



ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

30 October 2020

September 2020 Quarterly Activities Report

Highlights

- **Edjudina Project**
 - Results from RC and Diamond drilling at Hornet suggest the primary mineralisation source is more distal than previously thought
 - The lateral and strike extensive nature of the supergene gold anomaly is yet to be fully explained with further work required to understand its distribution and source
 - Airborne geophysical survey commenced during October 2020
- **Newington Project**
 - Data review completed in conjunction with mapping identifies high-grade rock chips from the Hawthorn Prospect (previously Anomaly B).
 - Historic rock chip results include¹:
 - 9.7g/t Au (HAW171103)
 - 8.6g/t Au (HAW180602)
 - 4.0g/t Au (HAW171209)
 - Drilling to commence during December 2020
- **Option Granted to Si6 over Monument Project**
 - 12-month option to acquire 100% of Monument Exploration Pty Ltd (a wholly owned subsidiary of DCX) which holds the Monument Project given to Six Sigma Metals Ltd (Si6).

Putting the Explore back into Modern Exploration

¹ For full details see ASX Announcement dated 5 August 2020

EXPLORATION AND EVALUATION

EDJUDINA GOLD PROJECT

A total of 2,470m of RC and 420.7m of diamond drilling were completed, focussing on the significant supergene gold anomaly at the Hornet West prospect (Figure 1). Whilst the results confirmed the supergene anomalism, the lack of significant primary mineralisation indicates the source of the gold encountered previously may be more distal than originally anticipated. Further work is required to fully understand the nature of the distribution of the supergene gold. In the near term the exploration focus at Edjudina will turn to the generation of new targets within the broader project area along its 70km extent whilst further geochemical investigations are undertaken at Hornet in order to better understand the gold distribution there.

Drilling

The recently completed RC and diamond drilling programme at the Hornet West Prospect, part of the Edjudina Project, southeast of Laverton in Western Australia, comprised 2,470m of RC and 420.7m of diamond drilling (Figure 1). The best result from the drilling was 4m @ 1.51 g/t Au from 40m, in hole HORC016.

Intersected geology consisted of variably altered and sheared gneisses and granites. The gneisses were largely biotite, amphibole, feldspar and quartz rocks overprinted with weak to very strong biotite and occasionally pyrite alteration. The granites were largely unaltered and appear to have intruded the gneissic sequences.

Whilst it had been hoped that the source of the very large supergene gold anomaly present at Hornet was proximal, it appears that the gold may have mobilised more freely through the weathered profile than anticipated, and the source may be further away. A detailed examination of the background chemistry of the rocks encountered will be undertaken in due course in an effort to vector towards the mineralisation source and provide future targets.

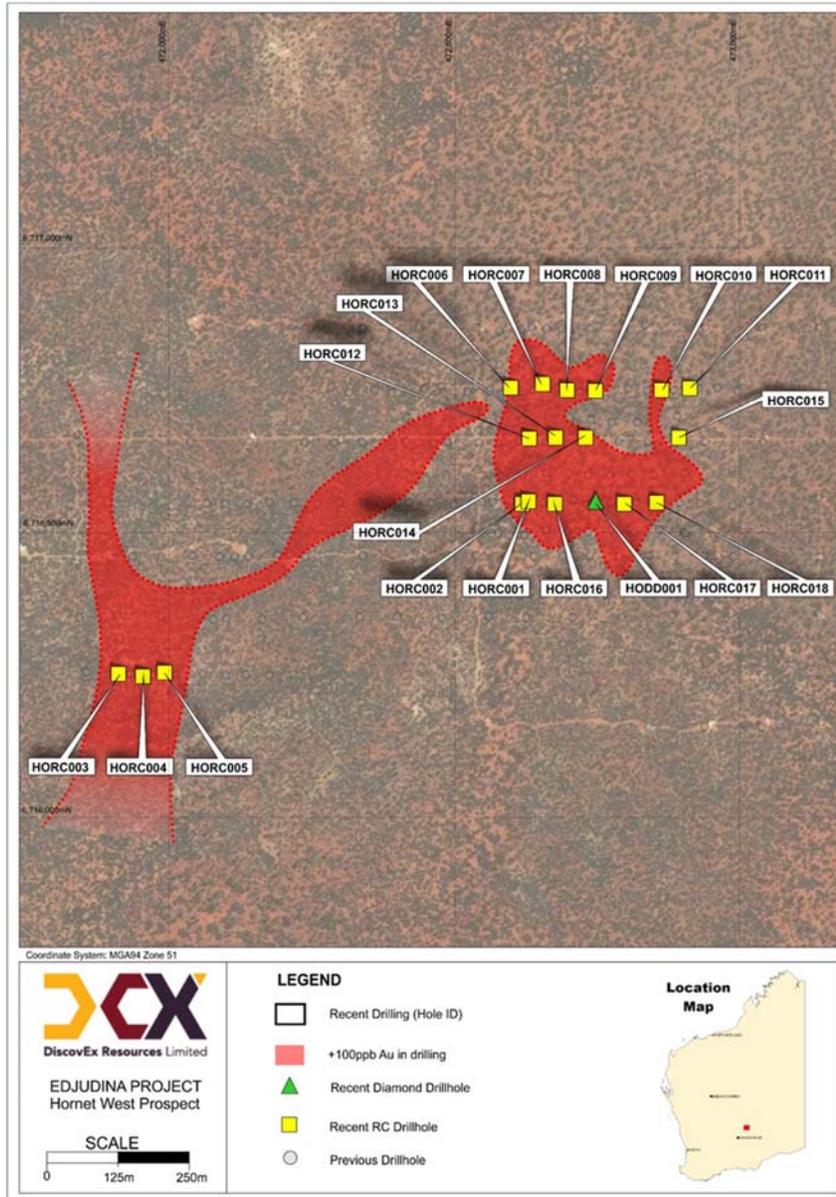


Figure 1: Hornet West RC drill collars

Future Activities

A regional targeting exercise is underway and ongoing across the entire Edjudina Project package. This work includes compilation and interpretation of historic datasets, acquisition of new detailed magnetic, radiometric and DTM data via an airborne survey due for completion during November. Complementing this historic and new data acquisition is a programme of regional scale soil sampling aimed at producing a baseline dataset for ongoing exploration activity.

Figure 2, below, provides an illustration of the regional target potential of the project.

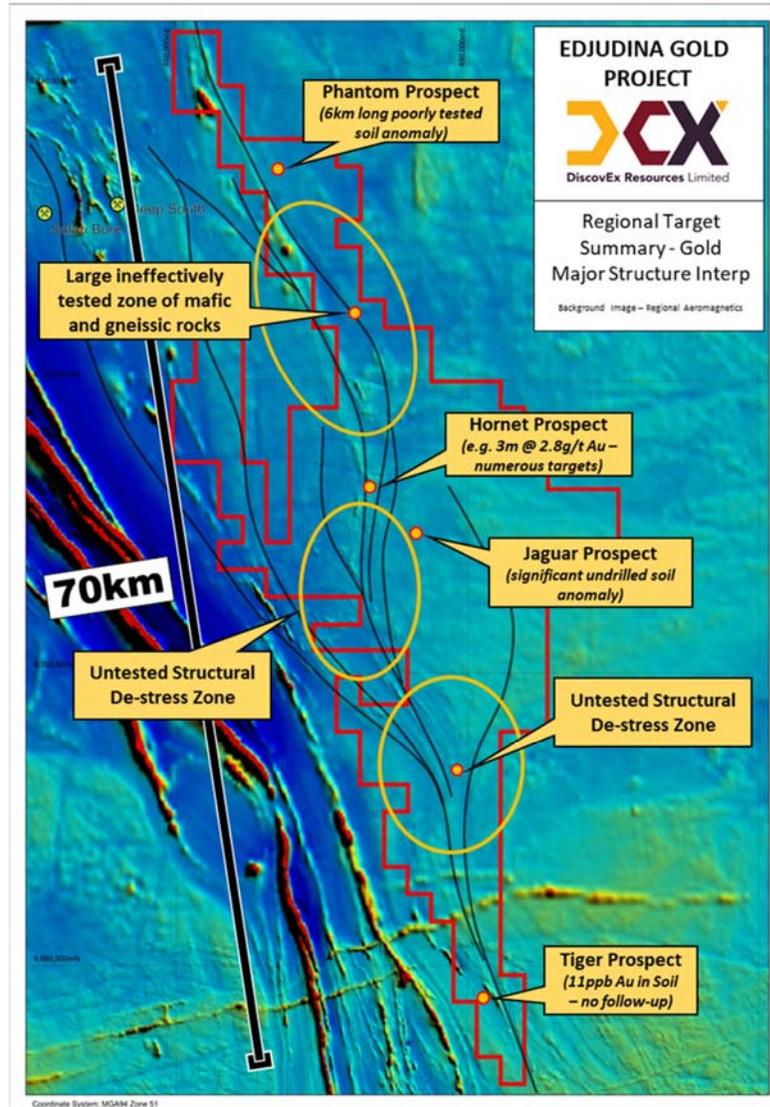


Figure 2: Regional target potential at Edjudina Project

NEWINGTON GOLD PROJECT

Following the successful identification of eight high priority Au anomalies (Figure 3) from the previously completed soil sampling program, a field reconnaissance and data investigation exercise was undertaken to confirm and rank each soil anomaly.

Ground mapping of all anomalies was completed with the most significant anomaly both in terms of gold tenor and dimensions being the Hawthorn Prospect (Anomaly B). On ground mapping has identified a series of banded iron/chert units that have been structurally disrupted and rotated indicating structural complexity and potential increased mineralised fluid flow.

In conjunction with the mapping exercise, a review of in-house and open file data sources identified multiple >1g/t Au rock chip results from the Prospect area with best results including:

- **9.7g/t Au** (HAW171103);
- **8.6g/t Au** (HAW180602);
- **4.0g/t Au** (HAW171209);
- **1.9g/t Au** (HAW171001); and
- **1.0g/t Au** (HAW180601).

Overview

Since the mid 1990's, much of the activity in the project area had been focussed on the development and operation of the high-grade Newfield/Carterton mining centre where 33koz @ 22.7g/t Au was produced[^] between 2001-2005. Prior to the definition of the gold deposit, soil sampling was able to delineate the surface footprint of the Newfield Central and Dawsons Lodes, highlighting the ability of the technique to identify prospective areas. The bulk of the historical soil and auger sampling was completed prior to the mid-1990's with the DiscovEx soil program representing the first regionally extensive exploration effort since that time.

Hawthorn Prospect (previously referred to as Anomaly B)

The Hawthorn Prospect is located approximately 2.6km south of the Newington/Carterton Mining Centre which produced 33koz @ 22.7g/t Au between 2001-2005¹. The target was first identified in the mid 1990's following a regional soil sampling survey, after which, a 200 x 50m spaced RAB program was initiated. The RAB drilling repeated the surficial soil anomaly, however, did not penetrate to sufficient depths to adequately test for the source mineralisation and was therefore ineffective. Due to the lack of drill penetration (5-15m depths), a three-hole RC program was completed at the time, targeting the BIF unit and returned a best intersection of 8m @ 0.36g/t Au (NFAR016, refer Table 1 and Figure 3) from a BIF/mafic contact. No further work was completed on the target until auger and rock chip sampling was conducted in February 2019, reaffirming its prospectivity. Numerous >1g/t gold results were returned within a broader (approximately 500m x 200m) >30ppb gold anomalous area.

Of particular interest are rock chips with gold values such as **9.7g/t Au** and **8.6g/t Au** from ferruginous, brecciated quartz veins (similar to that pictured below in Figure 3) striking at 345° and dipping steeply to the east. Exposure of the quartz vein is obscured both north and south by surficial cover, however the strike projection to the north correlates well with the elevated surface gold response defined by the soil sampling. The presence of significant gold mineralisation in rock chips coupled with the structural and geological complexity (fold hinge proximal to an internal granite) presents a robust target for further

exploration. The historic shallow drilling north and south of the outcropping quartz vein is considered by DCX to be ineffective and has not tested the projected position of the quartz vein down dip.

Table 1: Historic drillhole result

Sample_ID	Easting	Northing	Max Depth (m)	From (m)	To (m)	Au (g/t)	Ag (g/t)	Dip	Azi (MGA)
NFAR016	682000	6622030	45	24	28	0.59	-	-60	270
			and	28	32	0.17	-		

Future activities

Future drill targets have been defined based on the soil sampling results and the mapping exercise, with programs to be executed once all government compliance approvals have been granted and drilling machinery becomes available.

[^] The 2001-2005 production records were sourced from the Newfield Resources Limited Prospectus lodged with ASX on 27 April 2012 and Newfield Central Pty Ltd records (refer SMD ASX announcement 11 April 2019).

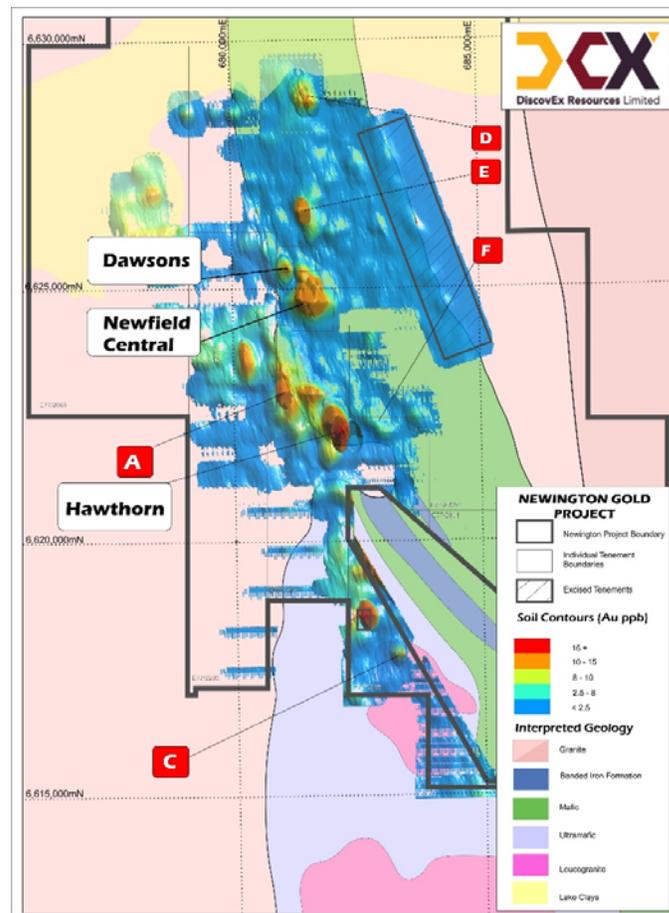


Figure 3: Newington Project contoured geochemical sampling data (including historic and recent sampling) with identified targets shown by red boxes.

CORPORATE

SHARE PLACEMENT

In July 2020 the Company successfully completed a share placement raising A\$1,507,219 (before costs) to assist with its ongoing exploration at both the Edjudina and Newington Gold Projects in Western Australia.

The Placement, undertaken in a single tranche, comprised 231,879,874 fully-paid ordinary shares issued at \$0.0065 per share to sophisticated and professional clients of JP Equity Partners, the lead manager for the Placement, and some existing major shareholders of the Company utilising the Company's available placement capacity under Listing Rules 7.1 (136,186,748 shares) and 7.1A (95,693,126 shares). The shares were issued on 9 July 2020.

As part of the capital raising fee, DCX issued 20,000,000 options to JP Equity Partners with an exercise price of \$0.013 and expiry date 20 August 2022 following shareholder approval granted at a General Meeting held on 20 August 2020.

12 MONTH OPTION OVER MONUMENT PROJECT TO Si6

In August 2020 DiscovEx announced a binding and exclusive Heads of Agreement reached between the Company and Six Sigma Metals Limited (ASX: Si6) under which Si6 has been granted an option to acquire a 100% interest in the Company's Monument Gold Project in the Laverton Gold District of Western Australia.

Full details of the terms of the option can be found in the announcement dated 25 August 2020.

CASH RESERVES AND CASHFLOW DISCLOSURES

As at 30 September 2020, DiscovEx had cash reserves of \$1.83M, no corporate debt and minimal long-term commitments.

Operating cash outflows for the Quarter included payments for exploration and evaluation activities of \$457K. As set out in item 6.1 of the Company's Appendix 5B, payments to related parties consisted of remuneration paid to executive and non-executive directors and payments to director related entities for the provision of geological consultancy services totalling \$105K.

TENEMENTS

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

SHAREHOLDER INFORMATION

As at 30 September 2020, DiscovEx had 1,196,164,076 fully-paid ordinary shares on issue and approximately 1,502 shareholders. The top 20 shareholders held approximately 28% of the Company's shares.

The Company also had 160,228,213 unlisted options on issue exercisable at prices between 1.3 cents and 3.15 cents and expiring in August 2021, May 2022, August 2022, September 2022, December 2022, December 2023 and August 2024.



Competent Person's Statement

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation 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 Executive Technical Director and Exploration Manager 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.

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

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

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APPENDIX 1 – Additional Information Required under Listing Rule 5.3.3

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

Tenement	Status	% Ownership
Monument Gold Project – Laverton, WA		
E39/1846	Granted	100%
E39/1866	Granted	100%
E39/2024	Granted	100%
E39/2035	Granted	100%
E39/2036	Granted	100%
E39/2139	Granted	100%
P39/5456	Granted	100%
P39/5457	Granted	100%
P39/5519	Granted	100%
P39/5837	Granted	100%
P39/5855	Granted	100%
P39/5880	Granted	100%
P39/5899	Granted	100%
P39/5910	Granted	100%
P39/6051	Granted	100%
P39/6052	Granted	100%
P39/6053	Granted	100%
P39/6054	Granted	100%
Edjudina Gold Project – Laverton, WA		
E31/1150	Granted	80%
E31/1134	Granted	80%
E39/1765	Granted	80%
E39/1882	Granted	80%
Newington Gold Project – Southern Cross, WA		
E77/2602	Granted	100%
E77/2604	Granted	100%
E77/2605	Granted	100%

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

Mining tenements acquired during the Quarter and their location:

A 100% interest in tenements P39/6054 and E39/2139 located within the Monument Gold Project area were acquired during the Quarter.

Mining tenements disposed of during the Quarter and their location:

Nil

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

Farm-in Agreements

Under the terms of the farm-in agreement with Newfield Resources Limited, DiscovEx has the right to earn up to 85% of the Newfield Project comprising tenements M77/422 and M77/846. Refer to the ASX Announcement dated 11 April 2019.

Under the terms of the option agreement with Gateway Projects Pty Ltd the Company has purchased a 12-month Right to Purchase the Carterton Gold Project comprising tenement E77/2309. In April 2020 the Company extended this Right for a further 12 months. Refer to the ASX Announcements dated 11 April 2019 and 7 April 2020.

Under the terms of the farm-in agreement with private vendors, DiscovEx has the right to earn up to 80% of tenements within the Newington Project including E77/2200, E77/2326, E77/2558, E77/2263 and P77/4397. Refer to the ASX Announcement dated 24 September 2019.

Under the terms of the JV agreement with Crest Investment Group Limited, DiscovEx has the right to earn up to 80% of tenements within the Edjudina Project including E28/2884, E31/1187, E31/1198, E31/1227, E39/2102, E39/2126, P31/2126 and P31/2125. Refer to the ASX announcements dated the 13 March 2020 and 15 April 2020.

Farm-out Agreements

Nil.

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

Nil.