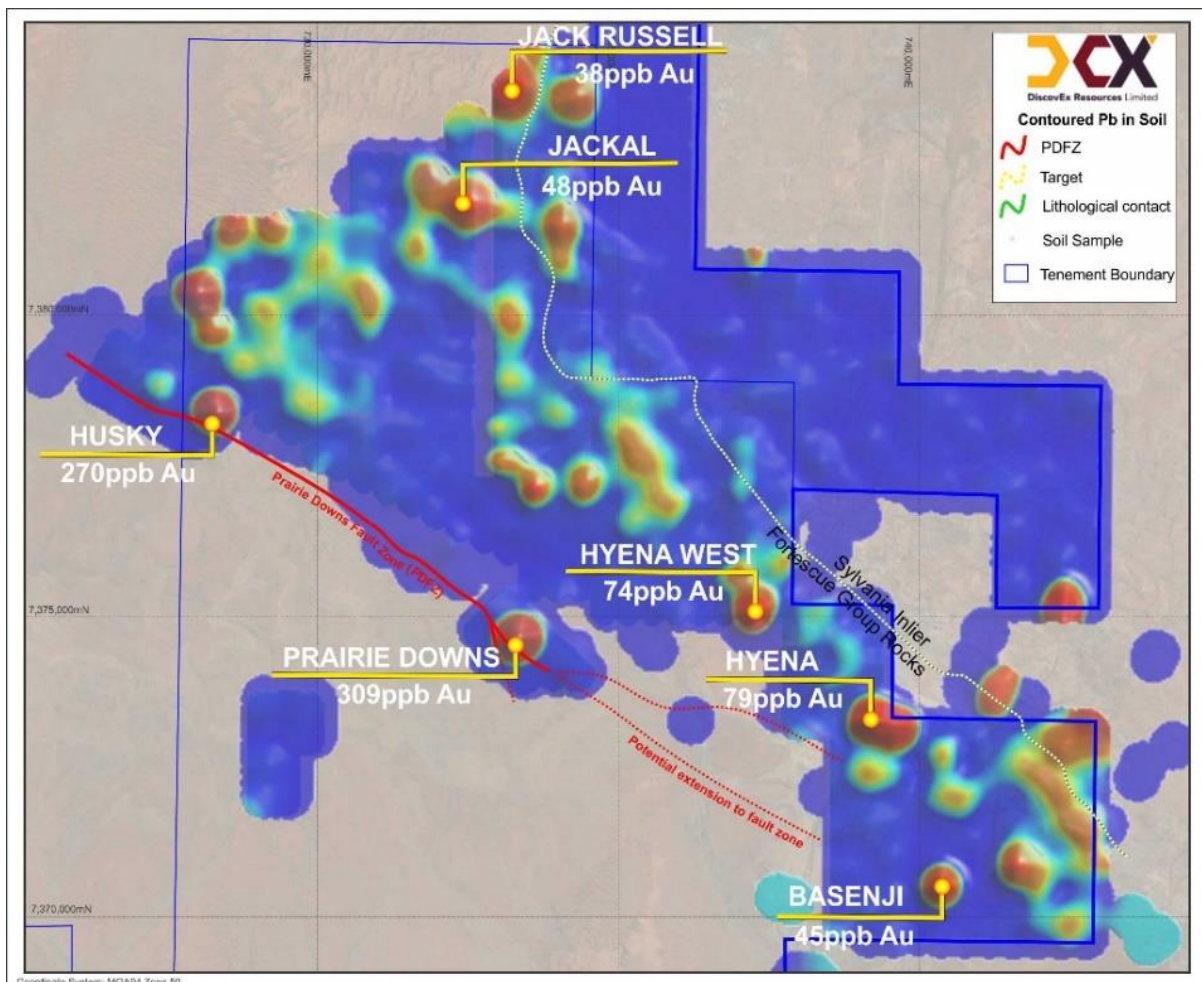


Figure 2: Contoured gold in soil results from the Sylvania Project

REVIEW OF OPERATIONS (Continued)

Additional encouraging results included **48.4ppb, 38.0ppb, 29.0ppb and 26.4 ppb Au (Figure 3)**.

In addition to the generated gold anomalies, significant lead results have also been returned, with elevated results up to 1,315ppm Pb. The bulk of the anomalous results are located at the Prairie Downs and Husky Prospects as well as proximal to the contact of the Sylvania inlier with overlying Fortescue Group rocks.

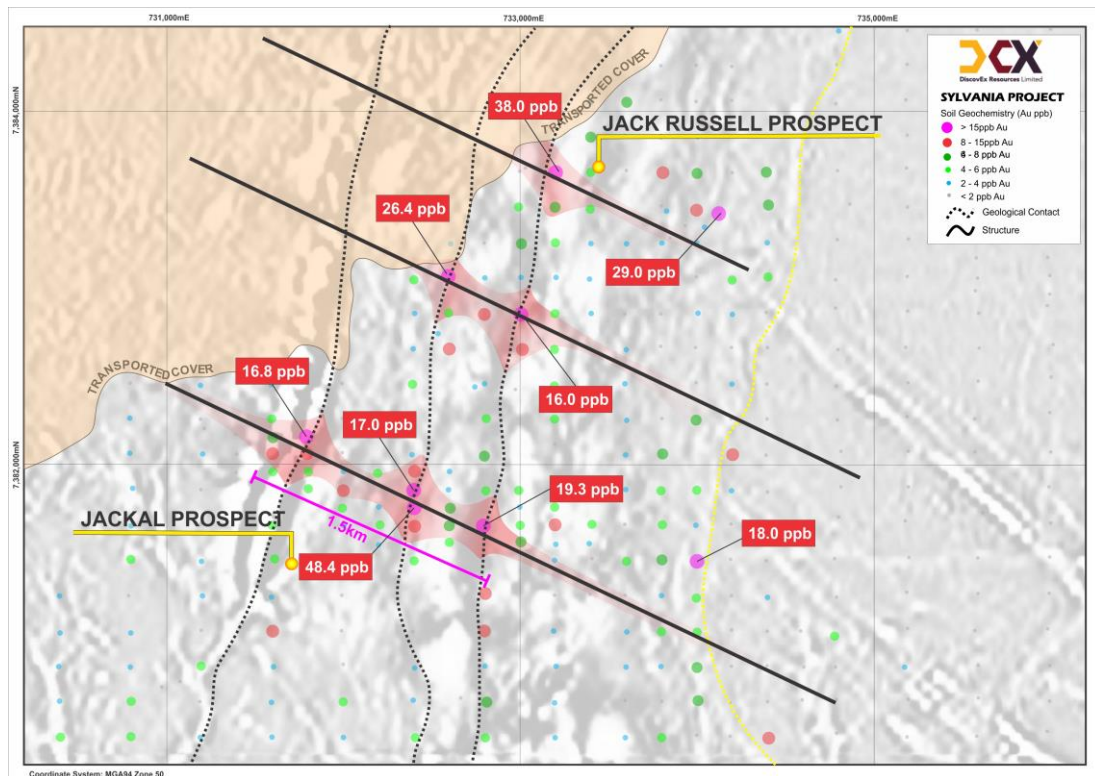


Figure 3: Soil sampling results from the Jackal and Jack Russell Prospects (background image of TMI_2VD)

In addition to the regional soil sampling, eight dipole-dipole induced polarisation (“DDIP”) lines were completed along the Prairie Downs Fault Zone, including 4 lines south-east of the Prairie Downs Indicated and Inferred zinc-lead-silver Resource of 2.98Mt @ 4.94% Zn, 1.59% Pb & 15.0g/t Ag (Table 1), to test extensions to the Prairie Downs Main Lode and the Gabbro Lode (Figure 4). Whilst the base-metal rich lenses of both ore bodies can be identified at surface by outcropping quartz veining, the location of any south-east extensions to both mineralised pods are relatively unknown due to either recent transported sands and gravels being present, or by overlying younger conglomerates and sandstones of the Bangemall Basin.

REVIEW OF OPERATIONS (Continued)

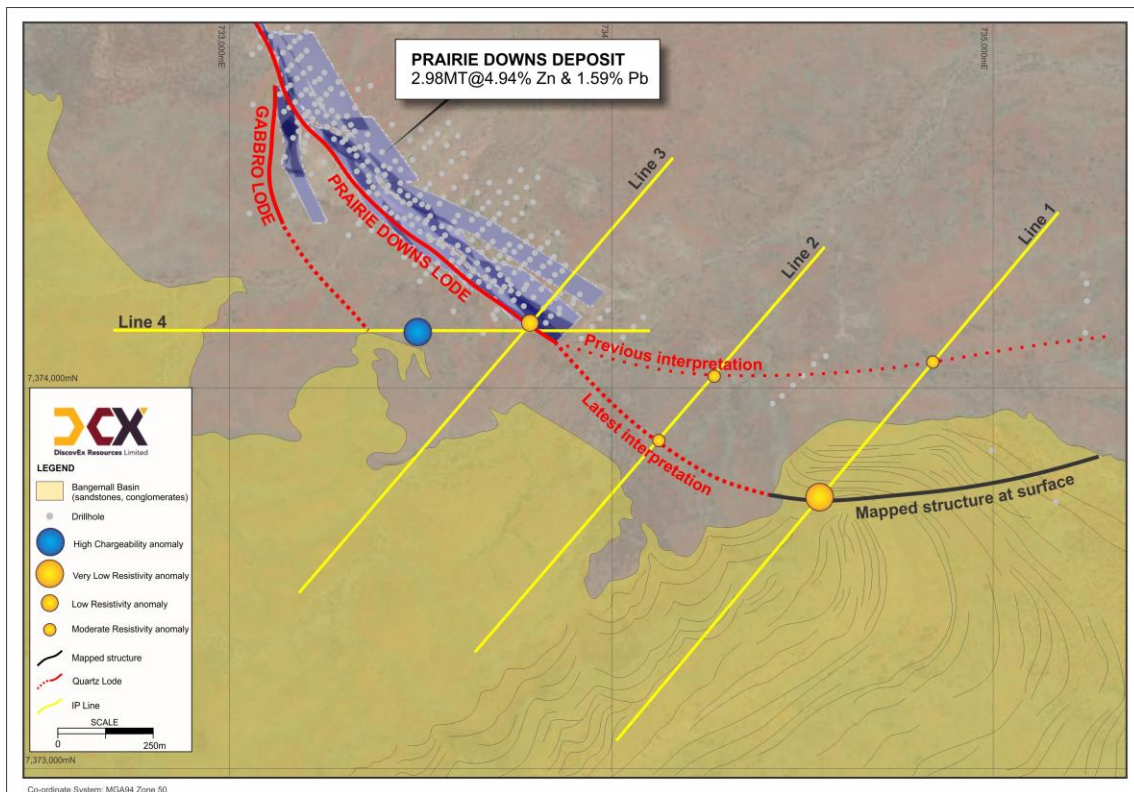


Figure 4: Plan view of IP survey lines with associated resistivity/chargeability responses

The most prominent result was returned from Line 1, located approximately 880m to the south-east of Line 3. This eastern most line returned a very low resistivity anomaly (3-18ohm-m) along strike from the Main Lode ore body, underneath the overlying Bangemall sediments. Coincident with this result is a mapped structure at surface, which may represent a re-activated structure related to the Prairie Downs Fault. This position has never been tested by drilling.

A secondary resistivity low is located on the same line, a further 300m to the north, which correlates well with an abrupt change (from high to low) in the gravity data. This has historically been interpreted as the extension to the Prairie Downs Fault however has been tested by two lines of RC drilling without any indication of a structure being present.

Subsequent to the end of the period, three RC holes were completed by Rio Tinto Exploration (RTX) (**Figure 5**) for a total of 702m (refer ASX Announcement dated 30 January 2024 – “Sylvania Exploration Update”), with drilling designed to test an interpreted in-situ banded iron target, identified from ground reconnaissance and geophysical interpretation. Best results (above 25% Fe) included:

- RC23SLVD001
 - **8m @ 44.1% Fe** from 2m, and
 - **88m @ 34.5% Fe** from 84m
- RC23SLVD002
 - **80m @ 33.5% Fe** from 26m
- RC23SLVD003
 - **38m @ 36.5% Fe** from 22m incl. **6m @ 48.2% Fe** from 34m, and
 - **60m @ 34.5% Fe** from 82m incl. **2m @ 43.0% Fe** from 116m.

REVIEW OF OPERATIONS (Continued)

RTX has submitted selected sample material from the drilling for preliminary metallurgical testwork, in particular to assess the amenability of using magnetic separation to produce a high-grade iron ore concentrate.

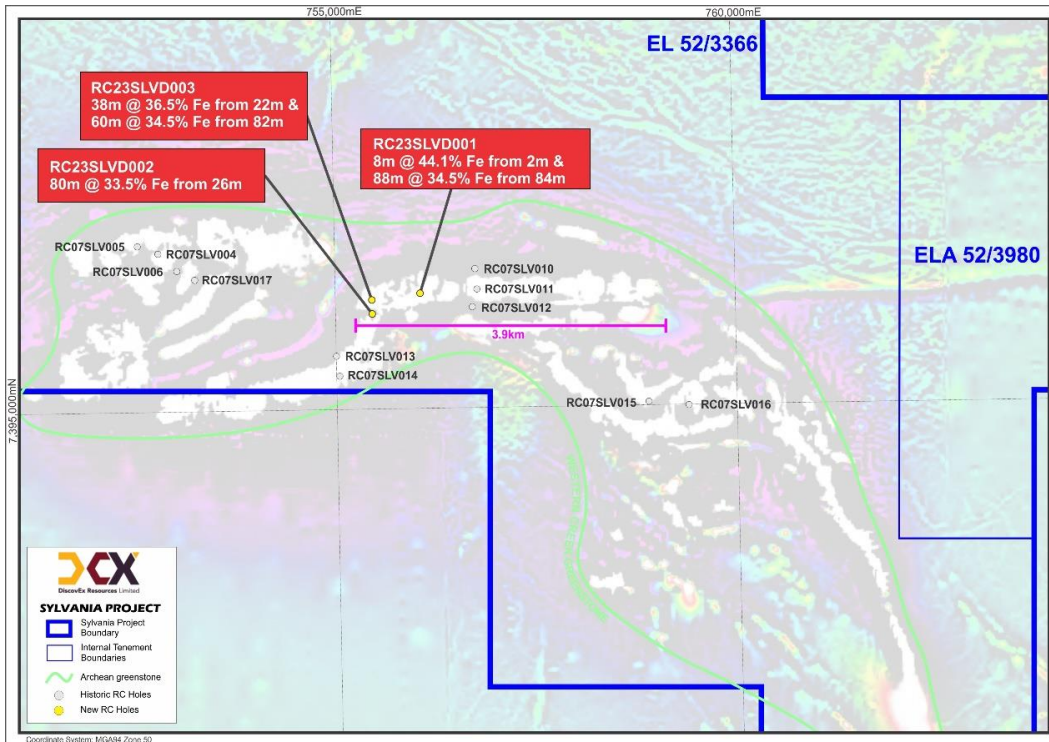


Figure 5: Drillhole locations for the Rio Tinto Exploration iron ore program

Future Activities

Scheduled drilling at the Murphys and Kelpie Prospects (E52/3887 and E52/3780 respectively), originally scheduled for December 2023 was postponed due to rig availability and adverse weather conditions. This program of drilling has now been proposed for the second quarter of the calendar year.

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 includes fifteen granted exploration licences and two exploration licence applications for a total of 1,181km² of underexplored, and highly prospective tenure.

A program of 373 soil samples were taken at the Edjudina Project, primarily to target the Hercules anomaly, located approximately 4.5km east of the recently drilled Spartan Prospect (**Figure 6**). Samples were collected, sieved to -177um and analysed for gold plus pathfinder elements. The initial 223 sample results were returned, extending the Hercules anomaly to the north, with a best result of 92ppb Au. The +10ppb Au anomaly has now been defined over a strike length of 4.3km and remains open to the north. The additional 150 samples were still pending at the end of the reporting period and are expected in mid-February.

REVIEW OF OPERATIONS (Continued)

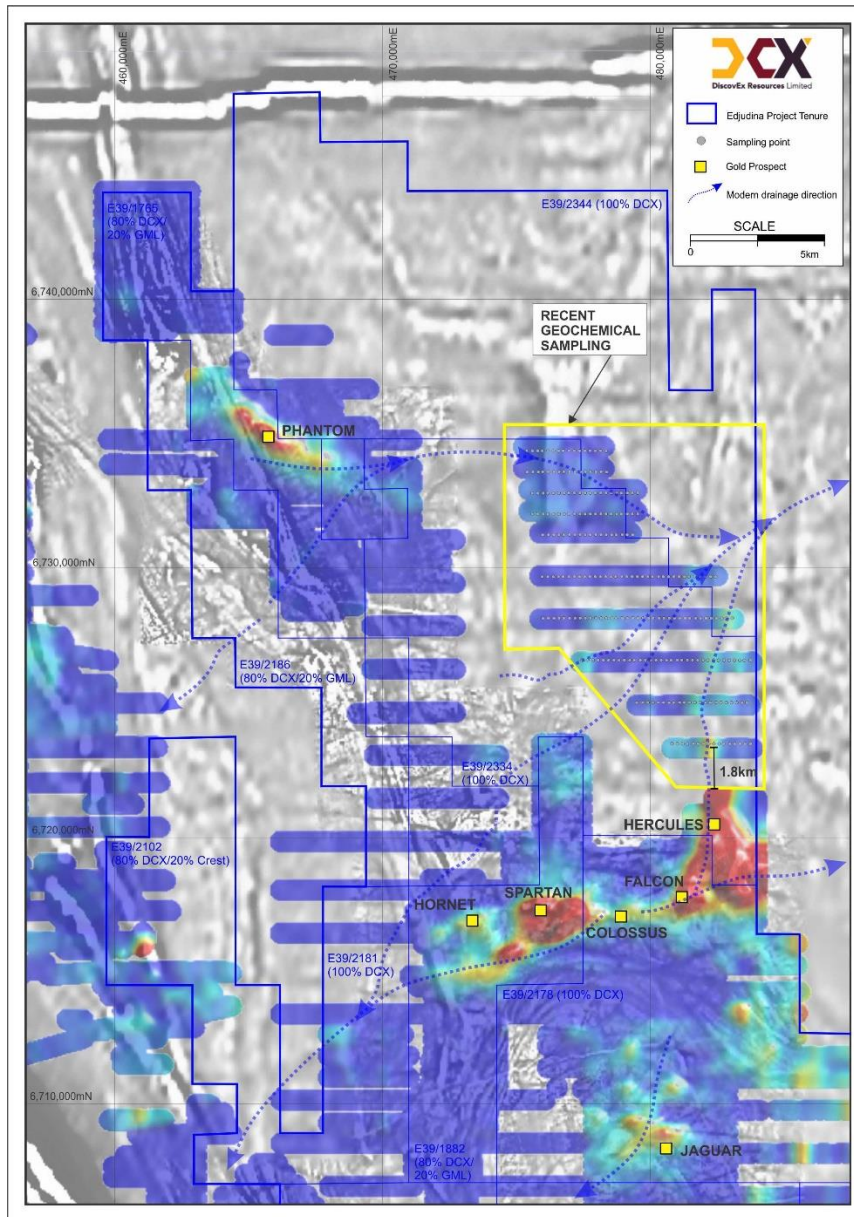


Figure 6: Gridded gold in soils results – TMI image as background

Future Activities

Analysis of gold results will be completed once these have been returned from the laboratory, scheduled for February.

Other Interests

Free Carried Interests – Carnaby Resources Limited

During the period, Carnaby Resources Limited (ASX:CNB or Carnaby) announced a Maiden Mineral Resource at the Greater Duchess Project, located approximately 100km south-east of Mt Isa in Queensland, where DCX owns a 17.5% interest in EPM 9083, EPM 11013, EPM 14366, EPM 14369, EPM 17637, EPM 18223, EPM 18990, EPM 19008, EPM 25435, EPM 25439, EPM 25853, EPM 25972.

REVIEW OF OPERATIONS (Continued)

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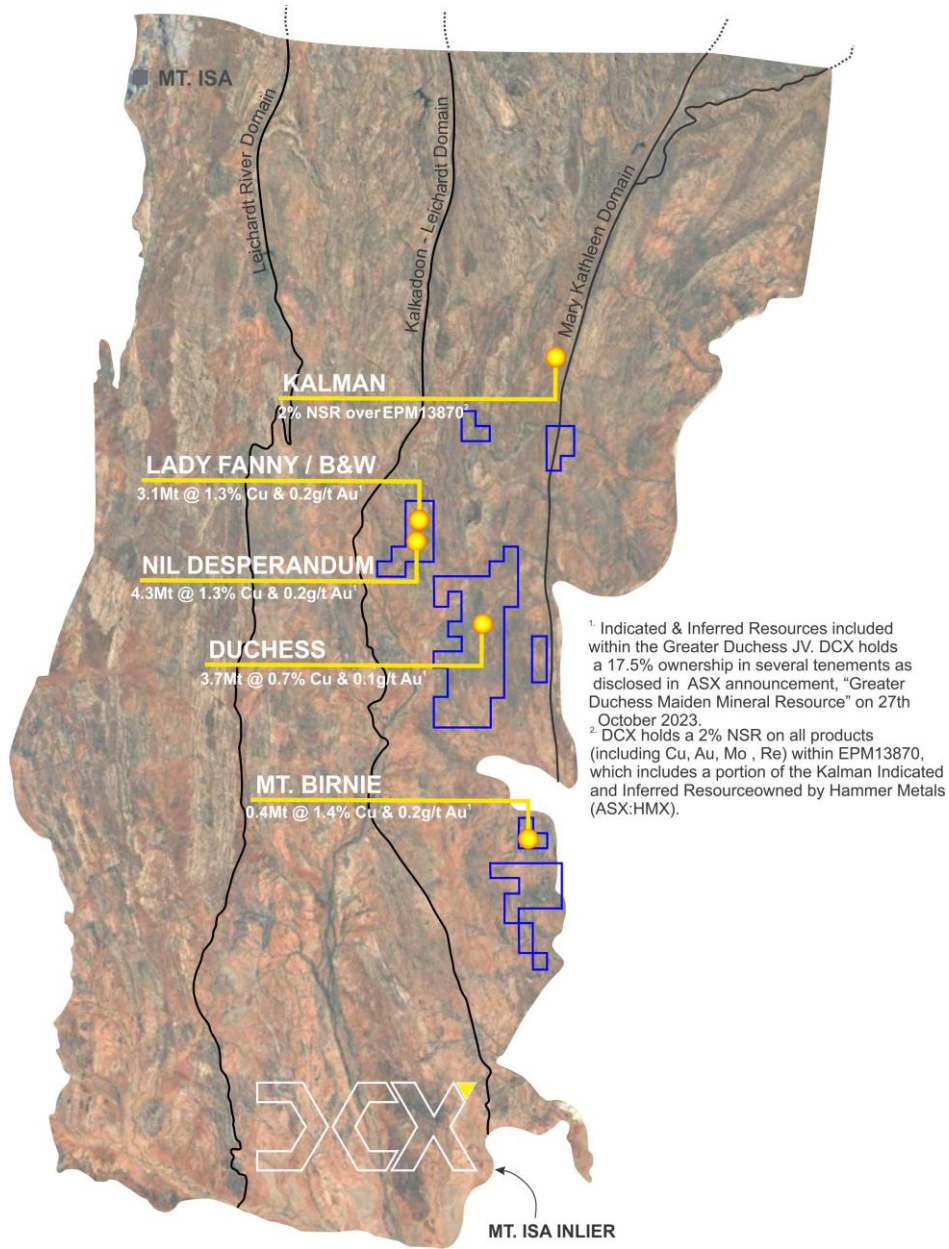


Figure 7: DiscovEx tenement interests in Queensland with Carnaby Resources Ltd and Hammer Metals Ltd. (Resource numbers reported by Carnaby (ASX:CNB) on 27th October 2023 – "Greater Duchess Project Maiden Interim Mineral Resource")

These tenements are subject to a joint venture ("JV") with Carnaby, who are required to solely fund all costs in connection with the activities of the JV, inclusive of exploration and development until a Decision to Mine ("DTM").

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

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REVIEW OF OPERATIONS (Continued)

During the period, DiscovEx announced that it had requested from Carnaby Resources Limited (ASX:CNB) that a formal joint venture agreement (JVA) be entered into, in regard to the Greater Duchess Joint Venture, 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 two expired Mining Lease areas which cover the Lady Fanny Prospect, and which were amalgamated into JV tenement EPM14366. 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.

Other Projects

In addition to the Carnaby interest, DiscovEx's 100% owned subsidiary, Syndicated Royalties Pty Ltd, holds a 2% NSR royalty over metals extracted from tenement EPM13870 held by Hammer Metals Limited (ASX: HMX), which contains a portion of the Kalman Deposit including the down-plunge extent. Tenement locations are shown in **Figure 7**.

Mineral Resources

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

**DISCOVEX RESOURCES LIMITED
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REVIEW OF OPERATIONS (Continued)

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

Table 1: Prairie Downs Indicated and Inferred Mineral Resource

The preceding statement of Mineral Resource 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.

Approval of Mineral Resource Statements

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

The Mineral Resource Estimate for the Prairie Downs Zn-Pb-Ag Deposit is based on and fairly represents information prepared by Mr Mark Drabble, a competent person who is a Member of the Australasian Institution of Mining and Metallurgy. Mr Drabble is an employee of Optiro Pty Ltd. Mr Drabble has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Drabble consented to the inclusion of the Statement in the form and context in which it appears in the announcement dated 18 January 2021 which has not changed.

**DISCOVEX RESOURCES LIMITED
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REVIEW OF OPERATIONS (Continued)

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.

Forward Looking Statements

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

Corporate

Tenement disposals

Subsequent to the end of the period, and as part of an ongoing review of the Company's existing tenement holdings, DCX entered into a Binding Term Sheet with Peregrine Gold Limited (ASX: PGD) for the sale of three tenements (E52/4299, E52/4300 and E52/3911) within the Sylvania Project. The commercial details of the acquisition are as follows:

- Upfront Consideration of \$175,000 in Peregrine shares (equivalent to 581,940 shares at an issue price of \$0.3007),
- Deferred Consideration of:
 - First Milestone Payment: The payment of \$600,000 cash upon Peregrine announcing to the ASX the delineation of a JORC compliant Mineral Resource of at least 200,000 ounces of gold with a minimum cut-off grade of 1.0 g/tonne.
 - Second Milestone Payment: The payment of \$600,000 upon grant of any mining lease under Division 3 of Part IV of the Mining Act to Peregrine.

As at the date of this report, Peregrine continues to complete its due diligence enquires.

Equity Positions

DiscovEx holds a portfolio of ASX listed stocks with a market value at the end of the December quarter of \$535,519.

Expiry of Options

On 1 December 2023, 40,000,000 unlisted options exercisable between 1.70 cents and 3.15 cents each, expired without being exercised.

Annual General Meeting

The Company's 2023 Annual General Meeting was held on 23 November 2023. All 3 resolutions received strong support and were passed via poll.

**DISCOVEX RESOURCES LIMITED
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EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the reporting period, and as part of an ongoing review of the Company's existing tenement holdings, the Company entered into a Binding Term Sheet with Peregrine Gold Limited (ASX: PGD) for the sale of three tenements (E52/4299, E52/4300 and E52/3911) within the Sylvania Project. The commercial details of the acquisition are as follows:

- Upfront Consideration of \$175,000 in Peregrine shares (equivalent to 581,940 shares at an issue price of \$0.3007),
- Deferred Consideration of:
 - First Milestone Payment: The payment of \$600,000 cash upon Peregrine announcing to ASX the delineation of a JORC compliant Mineral Resource of at least 200,000 ounces of gold with a minimum cut-off grade of 1.0 g/tonne.
 - Second Milestone Payment: The payment of \$600,000 upon grant of any mining lease under Division 3 of Part IV of the Mining Act to Peregrine.

As at the date of this report, Peregrine continues to complete its due diligence enquires in regard to this transaction.

Apart from the above, no matter or circumstance has arisen subsequent to 31 December 2023 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s307C of the *Corporations Act 2001* is set out on page 16 for the half year ended 31 December 2023.

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



Toby Wellman
Managing Director

13 February 2024



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Australia

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

In relation to our review of the financial report of Discovex Resources Limited for the half year ended 31 December 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

A handwritten signature in black ink, appearing to read 'Shane Cross', written over a light blue horizontal line.

SHANE CROSS
PARTNER

13 February 2024
WEST PERTH,
WESTERN AUSTRALIA

**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Note	31 December 2023 \$	31 December 2022 \$
Revenue from continuing operations			
Interest income		20,953	17,658
Gain on disposal of financial asset		75,518	4,420
Gain on fair value of financial asset		-	594,290
		96,471	616,368
Expenses			
Depreciation		(34,702)	(32,152)
Employee benefits expense		(131,321)	(155,430)
Exploration expenditure written off	6	(406,927)	(61,422)
Share based payments	8	-	(38,454)
Finance cost		(1,612)	(2,213)
Loss on fair value of financial asset		(322,318)	-
Loss on disposal of tenement		(19,168)	-
Other expenses	3	(234,553)	(125,916)
		(1,150,601)	(415,587)
Profit/(Loss) before income tax		(1,054,130)	200,781
Income tax (expense)/benefit		-	-
		(1,054,130)	200,781
Other comprehensive income			
Other comprehensive income (net of tax)		-	-
		(1,054,130)	200,781
Total comprehensive profit/(loss) for the period		(1,054,130)	200,781
Earnings per share		Cents	Cents
Basic and diluted profit/(loss) per share		(0.03)	0.01

The accompanying notes form part of these financial statements

**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		1,011,177	1,823,408
Financial assets at fair value through profit or loss	5	535,519	1,044,166
Trade and other receivables		137,156	107,849
TOTAL CURRENT ASSETS		1,683,852	2,975,423
NON CURRENT ASSETS			
Property, plant and equipment		62,640	84,040
Right-of-use Asset		158,552	67,347
Exploration and evaluation costs	6	7,380,258	7,149,675
TOTAL NON CURRENT ASSETS		7,601,450	7,301,062
TOTAL ASSETS		9,285,302	10,276,485
CURRENT LIABILITIES			
Trade and other payables		254,995	288,835
Lease liabilities		74,089	61,946
Provisions		35,342	32,266
TOTAL CURRENT LIABILITIES		364,426	383,047
NON CURRENT LIABILITIES			
Lease liabilities		88,477	11,595
Provisions		8,313	3,627
TOTAL NON CURRENT LIABILITIES		96,790	15,222
TOTAL LIABILITIES		461,216	398,269
NET ASSETS		8,824,086	9,878,216
EQUITY			
Issued capital	7	38,386,126	38,386,126
Share based payments reserve	8	233,213	325,846
Accumulated losses		(29,795,253)	(28,833,756)
TOTAL EQUITY		8,824,086	9,878,216

The accompanying notes form part of these financial statements.

**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2023	38,386,126	325,846	(28,833,756)	9,878,216
Profit/(Loss) for the period	-	-	(1,054,130)	(1,054,130)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,054,130)	(1,054,130)
<i>Transactions with owners, recorded directly in equity</i>				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
Lapse of options upon expiry	-	(92,633)	92,633	-
Fair value of options recognised	-	-	-	-
Balance at 31 December 2023	38,386,126	233,213	(29,795,253)	8,824,086

	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
Profit/(Loss) for the period	-	-	200,781	200,781
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	200,781	200,781
<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	-	38,454	-	38,454
Balance at 31 December 2022	38,386,126	311,659	(28,004,049)	10,693,736

The accompanying notes form part of these financial statements.

**DISCOVEX RESOURCES LIMITED
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(379,186)	(340,106)
Payments for exploration and evaluation	(796,678)	(1,656,155)
Interest received	14,276	15,968
	<u>(1,161,588)</u>	<u>(1,980,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(2,497)
Proceeds on disposal of listed securities	261,847	17,954
Proceeds from disposal of Newington Project	-	70,000
Proceeds from disposal of tenement	125,000	-
	<u>386,847</u>	<u>85,457</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	2,935,616
Capital raising costs	-	(134,721)
Repayment of lease liabilities	(37,490)	(34,319)
	<u>(37,490)</u>	<u>2,766,576</u>
Net cash from/(used in) financing activities	<u>(37,490)</u>	<u>2,766,576</u>
Net increase/(decrease) in cash and cash equivalents held	(812,231)	871,740
Cash and cash equivalents at beginning of period	<u>1,823,408</u>	<u>1,568,007</u>
Cash and cash equivalents at end of period	<u>1,011,177</u>	<u>2,439,747</u>

The accompanying notes form part of these financial statements.

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

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 1. REPORTING ENTITY

The financial report of DiscovEx Resources Limited and its controlled entities for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 13 February 2024.

DiscovEx Resources Limited (the “Company”) is a company limited by shares, incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The consolidated interim financial report of the Company for the six months ended 31 December 2023, comprises the Company and its subsidiaries (the “Group”).

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

The consolidated financial statements of the Group as at and for the year ended 30 June 2023 are available upon request or can be downloaded from the Australian Securities Exchange website.

NOTE 2. BASIS OF PREPARATION

a) Statement of compliance

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

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b) Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2023 annual financial report for the financial year ended 30 June 2023, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

c) New or amended accounting standards and interpretations adopted

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

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

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

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 2. BASIS OF PREPARATION (Continued)

d) Impairment of exploration and evaluation assets

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

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

e) Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, significant judgment made by management in applying the consolidated entity's accounting policies and key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2023.

f) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the chief operating decision makers, being the Board. The Board is responsible for the allocation of resources to operating segments and assessing their performance.

g) Going concern

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a net loss after tax of \$1,054,130 for the period ended 31 December 2023 (31 December 2022: \$200,781 profit) and operating cash outflows of \$1,161,588 (31 December 2022: \$1,980,293). As at 31 December 2023 the Group had net assets of \$8,824,086 (30 June 2023: \$9,878,216) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2023 the Group had \$1,011,177 (30 June 2023: \$1,823,408) in cash and cash equivalents.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. Should the Group be unable to raise additional funds, there is a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. As at 31 December 2023 there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Group be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the Group not continue as a going concern.

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.

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

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 3: OTHER EXPENSES

	31 December 2023 \$	31 December 2022 \$
Accounting and professional services	77,970	70,250
Legal fees	48,181	-
Occupancy expenses	12,198	15,012
Other administrative expenses	96,204	40,654
	<u>234,553</u>	<u>125,916</u>

NOTE 4: OPERATING SEGMENTS

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

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2023 \$	30 June 2023 \$
Listed ordinary shares – designated at fair value through profit or loss	535,519	1,044,166
	<u>535,519</u>	<u>1,044,166</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	1,044,166	831,700
Additions	-	563,169
Disposals	(186,329)	(413,533)
Revaluation increments/(decrements)	(322,318)	62,830
Closing fair value	<u>535,519</u>	<u>1,044,166</u>

NOTE 6: EXPLORATION AND EVALUATION ASSETS

Exploration expenditure capitalised	<u>7,380,258</u>	<u>7,149,675</u>
Movement in carrying value:		
Opening balance	7,149,675	4,868,094
Exploration expenditure capitalised during the period	781,679	2,413,386
Exploration expenditure on tenements disposed of	(144,169)	(27,694)
Exploration expenditure written off during the period	(406,927)	(104,111)
Closing balance	<u>7,380,258</u>	<u>7,149,675</u>

During the period the Group disposed of tenement E52/3748 to Fortescue Metals Group (ASX: FMG) for consideration of \$125,000. The tenement was part of the Sylvania Project near Newman in WA. Total exploration expenditure of \$144,169 was transferred to the disposal account at 31 December 2023.

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

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 7: ISSUED CAPITAL

	31 December 2023 \$	30 June 2023 \$
(a) Issued and fully paid shares - at beginning of period	38,386,126	35,573,020
Additions during period	-	2,935,616
Less: capital issue costs net of tax	-	(122,510)
	<u>38,386,126</u>	<u>38,386,126</u>
 (b) Movements in issued and fully paid shares (ASX: DCX)		
	Number of shares	\$
Balance at the beginning of the period	3,302,568,098	38,386,126
Shares issued	-	-
Less: capital issue costs	<u>-</u>	<u>-</u>
Balance at the end of the period	<u>3,302,568,098</u>	<u>38,386,126</u>

	31 December 2023 \$	30 June 2023 \$
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NOTE 8: SHARE BASED PAYMENT RESERVE

(a) Share Based Payment Reserve	<u>233,213</u>	<u>325,846</u>
 (b) Movement in share based payment reserve		
	Options (Number)	\$
Balance at the beginning of the period	91,375,000	325,846
Additions	-	-
Expired	<u>(40,000,000)</u>	<u>(92,633)</u>
Balance at the end of the period	<u>51,375,000</u>	<u>233,213</u>

No options vested during the current period.

**DISCOVEX RESOURCES LIMITED
AND CONTROLLED ENTITIES
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**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 8: SHARE BASED PAYMENT RESERVE (Continued)

Terms and conditions of options issued during period

There were no options issued during the current period.

Expenses arising from share-based payment transactions

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

	31 December 2023	31 December 2022
	\$	\$
Options issued and/or vested	-	38,454
	-	38,454

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

NOTE 9: FAIR VALUE MEASUREMENT

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

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
31 December 2023				
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	535,519	-	-	535,519
	535,519	-	-	535,519
30 June 2023				
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	1,044,166	-	-	1,044,166
	1,044,166	-	-	1,044,166

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

NOTE 10: DIVIDENDS

No dividend has been paid or provided for during the half-year ended 31 December 2023.

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

**CONDENSED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

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

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the reporting period, and as part of an ongoing review of the Company's existing tenement holdings, the Company entered into a Binding Term Sheet with Peregrine Gold Limited (ASX: PGD) for the sale of three tenements (E52/4299, E52/4300 and E52/3911) within the Sylvania Project. The commercial details of the acquisition are as follows:

- Upfront Consideration of \$175,000 in Peregrine shares (equivalent to 581,940 shares at an issue price of \$0.3007),
- Deferred Consideration of:
 - First Milestone Payment: The payment of \$600,000 cash upon Peregrine announcing to ASX the delineation of a JORC compliant Mineral Resource of at least 200,000 ounces of gold with a minimum cut-off grade of 1.0 g/tonne.
 - Second Milestone Payment: The payment of \$600,000 upon grant of any mining lease under Division 3 of Part IV of the Mining Act to Peregrine.

As at the date of this report, Peregrine continues to complete its due diligence enquires in regard to this transaction.

Apart from the above, no matter or circumstance has arisen subsequent to 31 December 2023 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

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

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Toby Wellman
Managing Director

13 February 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF DISCOVEX RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Discoverex Resources Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2023, or during the half year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

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

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 2(g) in the financial report in which indicates that the consolidated entity incurred a net loss of \$1,054,130 during the half year ended 31 December 2023 and had negative operating cash outflows of \$1,161,588. These conditions, along with other matters as set forth in Note 2(g), indicate the existence of a material uncertainty which 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, and at the amounts stated in the financial report.



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Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in blue ink that reads 'Shane Cross'.

SHANE CROSS

PARTNER

13 FEBRUARY 2024

WEST PERTH,

WESTERN AUSTRALIA