



ASX ANNOUNCEMENT – DISCOVEX RESOURCES LIMITED

22 April 2021

March 2021 Quarterly Activities Report

Highlights

- **Sylvania Project Acquisition and Capital Raise**
 - Acquisition of the Sylvania Project in the Pilbara adjacent to Capricorn Metals Limited 2.15Moz Karlawinda Gold Project now completed
 - On-ground exploration underway – surface sampling and detailed aeromagnetic survey
 - \$3.5M raised via a placement and an SPP raised a further \$0.5M
 - Capricorn Metals Ltd (ASX:CMM) now substantial shareholder of DCX (approx. 12%) by committing \$1.2M in the placement
 - Heath Hellewell now the DCX Chair and Capricorn Metals' CEO, Kim Massey, has joined the Board following the Sylvania Project acquisition
 - Sylvania Project includes the Prairie Downs Zinc (+ lead and silver) Inferred and Indicated Mineral Resource¹ and the Spearhole Detrital Channel Iron Ore Inferred Mineral Resource¹ and numerous copper, nickel and other commodity occurrences and prospects
- **Newington Project**
 - RC Drilling at Hawthorn and Dawsons Prospects completed with 20 holes for a total of 1,785m
 - 1m split assay results pending – due early May
- **Edjudina Project**
 - Aeromagnetic survey completed
 - Approx. 3,000 soil samples taken with results yet to be interpreted

Putting the Explore back into Modern Exploration

1 – refer to DCX ASX announcement 18 January 2021

EXPLORATION AND EVALUATION

SYLVANIA PROJECT ACQUISITION

The Company has now completed the highly significant Sylvania Project acquisition and conducted a share placement and share purchase plan (SPP) to raise \$4.0M (less costs) following shareholder approval on March 5th 2021.

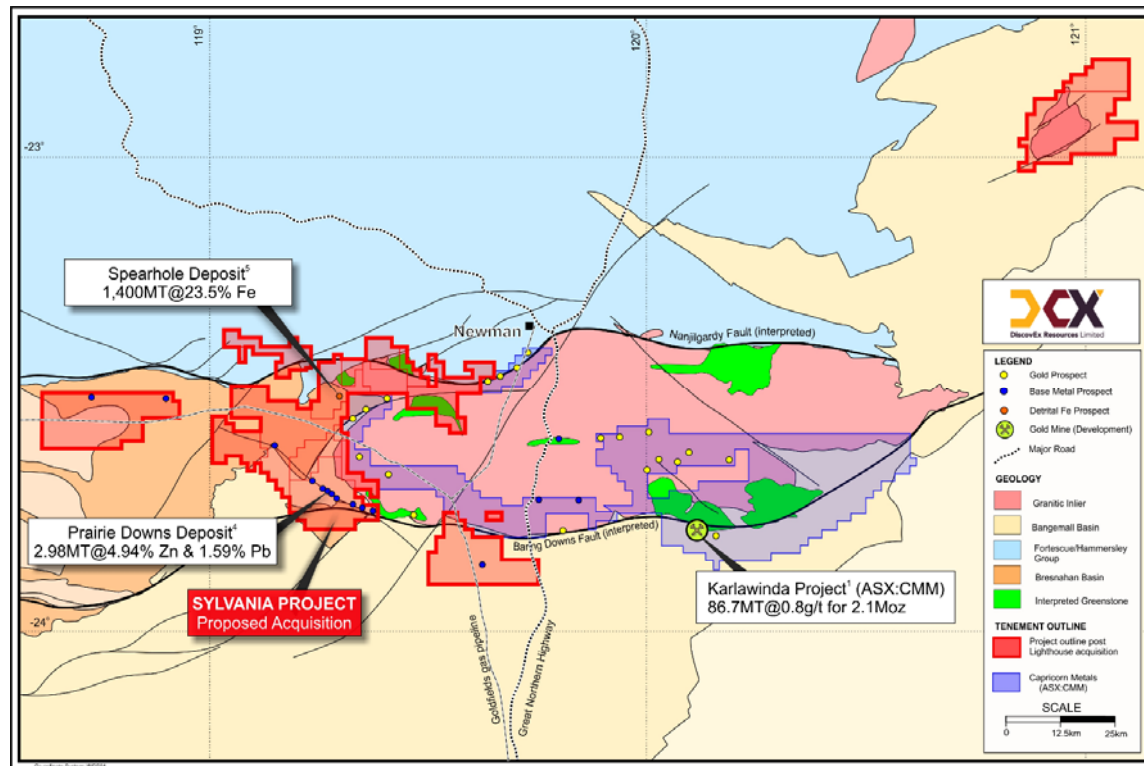


Figure 1: Prairie Downs Project location – Interpretive Geology

DCX has welcomed one of Western Australia's newest, large gold mine developers, Capricorn Metals Ltd (ASX:CMM, **Capricorn, CMM**) as a substantial shareholder in DCX (approx. 12%) by participating in the share placement. The Company is also delighted that the CMM Chief Executive Officer, Kim Massey, has now joined the DCX Board as a Non-Executive Director.

The Company also welcomes Mr Heath Hellewell to the Board as Non-Executive Chairman following the departure of the previous Chair, Mr Peter Langworthy. Mr Langworthy led DCX for eight years and has been instrumental in preparing the Company to be able to take on the Sylvania Project in readiness for its next phase of growth. The Company thanks Peter for his strong leadership and wishes him well into the future.

Sylvania Project Location

The Sylvania Project is a compilation of ten granted exploration licences and eight exploration licence applications (which includes 3 tenements subject to a 90/10 JV (discussed in detail in DCX ASX announcement of 18 January 2021) and three tenements pegged by DCX and not the subject of the acquisition) that cover a total of 2,247km² located in the Pilbara Region of Western Australia and are centred approximately 50km southwest of the giant Iron Ore hub of Newman (Figure 1). 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 (approx. 60km) of one of Western Australia's newest, gold mine developments operated by Capricorn Metals Ltd. CMM's Karlawinda Project contains a Mineral Resource estimate of 2.15Moz @ 0.8 g/t Au and is set to pour its first gold in Q2 2021.

Project Geology

Three major geological units are interpreted to exist within the Sylvania Project area, Archaean Greenstones belonging to both the Pilbara Craton and the Fortescue Group and also meta-sediments and volcanics attributed to the Proterozoic aged Wyloo Group within the Ashburton Basin. Importantly, all these units are known to host significant gold deposits, outside the Sylvania Project tenure, with the Karlawinda Project (ASX:CMM, Mineral Resource of 2.15Moz @ 0.8 g/t Au) hosted in the Pilbara Craton greenstones, Paulsens (ASX:NST, production figures plus Total Resource of 1.12Moz @ 5.3 g/t Au) within the Fortescue Group and the Ashburton Project (ASX:KZR, production figures plus Total Resource 2.0Moz @ 2.6 g/t Au) hosted by the younger Proterozoic Wyloo Group (for clarity, Lighthouse has no ownership of, or other interest in, those projects). Proterozoic aged volcanic and sedimentary rocks within the Sylvania Project also host the significant Prairie Downs Zn + Pb 2012 JORC Resource (2.9Mt @ 4.9% Zn, 1.6% Pb and 15g/t Ag) located centrally within the Sylvania Project area.

The mineralisation styles and ages for mineralisation vary across these three main gold deposits and provide multiple targeting opportunities for DCX within the Sylvania Project bounds.

Recent, publicly available data from work completed by the Geological Survey of Western Australia (GSWA), which included a deep seismic traverse across the major structural boundary between the Yilgarn and Pilbara cratons, has shown the importance of two major fault structures (Baring Downs and Nanjilgardy Faults). These faults may act as "feeders" that tap deep into the upper mantle and potentially provide the main conduits for source fluids of the mineralisation at all three major gold deposits in the region. This work has also highlighted the role of regional thrusting and transverse or linking fault structures that may also play a key role in the development of, not only gold, but also base metal deposits in the region.

Key Initial Targets and Exploration Strategy

Exploration for gold in the region has generally been limited with only early-stage efforts conducted, mostly during the mid-1990's. There has been little serious focus on gold and very few drillholes completed outside of the Prairie Downs Resource despite there being substantial evidence for widespread gold mineralisation in the region.

DCX's approach, as always, will be to undertake systematic exploration using the existing historic datasets as a base whilst building information layers as exploration progresses. A number of key target areas are represented in the historic literature where stream sediment surveys delineated numerous gold anomalies that require careful investigation. At the Carney, Spearhole and Brumby prospects (refer Figure 2), stream

sediment surveys conducted historically have indicated gold prospectivity. The historical reporting (the compilation and interpretation of which is ongoing and incomplete) indicates the potential for widespread gold mineralisation which DCX aims to uncover. In addition, evidence for gold mineralisation exists at the Prairie Downs Prospect adjacent to the mineral resource and this demonstrably mineralised area (mostly base metals discovered to date) will be investigated in detail, underpinned by an alternate epithermal mineralisation model for the current base metals resource.

Whilst two mineral resources, Prairie Downs (Zinc and Lead) and Spearhole (Detrital Channel Iron) are present on the Sylvania Project they will not be the immediate focus of exploration efforts but form an important part of the Sylvania Project into the future.

On-Ground Exploration Commences

A regional surface geochemical programme has now commenced with work beginning in the northeast of the Project. In addition, detailed airborne geophysics including magnetics, radiometrics and digital terrain modelling has commenced and is due to be completed before the end of April 2021.

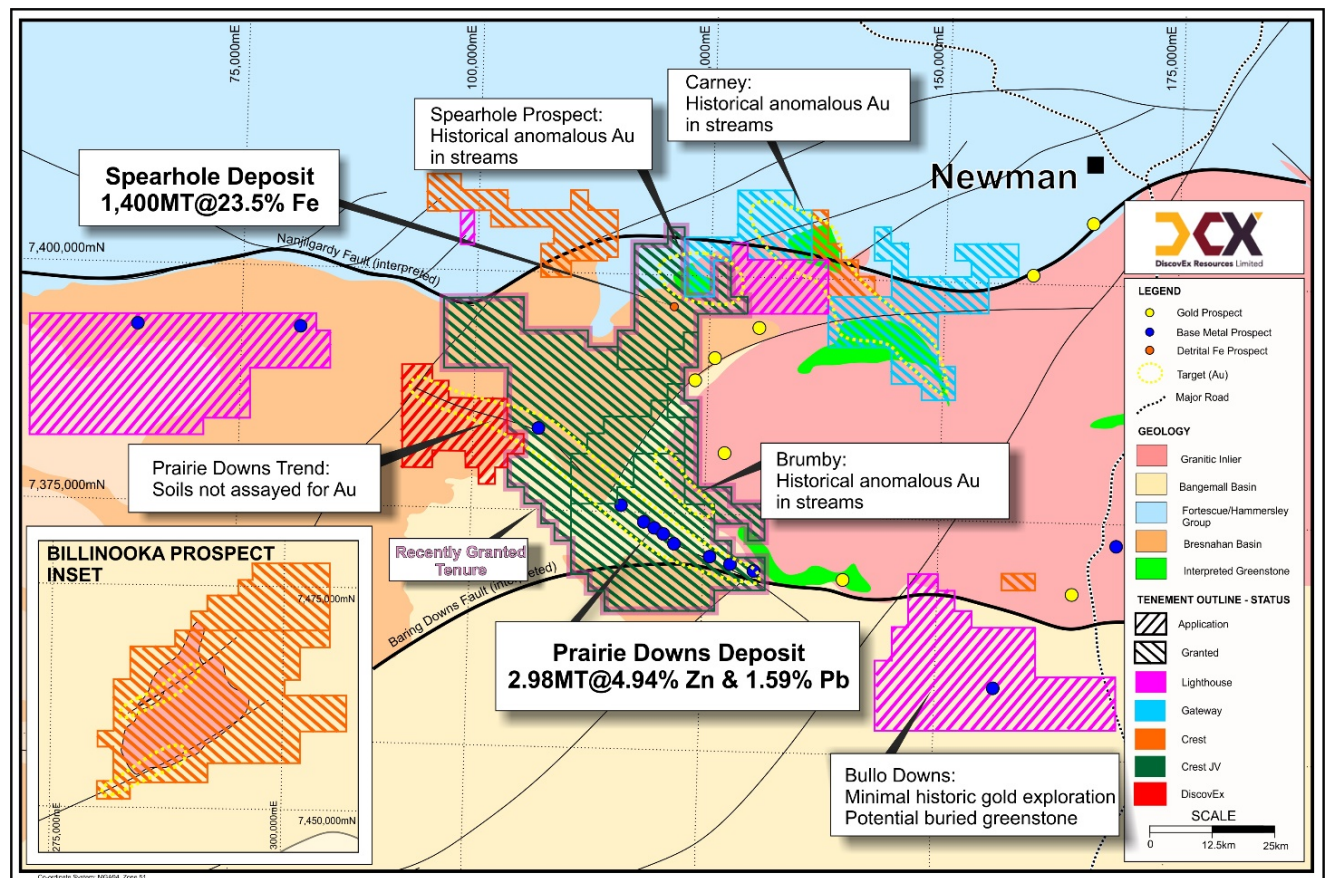


Figure 2: Prairie Downs Project – Tenement status

NEWINGTON GOLD PROJECT

A total of 20 holes for 1,785m was completed at the Newington Project during the previous quarter. Holes were drilled at several prospects including both Hawthorn, Hawthorn North, Dawsons and Sweet William (Figure 3).

At Hawthorn (4 holes for 518 metres), holes were targeting a >30ppb Au auger and rock chip anomaly. Completed drilling was designed to test beneath the highly mineralised rock chip samples and associated quartz veining as well as structural complexities identified from mapping including folded repetitions of the banded iron formation.

At Dawsons (3 holes for 408 metres), the holes were targeting the east-west strike projection of the Dawsons quartz vein. All holes intersected the Dawsons structure with holes intersecting minor quartz veining within the target zone.

The remaining holes were completed at Hawthorn North (9 holes for 427m) and Sweet William (previously Target E) (4 holes for 380m) shown in Figure 3 below, with holes again targeting anomalous auger/soils geochemistry.

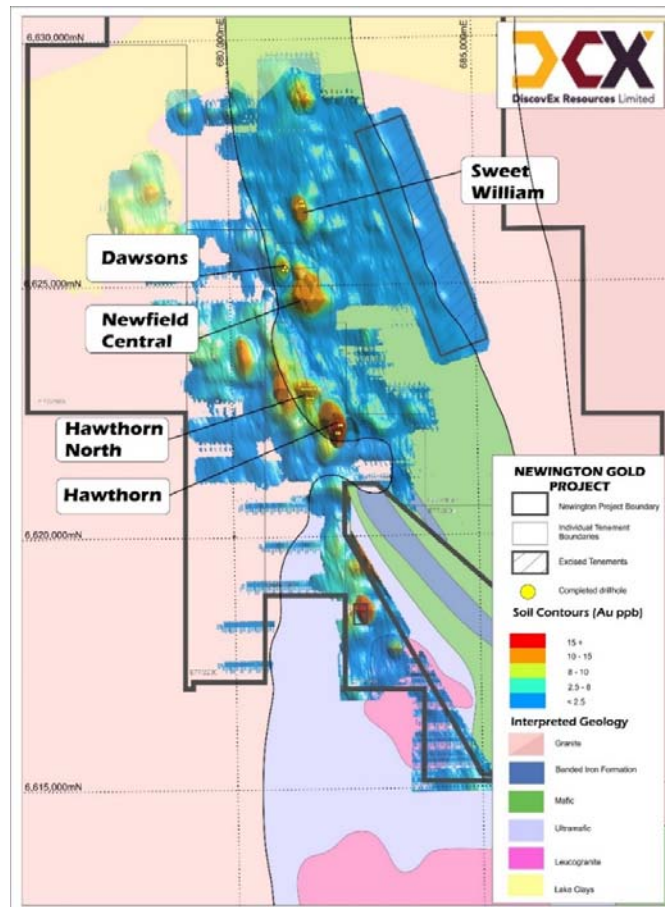


Figure 3: Newington prospect locations

Dawsons

Strong gold mineralisation was intersected at the Dawsons Prospect. The RC drilling tested the eastern edge of an interpreted high-grade plunge as well as follow up previous intersections including **4m @ 16.6g/t Au** from 83m (CSRC031), **2m @ 17.5g/t Au** from 76m (SNWRC010), **2m @ 13.0g/t Au** from 146m (SNWRC014) and **1m @ 20.0g/t Au** from 105m (CSRC036). All three drillholes completed within this program intersected the mineralised shear, with NERC020 returning significant mineralisation including **4m @ 3.3g/t Au** from 104m. Logged geology suggests the mineralisation is hosted within a 2m wide quartz vein and remains open at depth. This result was sampled as a 4m composite with single metre splits of the individual metres to be collected immediately.

This high-tenor result, located approximately 11m from a previous drillhole that returned an assay result of 1m @ 0.4g/t Au, emphasises the variability of high-grade gold orebodies and the associated risk in dismissing low-tenor intersections within the host structure.

The remaining two holes that were drilled to the east (NERC018 and NERC019), failed to return significant mineralisation however did intersect minor veining within the structure suggesting potential still exists for a repeat high-grade pod further to the east.

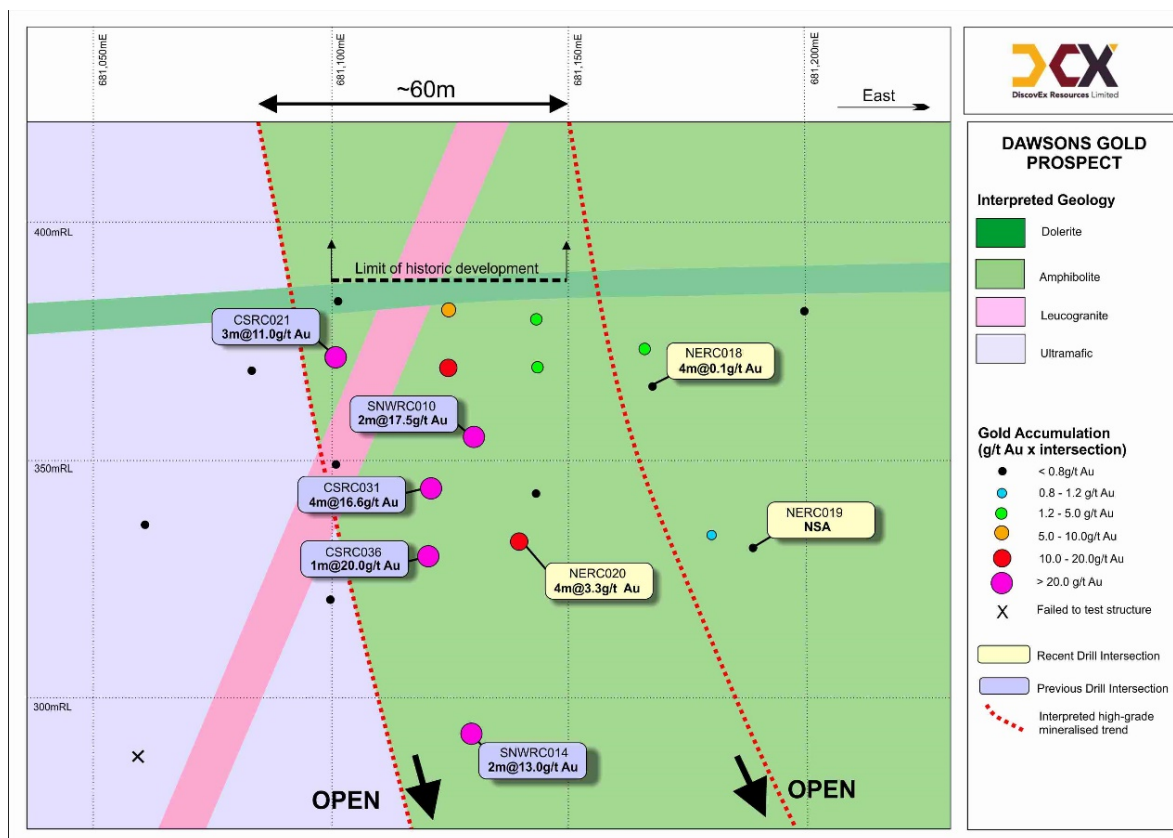


Figure 4: Dawsons long-section (Looking North) showing high-grade trend of quartz vein hosted mineralisation.

Hawthorn

Drilling at the Hawthorn Prospect was designed to test a large (500m x 200m) surface geochemical anomaly (>30ppb Au – refer DCX announcement “High Grade Rock Chips – Newington”) released on the 5th August 2020) and strongly mineralised rock chip samples including **9.7g/t Au, 8.6g/t Au, 4.0g/t Au and 1.9g/t Au**. These high-tenor rock chips were associated with quartz veining within and adjacent to a structurally deformed banded iron formation. Four RC holes for 518m were completed with shallow mineralisation intersected in NERC012 of **16m @ 0.8g/t Au** from 8m including **4m @ 1.7g/t Au** from 16m.

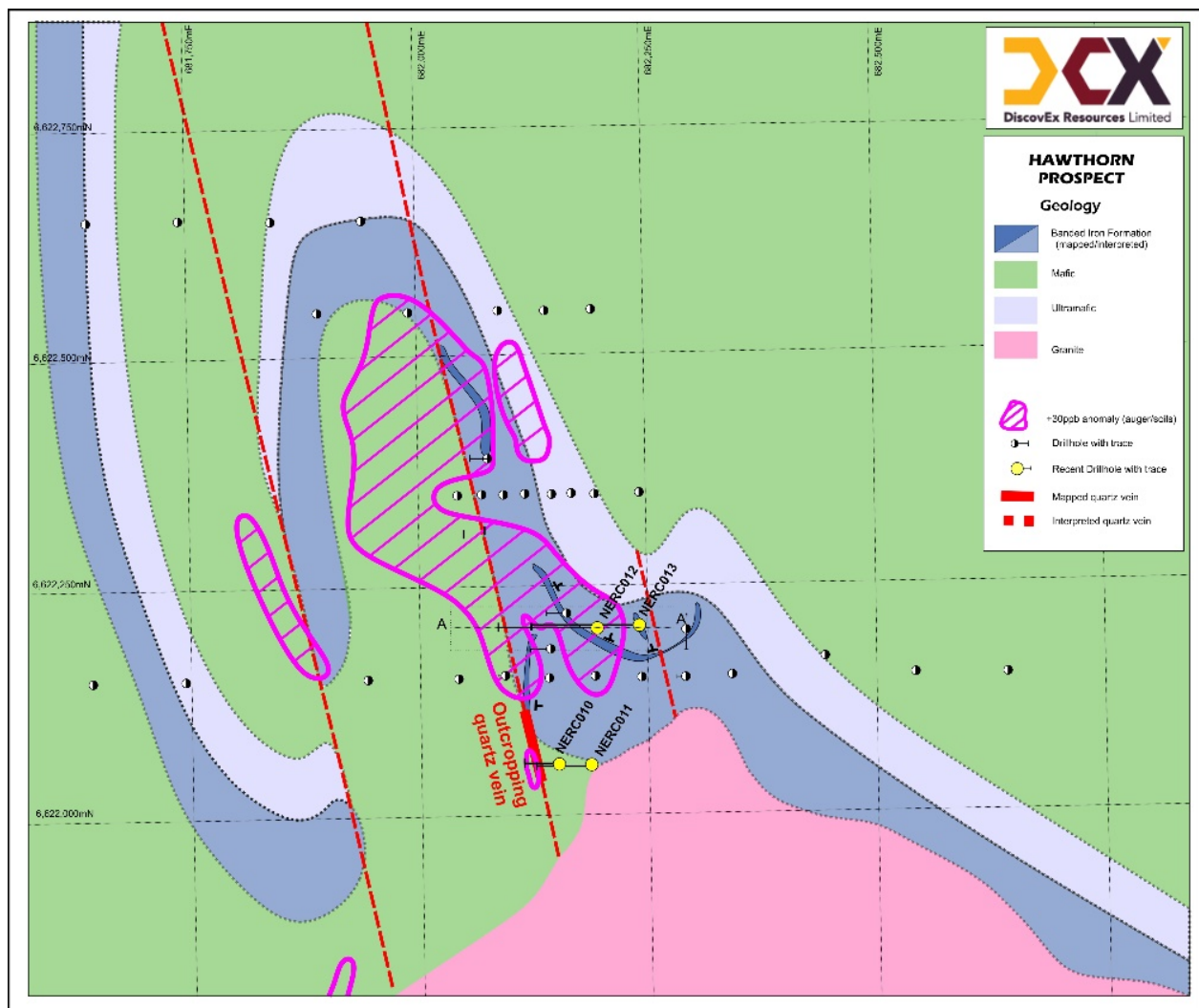


Figure 5: Plan view of Hawthorn Prospect and completed drill collar positions.

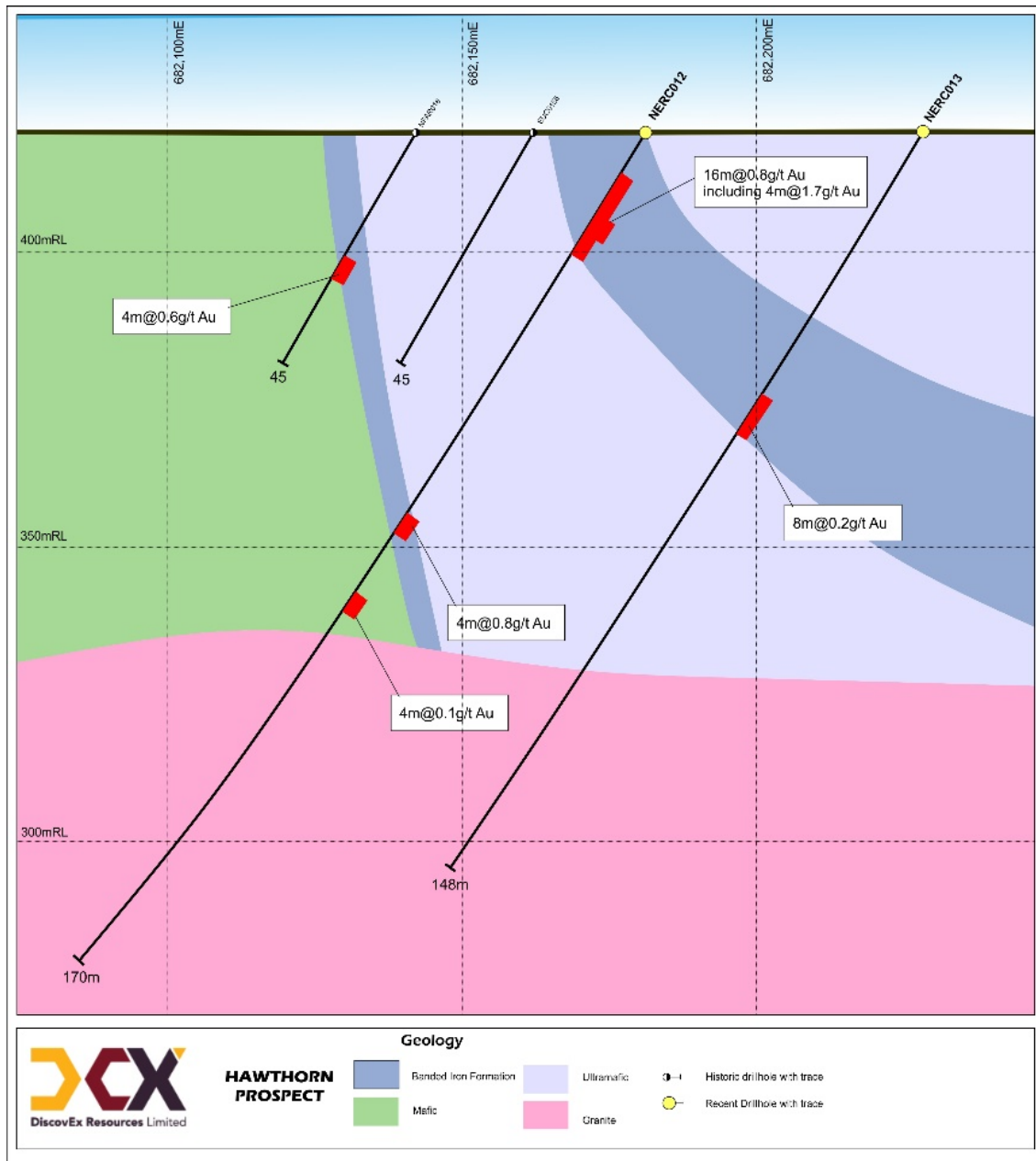


Figure 6: Cross-section (Looking north) of the Hawthorn Prospect (6,622,200mN)

Fleet Street Holdings Earn-in

Following the completion of drilling at the Hawthorn and Hawthorn North Prospects and satisfaction of several requirements related to the Earn-in obligations with Fleet Street Holdings Pty Ltd and Bildex Holdings Pty Ltd, DiscovEx has now earned a 51% interest in tenements E77/2326, E77/2558, E77/2200, P77/4397 and E77/2263, shown in Figure 7. DiscovEx has the right to earn a further 29% of the above-mentioned tenements by spending a further \$350,000 on exploration activities (inclusive of an additional 1,003m of drilling).

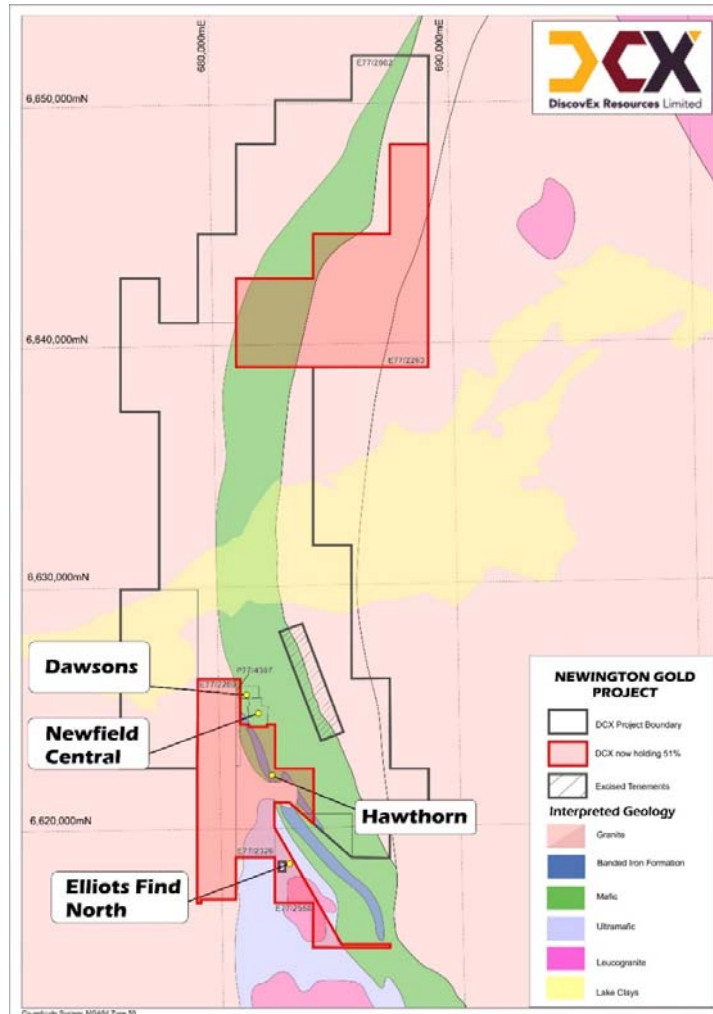


Figure 7: Newington Project Tenement outline and effected tenements subject to the earn-in.

Newfield Earn-in Variation and exercise of Option

The Option over E77/2309 was varied and executed within the quarter with Gateway Mining Limited. The Terms of the variation include:

- Payment of \$50,000 cash
- Payment of \$250,000 in shares at the Issue Price, being the VWAP of the Shares at close of trading 5 trading days immediately prior to the announcement of a maiden JORC-compliant Minerals Resource within the Tenement.
- 1.75% gross revenue royalty on all products recovered and sold from the Tenement.

A further variation was also executed with Newfield Resources Limited extending the Farm-in Agreement period from the 11th of April, 2021 for M77/846 and M77/422 out until the end of the 2021 calendar year. This will allow DCX to allocate sufficient funds towards exploration efforts that were adversely time impacted by COVID-19 movement restrictions.

Future activities

Future works will be centred on the 1m resplit results due back in early May, taken from the last RC drill program with particular interest in the results anticipated from the Dawsons Prospect. Metallurgical testing of the high-grade material delineated to date will be completed to determine the amenability to conventional gravity and CIL gold extraction techniques. Samples have been taken from SNWRC010, SNWRC014 and NERC020 to produce a composite for the metallurgical sample.

EDJUDINA GOLD PROJECT

Aeromagnetic Survey

An aeromagnetic survey was completed on the 26th of January, covering the majority of the Edjudna Project tenure. A total of 10,623 line kilometres were flown.

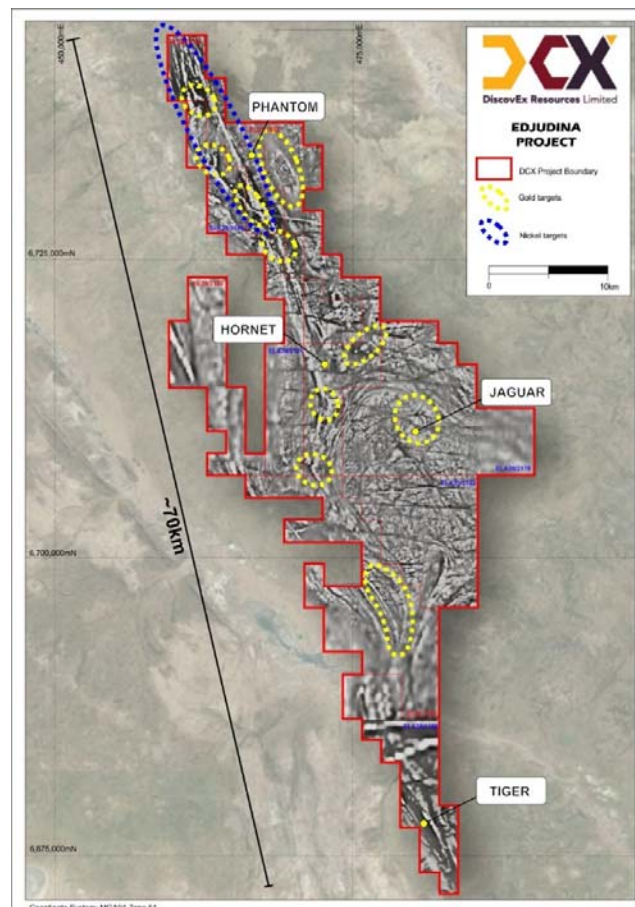


Figure 8: Merged TMI 1VD greyscale aeromagnetic image and the generated Au and Ni targets (Google Earth background)

Target Generation

Upon completion of the recent aeromagnetic survey, which consisted of a total of 10,622 flown line km's, the data were merged with several other local magnetic surveys, completed previously, to produce the image shown in Figure 8, among others. Interpretation and integration into the geological and structural model was then completed with multiple gold and nickel target areas identified, including those proximal to large internal intrusions where pressure shadow mineralisation may occur.

These zones highlight areas of interpreted structural complexity and potential coincidence with magnetite destruction, which is often associated with gold mineralisation in the Yilgarn.

Coupled with the identified gold targets, favourable ultramafic rocks have been interpreted that may be prospective for nickel-copper mineralisation. These are represented as distinct, elongated magnetic highs within Figure 9 and have been subjected to very limited historic exploration.

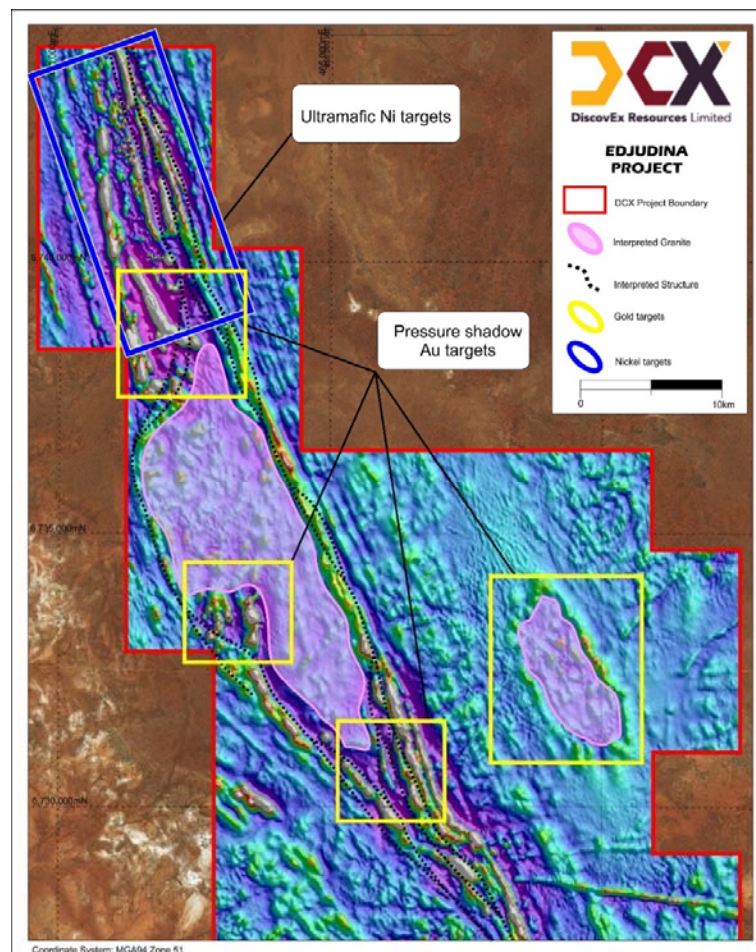


Figure 9: Aeromagnetics image (TMIRTP 1VD rainbow) highlighting nickel prospective ultramafic units (Google Earth background).

FUTURE ACTIVITIES

A soil sampling programme across four high priority target areas has been completed with approximately 3,000 locations sampled. The Company is now in the process of interpreting these results and generating targets using all data layers possessed at present.

Drill testing of resultant targets is expected later in 2021 once further ground truthing and statutory approvals have been received.

CORPORATE

Sylvania Project Transaction Completion

During the quarter the Company completed the acquisition of Lighthouse Resource Holdings Pty Ltd (**Lighthouse**), which has various rights to acquire certain granted, application (subject to grant) and JV interests in mineral tenements in Western Australia comprising the Sylvania Project (**Transaction**). For full details refer DCX announcement 18 January 2021.

The consideration given by DCX for the acquisition of Lighthouse under the Transaction was a total of 337,500,000 new fully paid ordinary shares in the Company (**Consideration Shares**), issued to the shareholders of Lighthouse (or their nominees) on a pro-rata basis.

Completion of the Transaction was achieved on 11 March 2021.

Capital Raising

In conjunction with the Transaction, the Company raised \$4 million via a private placement of 875,000,000 fully paid ordinary shares in DCX at an issue price of \$0.004, to raise up to \$3.5 million (**Placement**) and an SPP of 125,000,000 fully paid ordinary shares in DCX at an issue price of \$0.004 to raise \$500,000 (together the **Capital Raising**).

The Capital Raising received shareholder approval at the General Meeting on 5 March 2021, and issued the 875 million shares under the Placement (including 300,000,000 shares applied for by Capricorn Metals Limited to raise \$1.2M) on 11 March 2021.

The SPP received shareholder approval at the General Meeting on 5 March 2021, and issued the 125 million shares under the SPP on 18 March 2021.

Board Changes

Following completion of the Transaction, Mr Peter Langworthy stepped-down from his position as Non-Executive Chairman of DCX and founding director of Lighthouse, Mr Heath Hellewell was appointed to this position.

The Company thanks Peter for his strong leadership over the past eight years and wishes him well into the future.

Also appointed to the DCX Board as a Non-Executive Director, following completion of the Transaction was CMM Chief Executive Officer, Mr Kim Massey.

See DCX announcement 11 March 2021 for full details.

CASH RESERVES AND CASHFLOW DISCLOSURES

As at 31 March 2021, DiscovEx had cash reserves of \$4.95M, no corporate debt and minimal long-term commitments.

Operating cash outflows for the Quarter included payments for exploration and evaluation activities of \$431K. 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 (\$109K) and payments to director related entities for the provision of geological services totalling (\$3K).

Project Expenditure

Project	Expenditure (\$A'000)
Edjudina	129
Newington	215
Sylvania	87
TOTAL	431

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 2021, DiscovEx had 2,568,664,076 fully-paid ordinary shares on issue and approximately 1,737 shareholders. The top 20 shareholders held approximately 41% 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.

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 consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information in this announcement related to the Mineral Resource at Spearhole is based on the information compiled by Mr David Randal Jenkins, a competent person who is a Member of the Australian Institute of Geoscientists. Mr David Randal Jenkins is an employee of Terra Search and has sufficient experience in the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr David Randal Jenkins consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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 Bradley Drabsch
Managing Director
T: 08 9380 9440

APPENDIX 1 – Additional Information Required under Listing Rule 5.3.3

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

Tenement	Status	% Ownership
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%
P39/6055	Granted	100%
P39/6056	Granted	100%
P39/6057	Granted	100%
P39/6058	Granted	100%
P39/5881	Application	100%
P39/5882	Application	100%
Edjudina Gold Project – Laverton, WA		
E39/1765	Granted	80%
E39/1882	Granted	80%
E39/2178	Application	100%
E39/2182	Application	100%
E39/2181	Application	100%
E39/2186	Application	100%
Newington Gold Project – Southern Cross, WA		
E77/2602	Granted	100%

E77/2604	Granted	100%
E77/2605	Granted	100%
E77/2309	Granted	100%
E77/2200	Granted	51%
E77/2326	Granted	51%
E77/2558	Granted	51%
E77/2263	Granted	51%
E77/2770	Application	100%
Sylvania Project – Newman, WA		
E46/1341	Granted	100%
E46/1342	Granted	100%
E52/3365	Granted	100%
E52/3366	Granted	100%
E52/3638	Granted	100%
E52/3748	Granted	100%
E52/3774	Granted	90%
E52/3775	Granted	90%
E52/3780	Granted	90%
E52/3784	Granted	100%
E52/3843	Application	100%
E52/3884	Application	100%
E52/3887	Application	100%
E52/3888	Application	100%
E52/3889	Application	100%
E52/3890	Application	100%
E52/3901	Application	100%
E52/3911	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:

A 100% interest in tenements E46/1341, E46/1342, E52/3365, E52/3366, E52/3638, E52/3748, E52/3774, E52/3775, E52/3780 and E52/3784 located within the Sylvania Gold Project area were acquired during the Quarter.

A 100% interest in E77/2309 was acquired during the quarter, through the exercising of an Option with Gateway Mining Limited. A 51% interest in tenements E77/2200, E77/2326, E77/2558 and E77/2263 also within the Newington Project area were acquired through meeting earn-in obligations.

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 farm-in agreement with private vendors, DiscovEx has the right to earn up to 80% of tenements within the Newington Project including E77/2200, E77/2326, E77/2558, E77/2263 and P77/4397. Refer to the ASX Announcement dated 24 September 2019. DCX currently holds a 51% interest in the Tenements.

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, E31/1219, 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:

A 51% interest in tenements E77/2200, E77/2326, E77/2558 and E77/2263 within the Newington Project area were acquired during the quarter through meeting earn-in obligations.