



DISCOVERY  
alaska

**Discovery Alaska Limited**

ACN 147 324 847

**Half-year Financial Report - 31 December 2023**

**Discovery Alaska Limited**  
**Contents**  
**31 December 2023**

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	17
Independent Auditor's Review Report to the Members of Discovery Alaska Limited	18

**Discovery Alaska Limited**  
**Corporate Directory**  
**31 December 2023**

Directors	Peter Lloyd (Non-Executive Director) Jerko Zuvela (Non-Executive Director) Alan Thomas (Non-Executive Director)
Company Secretary	Alan Thomas
Registered Office	18 Sangiorgio Court Osborne Park WA 6017
Principal place of business	18 Sangiorgio Court Osborne Park WA 6017
Share Register	Automatic Registry Services Level 5 191 St Georges Terrace Perth WA 6000
Auditor	Criterion Audit Pty Ltd Suite 2 642 Newcastle Street Leederville WA 6007
Bankers	National Australia Bank Level 1 1238 Hay Street West Perth WA 6005
Securities Exchange Listing	Discovery Alaska Limited shares are listed on the Australian Securities Exchange (ASX code: DAF)
Website	<a href="http://www.discoveryalaska.com.au">www.discoveryalaska.com.au</a>

**Discovery Alaska Limited**  
**Directors' Report**  
**31 December 2023**

The directors present their report, together with the financial statements of the consolidated entity consisting of Discovery Alaska Limited ("DAF" or "the Company"), and the entities it controls (collectively referred to as "the consolidated entity" or "the Group") for the half year ended 31 December 2023.

**Directors**

The names of the directors in office at any time during the whole of the half year and up to the date of this report are:

Mr Peter Lloyd (Non-Executive Director)  
Mr Jerko Zuvela (Non-Executive Director)  
Mr Alan Thomas (Non-Executive Director)

**Principal Activities**

The principal activity of the Group for the financial period was mineral exploration with a focus on exploration in Alaska and Canada.

There were no significant changes in the nature of the Group's principal activities during the half year.

**Review of Operations**

The net loss of the Group after income tax for the half-year ended 31 December 2023 amounted to \$1,459,941 (31 December 2022: net loss of \$136,479).

*Exploration*

The following is a review of the operations of the Group during the financial year to the date of this report.

**Vinasale Gold Project (Alaska, USA)**

On 5 January 2024, the Company announced that it had executed a binding mining lease agreement ("MLA") with Doyon, Limited ("Doyon") for the Vinasale Gold Project in Alaska, USA, comprising ~6,500 hectares.

The Vinasale Project is located ~310 km northwest of Anchorage and ~26 km south of McGrath, on lands owned by Doyon, an Alaska Native Regional Corporation.

The landmark transaction significantly advances the Company's growth strategy, with the project hosting a reported historic NI 43-101 inferred resource of 22Mt @ 1.53g/t for 1.08Moz gold and indicated resource of 2.29Mt @ 1.84g/t for 135koz gold (using a 1g/t cut-off grade for both resource categories)<sup>1</sup> at the Central Zone prospect.

The Company intends to commence exploration planning works to define a comprehensive exploration and development program for the Project. Mineralisation in the Central Zone extends over a strike length of 400 metres and remains open to the south and to depth.

Pursuant to the MLA, Doyon has agreed to lease to the Company the Vinasale Project to conduct mineral exploration, mineral development and production activities at the project over a primary term of 15 years with the possibility of extending the term for a further 5 Lease Years subject to the Company satisfying certain terms and conditions contained in the MLA.

As contained in the MLA, the Company will be required to make the following lease payments:

- US\$15,000 upon the execution of the Mining Lease Agreement;
- US\$40,000 annually, commencing with the 2025 Lease Year through the 2027 Lease Year;
- US\$70,000 annually, commencing with the 2028 Lease Year through the 2033 Lease Year; and
- US\$225,000 annually, commencing with the 2034 Lease Year until the Lease is terminated; provided that if Lessee exercises its option to extend the Initial Term, such annual payment shall be increased to US\$300,000 for each Lease Year after exercise of such option.

In addition to these lease payments, the Company must also meet the following minimum mandatory expenditures:

- US\$40,000 in 2024;
- US\$400,000 in 2025;
- US\$500,000 in 2026;
- US\$750,000 per Lease Year in 2027 – 2030;
- US\$1,000,000 per Lease Year in 2031 – 2034; and
- US\$1,500,000 per Lease Year from 2035 and each Lease Year thereafter.

**Review of Operations (continued)**

***Chulitna Project (Alaska, USA) (100% interest)***

The Chulitna Project is located on State of Alaska public lands, and is not subject to any Native Title claims, native lands, or native claimant groups. The project lies approximately 250km north of Anchorage and close to the major Parks Highway, which runs mostly parallel to the State owned Alaska railroad.

The project hosts numerous prospect areas identified from historical works, which are prospective for lithium, gold, silver, copper, tin and base metals. The two main prospect areas currently identified within the project area Coal Creek (lithium, tin, silver) and Partin Creek (gold, silver, and copper).

During the period, the Company relinquished 284 claims within the project, and reduced the project area to 15.5km<sup>2</sup> (24 claims), centered on the Partin Creek gold prospect. The Company's decision was based on minimising tenement renewal fees, maintenance and exploration costs at the project.

***Mia Adjacent Lithium Project (Quebec, Canada)***

The Mia Adjacent Lithium Project comprised 235 tenement claims covering 120km<sup>2</sup> (12,112 Ha), located in the James Bay Region of Quebec, and adjacent to Q2 Metals Corp Mia and Stellar Lithium Projects.

The Company elected not to proceed with the Mia Adjacent Project following a review of works conducted by the Company's Canadian geological consultant group following their preliminary reconnaissance fieldworks that targeted prospective sites identified from early-stage desk-top works.

The Company notified the vendor and withdrew from the option agreement without further cost or penalty.

**Appendix A: Discovery Alaska Limited - Interest in Mining Tenements**

Below is a listing of tenements held by the Company as at 8 February 2024:

<b>Mining Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>
Vinasale Project <sup>1</sup> : Mining Lease Agreement executed with Doyon, Limited	Alaska, USA	100%
Chulitna Project <sup>1</sup> : ADL734701 (Chulitna 136) - ADL734704 (Chulitna 139), ADL7374733 (Chulitna 168) - ADL734740 (Chulitna 175), ADL734769 (Chulitna 204) - ADL734776 (Chulitna 211), ADL734809 (Chulitna 244) - ADL734812 (Chulitna 247)	Alaska, USA	100%

<sup>1</sup> The Chulitna and Vinasale Projects are beneficially owned by Discovery Alaska LLC which is a wholly owned subsidiary of Discovery Denali Pty Ltd and ultimately wholly owned by Discovery Alaska Limited.

**Dividends Paid or Recommended**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**Events after the Balance Sheet Date**

On 5 January 2024, the Company announced that it had executed a binding mining lease agreement ("MLA") with Doyon, Limited ("Doyon") for the Vinasale Gold Project in Alaska, USA whereby Doyon has agreed to lease to the Company the Vinasale Project to conduct mineral exploration, mineral development and production activities at the project, subject to the terms and conditions in the MLA. As contained in the MLA, the Company has entered into a 15 year lease agreement and will be required to make the following lease payments:

- US\$15,000 upon the execution of the Mining Lease Agreement;
- US\$40,000 annually, commencing with the 2025 Lease Year through the 2027 Lease Year;
- US\$70,000 annually, commencing with the 2028 Lease Year through the 2033 Lease Year; and
- US\$225,000 annually, commencing with the 2034 Lease Year until the Lease is terminated; provided that if Lessee exercises its option to extend the Initial Term, such annual payment shall be increased to US\$300,000 for each Lease Year after exercise of such option.

**Events after the Balance Sheet Date (continued)**

In addition to these lease payments, the Company must also meet the following minimum mandatory expenditures:

- US\$40,000 in 2024;
- US\$400,000 in 2025;
- US\$500,000 in 2026;
- US\$750,000 per Lease Year in 2027 – 2030;
- US\$1,000,000 per Lease Year in 2031 – 2034; and
- US\$1,500,000 per Lease Year from 2035 and each Lease Year thereafter.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Peter Lloyd  
Non-Executive Director  
26 February 2024  
Perth

**Reference to Previous ASX Releases:**

5 January 2024 - Transformational Vinasale Gold Project Mining Lease Agreement Executed

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Discovery Alaska confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Competent Person's Statement**

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Zuvela is a Director of Discovery Alaska Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the projects.

**Forward Looking Statements:** Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original or relevant market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements.

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the review of the financial statements of Discovery Alaska Limited and its Controlled Entities for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



**CHRIS WATTS CA**  
**Director**

**CRITERION AUDIT PTY LTD**

DATED at PERTH this 26<sup>th</sup> day of February 2024

**Discovery Alaska Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2023**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Interest income	4,881	3,848
Foreign currency gain	(254)	4,463
<b>Expenses</b>		
Administration expenses	(1,912)	(3,476)
Director fees	(51,000)	(54,818)
Corporate expenses and professional fees	(74,658)	(86,496)
Exploration expenditure written off	(1,336,999)	-
<b>Loss before income tax expense</b>	(1,459,941)	(136,479)
Income tax expense	-	-
<b>Loss after income tax expense for the half-year</b>	(1,459,941)	(136,479)
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Profit/(loss) on the revaluation of financial assets, net of tax	(62,500)	52,412
Other comprehensive income for the half-year, net of tax	(62,500)	52,412
<b>Total comprehensive loss for the half-year</b>	(1,522,441)	(84,067)
<b>Earnings per Share</b>	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.62)	(0.06)
Diluted loss per share	(0.62)	(0.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Discovery Alaska Limited  
Consolidated Statement of Financial Position  
As at 31 December 2023

		Consolidated	
	Note	31 December 2023 \$	30 June 2023 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	628,656	933,953
Trade and other receivables	5	6,381	7,283
Prepaid assets	6	27,295	16,468
Other financial assets	7	36,267	98,767
<b>Total Current Assets</b>		<u>698,599</u>	<u>1,056,471</u>
<b>Non-Current Assets</b>			
Capitalised exploration and evaluation expenditure	8	87,000	1,291,716
<b>Total Non-Current Assets</b>		<u>87,000</u>	<u>1,291,716</u>
<b>Total Assets</b>		<u>785,599</u>	<u>2,348,187</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		14,246	54,393
<b>Total Current Liabilities</b>		<u>14,246</u>	<u>54,393</u>
<b>Total Liabilities</b>		<u>14,246</u>	<u>54,393</u>
<b>Net Assets</b>		<u>771,353</u>	<u>2,293,794</u>
<b>Equity</b>			
Issued capital	9	13,659,473	13,659,473
Reserves	10	123,736	737,509
Accumulated losses		<u>(13,011,856)</u>	<u>(12,103,188)</u>
<b>Total Equity</b>		<u>771,353</u>	<u>2,293,794</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Discovery Alaska Limited  
Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2023

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance as at 1 July 2022</b>	13,339,473	731,030	(11,685,926)	2,384,577
<b>Other Comprehensive Income</b>				
Loss after income tax expense for the half-year	-	-	(136,479)	(136,479)
Other comprehensive income for the half-year, net of tax	-	52,412	-	52,412
<b>Total comprehensive income/(loss) for the half-year</b>	-	52,412	(136,479)	(84,067)
<b>Transactions with owners in their capacity as owners</b>				
<b>Total contributions by owners</b>	-	-	-	-
<b>Balance as at 31 December 2022</b>	<u>13,339,473</u>	<u>783,442</u>	<u>(11,822,405)</u>	<u>2,300,510</u>
<b>Balance as at 1 July 2023</b>	13,659,473	737,509	(12,103,188)	2,293,794
<b>Other Comprehensive Income</b>				
Loss after income tax expense for the half-year	-	-	(1,459,941)	(1,459,941)
Other comprehensive income for the half-year, net of tax	-	(62,500)	-	(62,500)
<b>Total comprehensive loss for the half-year</b>	-	(62,500)	(1,459,941)	(1,522,441)
<b>Transactions with owners in their capacity as owners</b>				
Transfer to/(from) reserves	-	(551,273)	551,273	-
<b>Total contributions by owners</b>	-	(551,273)	551,273	-
<b>Balance as at 31 December 2023</b>	<u>13,659,473</u>	<u>123,736</u>	<u>(13,011,856)</u>	<u>771,353</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Discovery Alaska Limited**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2023**

	<b>Note</b>	<b>Consolidated</b> <b>31 December</b> <b>2023</b> <b>\$</b>	<b>31 December</b> <b>2022</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers (inclusive of GST)		(177,895)	(204,685)
Payments for exploration and evaluation		(132,283)	(299,526)
Interest received		4,881	3,848
		<u>(305,297)</u>	<u>(500,363)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Net cash from investing activities		-	-
<b>Cash flows from financing activities</b>			
Net cash provided by financing activities		-	-
Net decrease in cash and cash equivalents		(305,297)	(500,363)
Cash and cash equivalents at the beginning of the financial half-year		933,953	1,506,871
Cash and cash equivalents at the end of the financial half-year	4	<u>628,656</u>	<u>1,006,508</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

**Discovery Alaska Limited**  
**Notes to the Financial Statements**  
**31 December 2023**

**Note 1. General information**

The financial report covers Discovery Alaska Limited as a consolidated entity consisting of Discovery Alaska Limited and the entities it controlled. The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. Discovery Alaska Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

18 Sangiorgio Court  
Osborne Park WA 6017  
Ph: (08) 6165 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 26 February 2024. The directors have the power to amend and reissue the financial report.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are 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*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**New accounting standards and interpretations**

*Standards and Interpretations applicable to 31 December 2023*

For the period ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to the consolidated entity's accounting policies.

*Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2023.

As a result of this review the Directors have determined that there are no new and revised Standards and Interpretations that may have a material effect on the application in future periods and therefore, no material change is necessary to the consolidated entity's accounting policies.

**Reporting Basis and Conventions**

The half year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**Discovery Alaska Limited**  
**Notes to the Financial Statements**  
**31 December 2023**

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity has identified two reporting segments, being the exploration for mineral commodities in Alaska and lithium prospects in Quebec, Canada. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

	<b>Mineral Commodities<sup>1</sup></b>	<b>Lithium<sup>2</sup></b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>		<b>\$</b>	<b>\$</b>
<b>31 December 2023</b>				
Revenue	-	-	4,881	4,881
Loss before income tax	(1,031,604)	(306,167)	(122,170)	(1,459,941)
<b>31 December 2022</b>				
Revenue	-	-	3,848	3,848
Loss before income tax	-	-	(136,479)	(136,479)
<b>31 December 2023</b>				
Total segment assets	87,000	-	698,599	785,599
Total segment liabilities	-	-	14,246	14,246
<b>30 June 2023</b>				
Total segment assets	1,112,660	179,056	1,056,471	2,348,187
Total segment liabilities	-	-	54,393	54,393

<sup>1</sup> Mineral commodity assets relate to the Group's interest in the Chulitna Project, which has multiple prospect targets for varying commodities, including gold, silver, tin, copper and base metals.

<sup>2</sup> Lithium assets relate to the Group's interest in the Mia Adjacent Lithium Project of which the Company elected to withdraw from during the period.

**Note 4. Current Assets – Cash and Cash Equivalents**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	628,656	933,953
	<u>628,656</u>	<u>933,953</u>

**Note 5. Current Assets – Trade and Other Receivables**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
GST receivable	6,381	7,283
	<u>6,381</u>	<u>7,283</u>

**Discovery Alaska Limited**  
**Notes to the Financial Statements**  
**31 December 2023**

**Note 6. Current Assets – Prepaid Assets**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Prepaid Insurance	27,295	16,468
	<u>27,295</u>	<u>16,468</u>

**Note 7. Current Assets – Other Financial Assets**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Shares in Listed Companies</b>		
Opening Fair Value	98,767	92,288
Revaluation increments/(decrements)	(62,500)	6,479
Closing Fair Value	<u>36,267</u>	<u>98,767</u>

**Note 8. Non-current Assets – Capitalised Exploration and Evaluation Expenditure**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	1,291,716	809,504
Expenditure during the period	132,283	558,793
Write-off of exploration expenditure	(1,336,999)	(76,581)
Closing Balance	<u>87,000</u>	<u>1,291,716</u>

**Note 9. Equity – Issued Capital**

**(a) Shares**

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Fully paid ordinary shares	<u>234,234,698</u>	<u>234,234,698</u>	<u>13,659,473</u>	<u>13,659,473</u>
	<u>234,234,698</u>	<u>234,234,698</u>	<u>13,659,473</u>	<u>13,659,473</u>

**Period ended 31 December 2023**

	<b>Issue Price</b>	<b>Fully Paid Ordinary Shares</b>	<b>\$</b>
Balance as at 1 July 2023		234,234,698	13,659,473
No movement during the period			
Balance as at 31 December 2023		<u>234,234,698</u>	<u>13,659,473</u>

**Year ended 30 June 2023**

	<b>Issue Price</b>	<b>Fully Paid Ordinary Shares</b>	<b>\$</b>
Balance as at 1 July 2022		224,234,698	13,339,473
Issue of shares upon exercise of options	\$0.032	<u>10,000,000</u>	<u>320,000</u>
Balance as at 30 June 2023		<u>234,234,698</u>	<u>13,659,473</u>

**(b) Options**

**Period ended 31 December 2023**

There were no unlisted options on issue during the period ended 31 December 2023.

**Discovery Alaska Limited**  
**Notes to the Financial Statements**  
**31 December 2023**

**Note 10. Equity – Reserves**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Financial assets reserve	123,736	186,236
Option reserve	-	551,273
	123,736	737,509

*Financial assets reserve*

The reserve was used to recognise increments and decrements in the fair value of financial assets.

*Option reserve*

The reserve is used to recognise the value of option equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

	<b>Financial Assets</b>	<b>Options</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2023	186,236	551,273	737,509
Revaluation of financial assets	(62,500)	-	(62,500)
Transfer to accumulated losses	-	(551,273)	(551,273)
	123,736	-	123,736

**Note 11. Investment in Controlled Entities**

For the period ended 31 December 2023, the consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

<b>Name of entity</b>	<b>Country of Incorporation</b>	<b>Equity holding</b>	
		<b>2023</b>	<b>2022</b>
		%	%
Discovery Denali Pty Ltd <sup>1</sup>	Australia	100	100
Discovery Alaska LLC <sup>2</sup>	United States	100	100

<sup>1</sup> The entity was incorporated on 5 November 2020.

<sup>2</sup> The entity was incorporated on 9 November 2020, and is a wholly owned subsidiary of Discovery Denali Pty Ltd.

**Note 12. Commitments**

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay rentals and to meet the minimum expenditure requirements.

	<b>Dec 2023</b>	<b>June 2023</b>
	<b>\$</b>	<b>\$</b>
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	138,000	115,000
One to five years	4,180,000	460,000
	4,318,000	575,000

Expenditure commitments shown include minimum commitments payable on the Vinasale Gold Project (refer to Note 14).

**Note 13. Contingencies**

The Company had no contingent assets or liabilities as at 31 December 2023.

**Note 14. Events after reporting period**

On 5 January 2024, the Company announced that it had executed a binding mining lease agreement (“MLA”) with Doyon, Limited (“Doyon”) for the Vinasale Gold Project in Alaska, USA whereby Doyon has agreed to lease to the Company the Vinasale Project to conduct mineral exploration, mineral development and production activities at the project, subject to the terms and conditions in the MLA. As contained in the MLA, the Company has entered into a 15 year lease agreement and will be required to make the following lease payments:

- US\$15,000 upon the execution of the Mining Lease Agreement;
- US\$40,000 annually, commencing with the 2025 Lease Year through the 2027 Lease Year;
- US\$70,000 annually, commencing with the 2028 Lease Year through the 2033 Lease Year; and
- US\$225,000 annually, commencing with the 2034 Lease Year until the Lease is terminated; provided that if Lessee exercises its option to extend the Initial Term, such annual payment shall be increased to US\$300,000 for each Lease Year after exercise of such option.

In addition to these lease payments, the Company must also meet the following minimum mandatory expenditures:

- US\$40,000 in 2024;
- US\$400,000 in 2025;
- US\$500,000 in 2026;
- US\$750,000 per Lease Year in 2027 – 2030;
- US\$1,000,000 per Lease Year in 2031 – 2034; and
- US\$1,500,000 per Lease Year from 2035 and each Lease Year thereafter.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Discovery Alaska Limited**  
**Notes to the Financial Statements**  
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Peter Lloyd  
Non-Executive Director  
26 February 2024  
Perth

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

## Independent Auditor's Review Report

### To the Members of Discovery Alaska Limited

#### Conclusion

We have reviewed the half-year financial report of Discovery Alaska Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 Discovery Alaska Limited does not comply 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. We are independent of the Consolidated Entity in accordance with the ethical 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## **Responsibility of the Directors for the Half-Year Financial Report**

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

## **Auditor's Responsibility for the Review of the Half-Year 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 Company'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 *Corporations Regulations 2001*.

A review of a 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.



**CRITERION AUDIT PTY LTD**



**CHRIS WATTS CA**  
**Director**

DATED at PERTH this 26<sup>th</sup> day of February 2024