ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

24 April 2023

March 2023 Quarterly Activities Report

Highlights

- **Edjudina Project.**
  - Composite results returned from 151 aircore (AC) holes (phase 2 drilling) at the Spartan Prospect.
  - Single metre splits returned from phase 1 composite assays.
  - Three high-priority bedrock gold drill targets generated.
- **Sylvania Project.**
  - Gravity survey identifies potential buried greenstone sequence at the Murphy's Prospect within the Sylvania Inlier.

Putting the Explore back into Modern Exploration

EXPLORATION AND EVALUATION

DiscovEx Resources Limited ("**DiscovEx**" or the "**Company**") continued its greenfield exploration approach within the quarter with activities progressing at the Sylvania and Edjudina Projects (**Figure 1**).

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

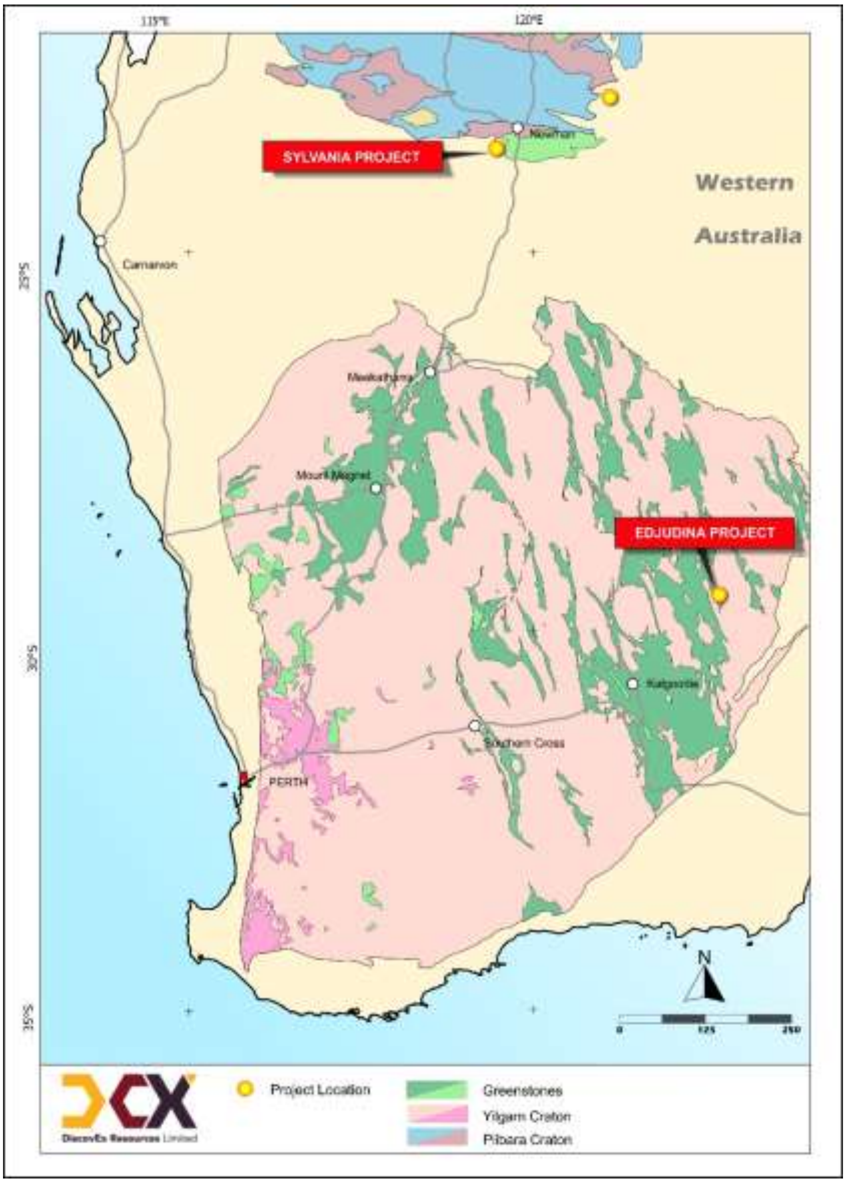

Figure 1: DiscovEx Resources Limited Project locations

EDJUDINA PROJECT

Spartan Prospect

Phase two aircore drilling was completed at the Spartan Prospect, targeting a previously generated 1.3km long +50ppb surface gold anomaly with a peak value of 0.54g/t Au (*previously reported on 21st July 2022 "Infill Surface Sampling upgrades Spartan Anomaly"*). Drilling was undertaken to determine the potential for gold mineralisation within insitu, weathered basement rocks and to determine the extent and distribution of gold within the overlying transported cover. All composite assays were received from a total of 188 AC holes completed across both phase one and phase two drilling.

Results have confirmed bedrock gold mineralisation was intersected with significant results of **4m@1.24g/t Au** from 82m, including **1m@3.42g/t Au** from 82m (SPAC016), **1m@1.35g/t Au** from 62m (SPAC128) and **1m@1.06g/t Au** from 74m (SPAC026). The elevated bedrock results have highlighted three high priority target areas including two coherent "structural" zones of anomalous (>0.1g/t Au) bedrock gold defined over strike lengths of ~650m.

Together with the bedrock mineralisation, significant gold has also been intersected within transported overburden with best results of **8m@1.64g/t Au** from 29m including **4m@2.82g/t Au** from 32m (SPAC017).

The relationship between the significant accumulation of gold in transported cover and the bedrock gold at Spartan has not yet been resolved, however the identification of gold within sheared, altered bedrock is encouraging and provides targets for further follow up. Confirmation of the extensive and significant accumulation of near surface gold at Spartan and the bedrock mineralisation beneath it highlights the broader prospectivity of the project area.

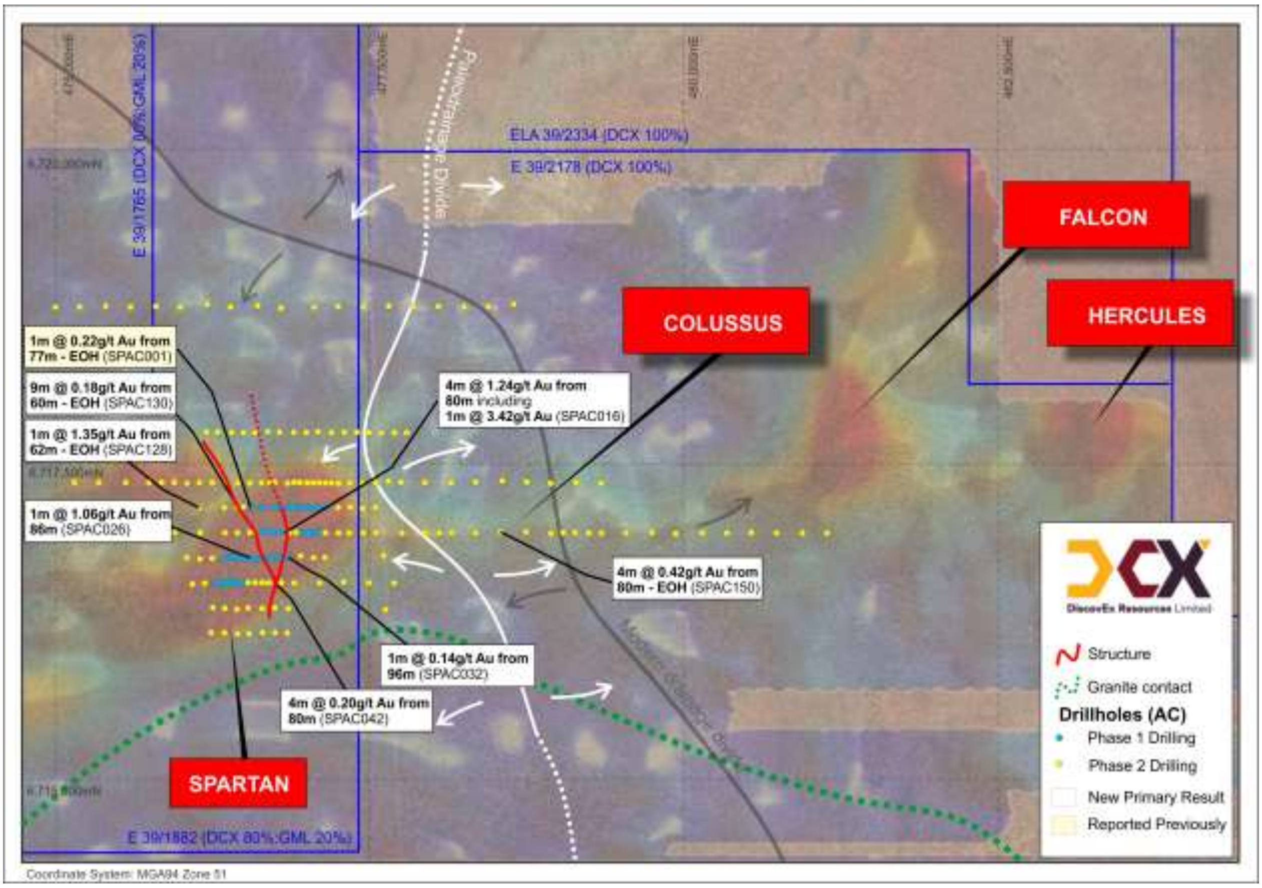

Figure 2: Drill hole locations and significant bedrock assays shown from the Spartan Prospect. Contoured image represents elevated gold in soil results up to 544ppb Au (previously reported on 21st July 2022 "Infill Surface Sampling Upgrades Spartan Anomaly").

Significant bedrock and transported intersections (>0.1g/t Au) are listed below.

- Weathered bedrock mineralisation:
  - 1m@3.42g/t Au from 82m within 4m@1.24g/t Au from 82m (SPAC016)
  - 1m@1.35g/t Au from 62m - EOH (SPAC128),
  - 1m@1.06g/t Au from 74m (SPAC026),
  - 1m@0.63g/t Au from 83m - EOH within 4m@0.42g/t Au from 80m (SPAC150),
  - 2m@0.24g/t Au from 60m - EOH (SPAC042),
  - 9m@0.18g/t Au from 60m - EOH (SPAC130),
  - 4m@0.11g/t Au from 72m (SPAC096).
- Transported mineralisation:
  - 1m@4.82g/t Au from 35m within 8m@1.64g/t Au from 29m (SPAC017),
  - 1m@2.00g/t Au from 32m within 6m@1.24g/t Au from 29m (SPAC029),
  - 4m@0.94g/t Au from 32m within 8m@0.58g/t Au from 28m (SPAC135),
  - 4m@0.75g/t Au from 28m (SPAC136),
  - 4m@0.24g/t Au from 24m (SPAC057),
  - 4m@0.18g/t Au from 36m (SPAC077),
  - 4m@0.20g/t Au from 28m (SPAC094).
  - 4m@0.12g/t Au from 40m (SPAC134).

Drill results returned anomalous transported gold within the overlying sands and clays, whilst more significantly confirmed bedrock gold mineralisation within weathered monzogranite and amphibolite. Three priority targets (Spartan West, Spartan East and Colossus – **Figure 2**) will remain the focus of future exploration drilling, given these targets display elevated gold results close to the bottom of hole and also show scale potential. Bottom of hole mineralisation is particularly encouraging as it implies potential for primary gold mineralisation in the fresh rock below.

Future Activities

A phase three drilling program was completed during the quarter, to infill drill spacing around bedrock gold intersections, namely at the Spartan East, Spartan West and Colossus Prospects. A total of 37 holes for 2,467m was completed with all assays results estimated to be returned early in the June Quarter.

SYLVANIA PROJECT

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 2) and ~57km west of the Karlawinda Gold Project (**Figure 3**).

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 Archaen 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.

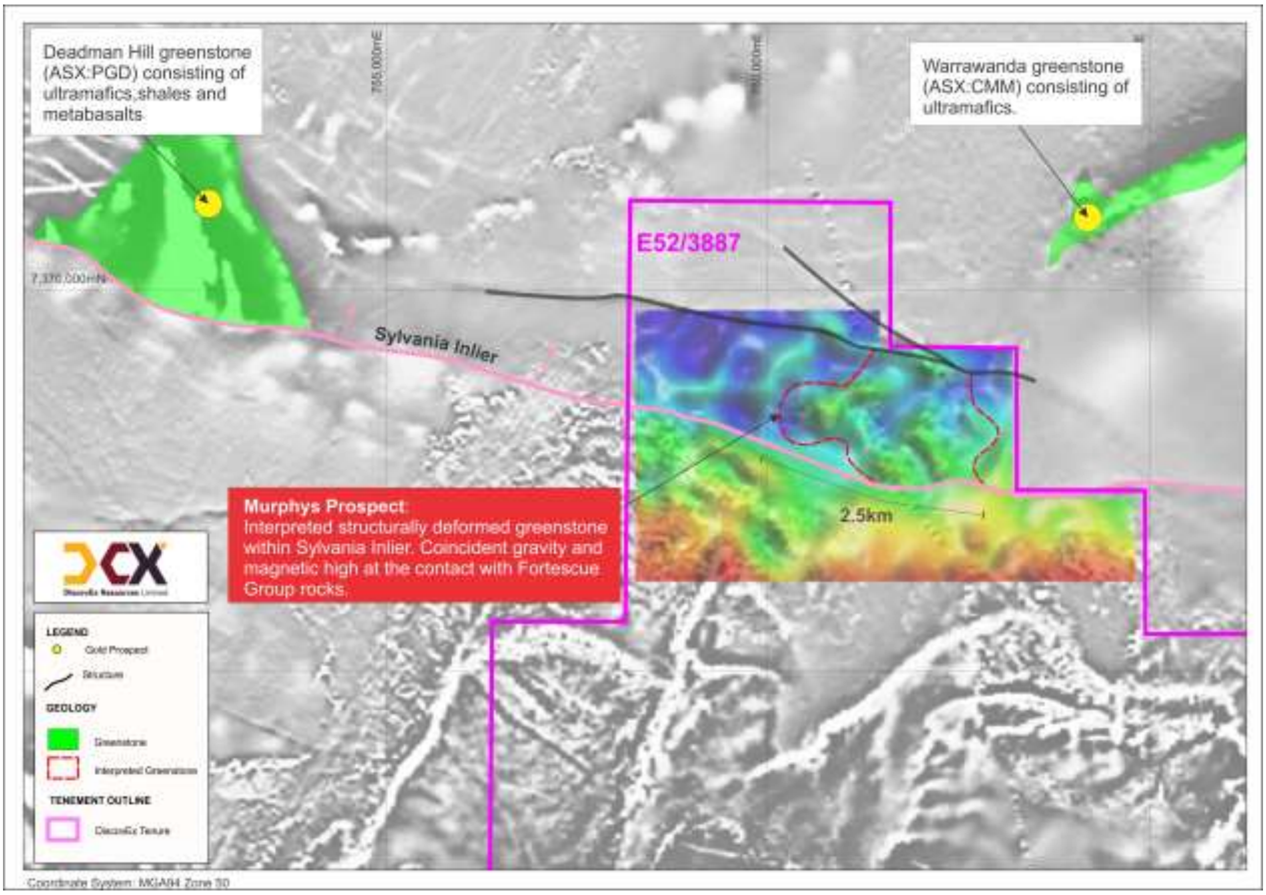

Figure 3: Image showing TMI 1VD magnetics in black and white, overlain by a coloured gravity image (BG 1VD).

Future Activities

Subsequent to the end of the quarter, heritage clearance of the Contact Prospect was completed, in preparation for drill testing of multiple structural intersections of the strike projection of the Contact shear under cover to the north-west. Drill planning will be completed following receipt of the final Heritage report, with drilling proposed within the June quarter.

Heritage requests have been submitted to traditional owners for clearance of drill sites for tenement E52/3780 (Kelpie Prospect) and tenement E52/3887 (Murphy's Prospect).

OTHER INTERESTS

Free Carried Interests - Carnaby Resources Limited

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

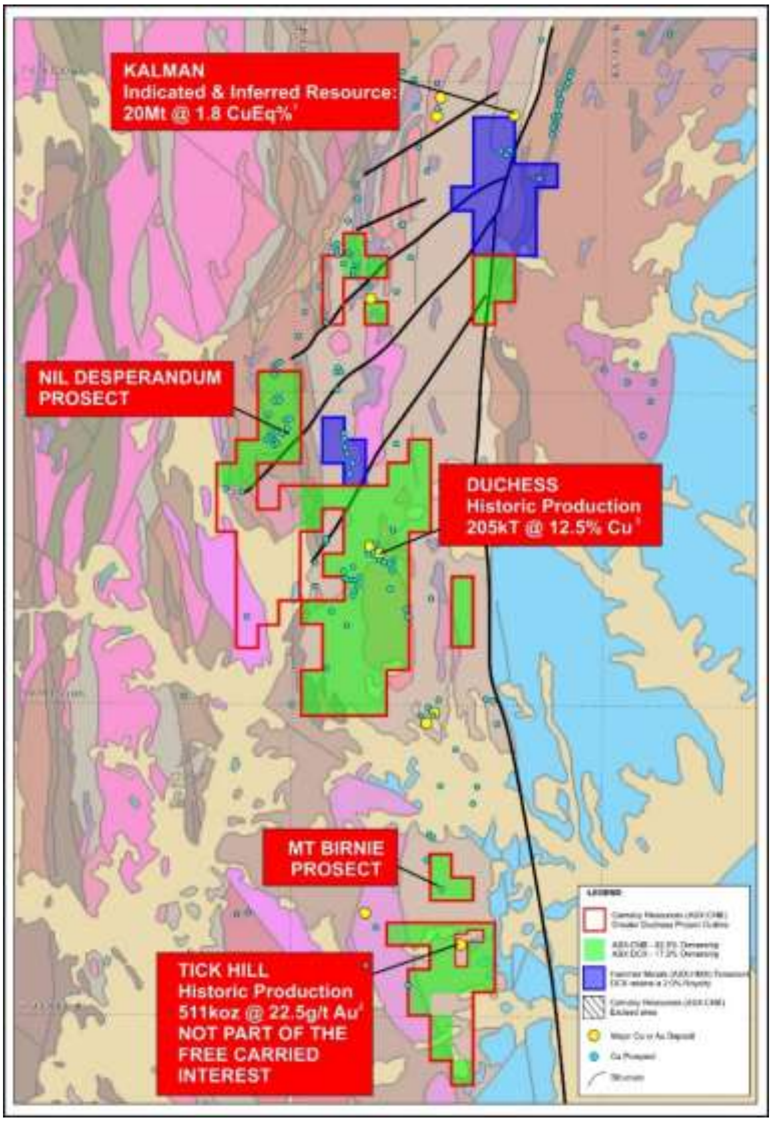

Figure 4: DiscovEx tenement interests in Queensland within Carnaby Resources Ltd and Hammer Metals Ltd.

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

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.

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. In addition to the Carnaby interest, DiscovEx also holds a 2% royalty over Hammer Metals Ltd (ASX: HMX) held tenement EPM13870, which contains a portion of the Kalman Deposit including the down-plunge extent. Tenement locations are shown in **Figure 4**.

Equity Positions

During the quarter, DiscovEx divested ownership of tenement E59/2512 to Cooper Metals Limited (ASX: CPM or "**Cooper**"). Under the Acquisition Agreement, Cooper has agreed to pay up to $50,000 in Cooper shares for the Acquisition. Settlement of the acquisition is subject to certain conditions precedent, including Cooper completing due diligence on the Tenement to its satisfaction. Completion of due diligence by Cooper on the tenement to Cooper's reasonable satisfaction is on or before 1/5/2023.

DiscovEx currently has a portfolio of ASX listed stocks, listed below:

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

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

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

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

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

DiscovEx Resources Limited

CORPORATE

During the quarter the following unlisted options were forfeited:

Number	Exercise Price	Expiry Date
1,125,000	$0.0095	14 OCTOBER 2025

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

Quoted Securities	Number
Fully paid ordinary shares (DCX)	3,302,568,098

Unquoted Securities	Number
Unlisted Options EXERCISE PRICE $0.017 EXPIRING 1 DECEMBER 2023	16,000,000
Unlisted Options EXERCISE PRICE $0.0225 EXPIRING 1 DECEMBER 2023	16,000,000
Unlisted Options EXERCISE PRICE $0.0315 EXPIRING 1 DECEMBER 2023	8,000,000
Unlisted Options EXERCISE PRICE $0.013 EXPIRING 20 AUGUST 2024	1,000,000
Unlisted Options EXERCISE PRICE $0.00725 EXPIRING 14 OCTOBER 2025	25,750,000
Unlisted Options EXERCISE PRICE $0.0095 EXPIRING 14 OCTOBER 2025	24,625,000

CASH RESERVES AND CASHFLOW DISCLOSURES

As at 31 March 2023, DiscovEx had cash reserves of $2.005M, no corporate debt and minimal long-term commitments.

Operating cash outflows for the Quarter included payments for exploration and evaluation activities of $315K. As disclosed in item 6.1 of the Company's Appendix 5B, payments to related parties totalled $94K for the quarter and consisted of remuneration paid to executive and non-executive directors in line with their service and employment agreements.

Project Expenditure

Project	Expenditure ($A'000)
Edjudina	131
Sylvania	181
Gullewa	3
TOTAL	**315**

TENEMENTS

In accordance with ASX Listing Rule 5.3.3, details of the tenements held, tenement movements and farm-in and farm-out arrangements during and at the end of the Quarter are set out in Appendix 1 to this report.

SHAREHOLDER INFORMATION

As at 31 March 2023, DiscovEx had 3,302,568,098 fully-paid ordinary shares on issue and 1,908 shareholders. The top 20 shareholders held approximately 41% of the Company's shares.

The Company also had 91,375,000 unlisted options on issue exercisable at prices between 0.725 cents and 3.15 cents and expiring in December 2023, August 2024 and October 2025 (see listing above).

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Toby Wellman, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Wellman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Wellman is the Executive Managing Director of DiscovEx Resources Limited and consents to the inclusion in this announcement of the Exploration Results in the form and context in which they appear.

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

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

For further information please visit: www.discovexresources.com.au or contact:

Mr Toby Wellman
Managing Director
T: 08 9380 9440

DiscovEx Resources Limited

APPENDIX 1 – Additional Information Required under Listing Rule 5.3.3

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

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

Gullewa Gold Project – Gullewa, WA		
E59/2584	Granted	100%
Sandstone Project – Sandstone, WA		
E57/1274	Application – Ballot	100%
E57/1277	Application – Ballot	100%
E57/1282	Application – Ballot	100%
E57/1287	Application – Ballot	100%
E57/1293	Application – Ballot	100%
E57/1297	Application – Ballot	100%
E57/1301	Application – Ballot	100%
E57/1305	Application – Ballot	100%
Other, WA		
E27/695	Application	100%
E59/2812	Application	100%
E30/563	Application	100%

The Company also retains a 17.5% interest in the following tenements near Mt Isa, Queensland: EPM9083, EPM11013, EPM14366, EPM14369, EPM17637, EPM18223, EPM18980, EPM19008, EPM25435, EPM25439, EPM25853 and EPM25972.

Mining tenements acquired during the Quarter and their location:

Tenement E30/563, located proximal to the historic mining center of Davyhurst, WA was applied for on the 17/03/2023 and tenement E59/2812, located proximal to the historic mining center of Kirkalocka, WA was applied for on the 3/04/2023 under the name of Wedgetail Exploration Pty Ltd.

Mining tenements disposed of during the Quarter and their location:

Tenement E59/2512 was divested to Cooper Metals Limited (ASX: CPM or "Cooper") during the quarter.

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

Edjudina: Under the terms of the JV agreement with Crest Investment Group Limited, DiscovEx owns 80% of tenements within the Edjudina Project including E28/2884, E31/1187, E31/1198, E31/1227, E39/2102, E39/2126, P31/2126 and P31/2125. Refer to the ASX announcements dated the 13 March 2020 and 15 April 2020. This interest was earned on the 14th April 2022.

Sylvania: Under the terms of the JV agreement with Crest Investment Group Limited, DiscovEx owns 90% of tenements within the Sylvania Project including E52/3996, E52/3997 and E52/3780. Tenements E52/3996 and 3997 were both granted on the 10th February 2023 with details relating to the transaction contained within ASX announcement dated the 18th January 2021

DiscovEx Resources Limited

Farm-out Agreements
Nil.

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