



DISCOVERY
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Discovery Alaska Limited

ACN 147 324 847

Half-year Financial Report - 31 December 2021

Discovery Alaska Limited
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31 December 2021

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Discovery Alaska Limited
Corporate Directory
31 December 2021

Directors	Peter Lloyd (Non-Executive Director) Graham Walker (Non-Executive Director) Jerko Zuvella (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	Rothsay Auditing Level 1, Lincoln House 4 Ventnor Ave West Perth WA 6005
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	www.discoveryafrica.com.au

Discovery Alaska Limited
Directors' Report
31 December 2021

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 2021. The Company was formerly known as Discovery Africa Limited, and it changed its name to Discovery Alaska Limited on 2 December 2021.

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 Graham Walker (Non-Executive Director)
Mr Jerko Zuvella (Non-Executive Director)

Principal Activities

The principal activity of the Group for the financial period was mineral exploration with a focus of exploration in Alaska that culminated in the change of the Company's name to Discovery Alaska Limited in December 2021.

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 2021 amounted to \$157,653 (31 December 2020: net loss of \$147,624).

Exploration

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

Chulitna Project (Alaska, USA) 100% interest

The Chulitna Project comprises 308 State mining claims covering 199.4km², 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 gold, silver, copper, tin and base metals. The two main prospect areas currently identified within the project area are Partin Creek (gold, silver, copper) and Coal Creek (tin, silver).

During the reporting period, the Company continued works to progress activities at the Chulitna Project in Alaska, including key milestones:

- Completing the maiden exploration program, via a sampling program with 253 samples collected and achieving analysis results up to 73.9g/t Au, 1500g/t Ag & 21.1% Cu.
- The exploration works identified surface mineralisation at the Partin Creek prospect and surrounding areas.
- The project contains multiple prospect targets for varying commodities, including gold, silver, tin, copper & base metals.

Partin Creek Prospect

The Company engaged an experienced and well-credentialed Alaskan professional geological consulting services group to conduct and manage the field exploration program, which comprised the collection of 253 samples (167 rock samples and 86 talus fines samples) and geological mapping works at targeted prospect sites within the project area.

The main exploration program objective was to duplicate the known gold occurrences at the Partin Creek prospect and expand works to the northeast and southwest, to target a robust and coherent gold system with considerable strike length.

A total of 167 rock samples were analysed, with results achieved up to 73.9g/t Au, 1500g/t Ag and 21.1% Cu. Other significant rock sample analysis results include 30g/t Au, 28.7g/t Au, 477g/t Ag, 414g/t Ag, 2.63% Cu and 2.62% Cu. The rock sample analysis results with >5g/t Au are shown below.

Sample_ID	UTM_E	UTM_N	Elev (m)	Sample_Type	Unit	Au_g/t	Ag_g/t	Cu_ppm
D397665	349375.1	6996307.8	1215	Outcrop-chip	Skarn	73.9	26.7	2750
D397515	349877.3	6996013.1	1354	Outcrop-select	Vein	30.9	1500	13650
D397528	350079.5	6996817.2	1505	Outcrop-select	Vein	28.7	304	26200
D397518	350052.5	6996132.8	1514	Float-Select	Vein	22.9	95.3	3500
D397564	350318.3	6996337.6	1631	Subcrop select	Vein	22.4	123	8570
D397582	350321.9	6996324.6	1623	Subcrop -select	Vein	20.2	477	14900
D397566	350293.6	6996299.2	1628	Subcrop-Select	Vein	20.1	384	14700
D397563	350345.0	6996362.9	1638	Float-select	Vein	17.65	44.2	2930
D397526	350083.1	6996816.6	1508	Outcrop-chip	Vein	17.1	39.9	17050
D397567	350255.6	6996250.7	1622	Subcrop-Select	Vein	16.75	38.7	15850
D397527	350081.4	6996818.7	1507	Outcrop-chip	Skarn	12	30	13100
D397613	349731.0	6996501.0	1445	Outcrop-chip	Skarn	11.85	99	26300
D397644	349777.0	6996434.7	1431	Outcrop-chip	Vein	11.55	96.7	10600
D397517	350068.5	6996131.3	1514	Subcrop-Select	Vein	11.15	21.5	831
D397512	349884.3	6996225.7	1398	Outcrop-select	Vein	11	77.2	3470
D397525	350081.4	6996826.6	1506	Outcrop-chip	Vein	10.05	69.5	4540
D397593	350185.8	6996158.8	1578	Subcrop-select	Vein	9.71	139	3640
D397642	349759.1	6996447.6	1440	Outcrop-chip	Vein	9.01	67.2	5110
D397529	350077.2	6996815.2	1503	Outcrop-chip	Skarn	8.99	12.35	14000
D397568	350251.8	6996249.5	1621	Subcrop-Select	Vein	8.61	25.6	737
D397595	350153.5	6996092.3	1540	Float-select	Vein	8.59	190	7540
D397636	349762.6	6996461.0	1441	Outcrop-chip	Vein	8.16	75.4	4570
D397597	350174.0	6996050.4	1518	Outcrop-select	Vein	7.99	78.2	897
D397588	350145.1	6996166.1	1581	Float-select	Vein	7.9	262	7620
D397519	350051.2	6996113.9	1510	Subcrop-Select	Vein	7.17	16.75	1035
D397645	349777.5	6996434.7	1431	Outcrop-chip	Skarn	7.01	60.4	8490
D397666	349344.8	6996295.4	1197	Outcrop-chip	Vein	6.86	244	12900
D397514	349883.1	6996015.9	1353	Outcrop-select	Vein	6.82	414	8430
D397652	350071.1	6996583.6	1617	Subcrop	Vein	6.02	344	9170
D397598	350202.0	6996069.5	1500	Float-select	Vein	5.59	25.3	3620
D397586	350155.1	6996168.4	1586	Subcrop-Select	Vein	5.55	49.7	7510
D397569	350233.4	6996235.0	1615	Subcrop-select	Vein	5.34	13.5	226
D397583	350305.5	6996291.8	1615	Outcrop-chip	Basalt	5.17	5.96	720
D397634	349763.5	6996460.1	1441	Outcrop-chip	Vein	5.16	344	12200

Chulitna Project – Rock Sample Analysis Results (with >5g/t Au)

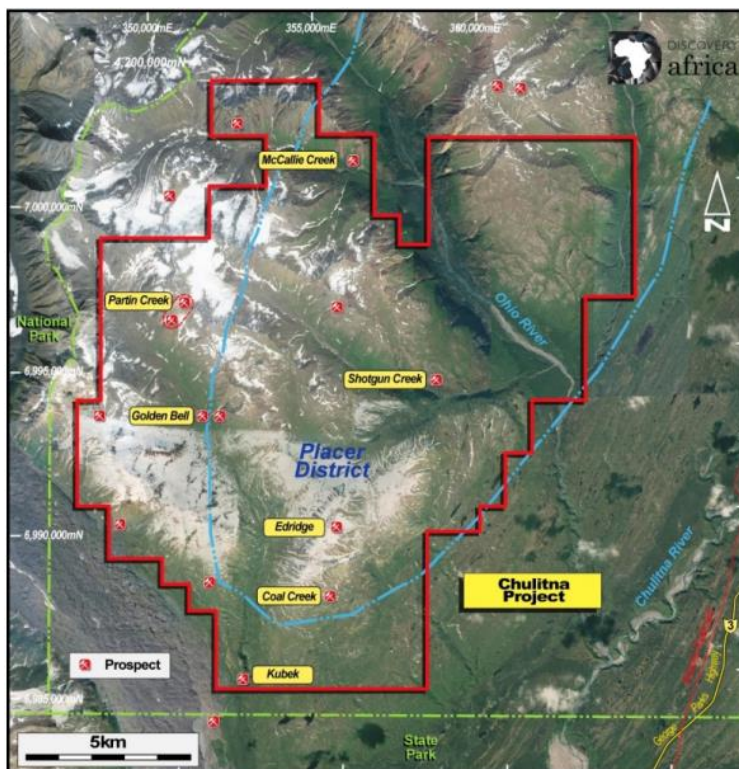
A total of 85 talus fines samples (collected along the base of steep cliffs) were analysed (one sample was lost in transit to the laboratory), with results achieved up to 7.18g/t Au and 12.25g/t Ag. The talus fines sample analysis results with >0.5g/t Au are shown below.

Sample_ID	UTM_E	UTM_N	Elev (m)	Au_g/t	Ag_g/t	Cu_ppm
D398003	350512	6996588	1555	7.18	12.25	3110
D398004	350470	6996563	1568	2.01	3.81	1270
D398002	350594	6996612	1570	1.325	3.92	924
D398006	350472	6996478	1542	1.055	1.67	729
D398001	350284	6995807	1325	0.718	1.81	965
D398103	348469	6994662	1548	0.704	0.3	320
D398018	350337	6995916	1355	0.699	3.28	1490
D398011	350475	6996236	1488	0.671	6.92	2180
D398007	350462	6996438	1542	0.64	2.36	886
D398005	350454	6996515	1556	0.598	2.29	479
D398019	350290	6995890	1361	0.539	4.54	882
D398015	350399	6996048	1423	0.529	2.83	935

Chulitna Project – Talus Fines Sample Analysis Results (with >0.5g/t Au)

The Company is encouraged by the exploration sampling results achieved at the Partin Creek prospect during this phase of work, and will now prepare next stage follow up works with the aim to identify priority sites for subsequent potential drilling works.

The Company will continue to review and assess the historical exploration works and results from other priority prospects within the project area.



Chulitna Project – Location map with prospect targets

Warriedar Gold Project

The Company relinquished its full interest in the Warriedar Gold Project – Exploration Licence 59/2405 in Western Australia to former owner, Mr Bruce Legendre.

New Project Opportunities

The Company continues to prioritise its on-going exploration works on the Chulitna Project. In addition, the Company will continue working to identify and review other new projects that may complement the Company’s current activities.

Other

COVID-19

The Company continues to take appropriate safety measures and actions to protect our staff and business operations, including precautions advised and regulated by the Australian Government. First and foremost, our priority is the health, safety and wellbeing of our staff, partners and community, and as such, the Company is actively monitoring the COVID-19 situation.

Appendix A: Discovery Alaska Limited - Interest in Mining Tenements

Below is a listing of tenements held by the Company as at 28 February 2022:

Mining Tenement	Location	Beneficial Percentage held
ADL734566 (Chulitna 1) - ADL734873 (Chulitna 308) ¹	Alaska, USA	100%

¹ The Chulitna Project is 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.

Discovery Alaska Limited
Directors' Report
31 December 2021

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

No 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 8.

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
10 March 2022
Perth

Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:
3 November 2021 - *Chulitna Project - Sampling Results up to 73.9g/t Au & 1500g/t Ag*

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. Ragusa 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 report relating to Exploration Results has been prepared by Mr Jerko Zuvella. Mr Zuvella 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 Zuvella is a Director of Discovery Alaska Ltd and consents to the inclusion in this report of this information in the form and context in which it appears. The information in this report is an accurate representation of the available data from the Chulitna Project.

The 2021 Chulitna Project exploration program includes a Quality Control/Quality Assurance (QA/QC) program overseen by Jesse C. Grady, MSc, CPG-11592. Mr Grady is a Qualified Person as defined by NI 43-101. Mr Grady has prepared and approved the technical information contained within this announcement.

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.



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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

As lead auditor of the review of Discovery Alaska Limited for the half-year ended 31 December 2021, 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
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Discovery Alaska Limited and the entities it controlled during the half-year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Donovan Odendaal', written in a cursive style.

**Donovan Odendaal
Partner**

10 March 2022



Discovery Alaska Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Revenue		
Interest income	675	6,504
Foreign currency gain	2,573	-
Expenses		
Administration expenses	(4,891)	(2,636)
Employment expenses	(58,636)	(58,636)
Corporate expenses	(91,475)	(58,947)
Exploration expenditure written off	(5,899)	(33,909)
Profit/(loss) before income tax expense	(157,653)	(147,624)
Income tax expense	-	-
Profit/(loss) after income tax expense for the half-year	(157,653)	(147,624)
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Profit/(loss) on the revaluation of financial assets, net of tax	55,708	7,408
Other comprehensive income for the half-year, net of tax	55,708	7,408
Total comprehensive income/(loss) for the half-year	(101,945)	(140,216)
Earnings per Share	Cents	Cents
Basic earnings/(loss) per share	(0.08)	(0.07)
Diluted earnings/(loss) per share	(0.08)	(0.07)

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 2021

		Consolidated	
	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current Assets			
Cash and cash equivalents	4	1,885,584	1,569,080
Trade and other receivables	5	4,278	7,107
Other financial assets	6	81,620	25,912
Total Current Assets		<u>1,971,482</u>	<u>1,602,099</u>
Non-Current Assets			
Capitalised exploration and evaluation expenditure	7	562,254	393,386
Total Non-Current Assets		<u>562,254</u>	<u>393,386</u>
Total Assets		<u>2,533,736</u>	<u>1,995,485</u>
Liabilities			
Current Liabilities			
Trade and other payables		54,085	53,889
Total Current Liabilities		<u>54,085</u>	<u>53,889</u>
Total Liabilities		<u>54,085</u>	<u>53,889</u>
Net Assets		<u>2,479,651</u>	<u>1,941,596</u>
Equity			
Issued capital	8	13,134,453	12,494,453
Reserves	9	893,382	837,674
Accumulated losses		<u>(11,548,184)</u>	<u>(11,390,531)</u>
Total Equity		<u>2,479,651</u>	<u>1,941,596</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 2021

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2020	12,464,453	798,161	(11,124,220)	2,138,394
Other Comprehensive Income				
Profit/(loss) after income tax expense for the half-year	-	-	(147,624)	(147,624)
Other comprehensive income for the half-year, net of tax	-	7,408	-	7,408
Total comprehensive income/(loss) for the half-year	-	7,408	(147,624)	(140,216)
Transactions with owners in their capacity as owners				
Issue of shares and options during the period	-	17,020	-	17,020
Total contributions by owners	-	17,020	-	17,020
Balance as at 31 December 2020	<u>12,464,453</u>	<u>822,589</u>	<u>(11,271,844)</u>	<u>2,015,198</u>
Balance as at 1 July 2021	12,494,453	837,674	(11,390,531)	1,941,596
Other Comprehensive Income				
Profit/(loss) after income tax expense for the half-year	-	-	(157,653)	(157,653)
Other comprehensive income for the half-year, net of tax	-	55,708	-	55,708
Total comprehensive income/(loss) for the half-year	-	55,708	(157,653)	(101,945)
Transactions with owners in their capacity as owners				
Issue of shares during the period	640,000	-	-	640,000
Total contributions by owners	640,000	-	-	640,000
Balance as at 31 December 2021	<u>13,134,453</u>	<u>893,382</u>	<u>(11,548,184)</u>	<u>2,479,651</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 2021

	Consolidated	
	31 December	31 December
Note	2021	2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(175,221)	(188,009)
Payments for exploration and evaluation	(148,950)	(118,419)
Interest received	675	6,504
	<u>(323,496)</u>	<u>(299,924)</u>
Cash flows from investing activities		
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from exercise of options	<u>640,000</u>	<u>-</u>
Net cash provided by financing activities	<u>640,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	316,504	(299,924)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,569,080</u>	<u>2,177,289</u>
Cash and cash equivalents at the end of the financial half-year	<u>4</u> <u>1,885,584</u>	<u>1,877,365</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 2021

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 10 March 2022. 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 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' 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 2021 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 2021

In the period ended 31 December 2021, 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 2021.

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 2021.

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 2021

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity has identified two reporting segments: exploration for mineral commodities in North America, and exploration for gold in Australia. 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.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only.

	Mineral Commodities¹	Gold	Unallocated	Total
	\$	\$	\$	\$
31 December 2021				
Revenue	-	-	3,248	3,248
Loss before income tax	-	(5,899)	(151,754)	(157,653)
31 December 2020				
Revenue	-	-	6,504	6,504
Loss before income tax	-	(33,909)	(113,715)	(147,624)
31 December 2021				
Total segment assets	562,254	-	1,971,482	2,533,736
Total segment liabilities	25,817	-	28,268	54,085
30 June 2021				
Total segment assets	387,822	5,564	1,602,099	1,995,485
Total segment liabilities	-	-	53,889	53,889

¹ 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.

Note 4. Current Assets – Cash and Cash Equivalents

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Cash at bank	1,885,584	1,569,080
	<u>1,885,584</u>	<u>1,569,080</u>

Note 5. Current Assets – Trade and Other Receivables

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
GST receivable	4,278	7,107
	<u>4,278</u>	<u>7,107</u>

Discovery Alaska Limited
Notes to the Financial Statements
31 December 2021

Note 6. Current Assets – Other Financial Assets

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Opening Fair Value	25,912	14,158
Revaluation increments/(decrements)	55,708	11,754
Closing Fair Value	<u>81,620</u>	<u>25,912</u>

Note 7. Non-current Assets – Capitalised Exploration and Evaluation Expenditure

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Opening Balance	393,386	40,178
Additions during the period	-	5,000
Expenditure during the period	174,767	382,159
Write-off of exploration expenditure	<u>(5,899)</u>	<u>(33,951)</u>
Closing Balance	<u>562,254</u>	<u>393,386</u>

Note 8. Equity – Issued Capital

(a) Shares

	Consolidated		Consolidated	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$	\$
Fully paid ordinary shares	<u>222,234,698</u>	<u>202,234,698</u>	<u>13,134,453</u>	<u>12,494,453</u>
	<u>222,234,698</u>	<u>202,234,698</u>	<u>13,134,453</u>	<u>12,494,453</u>

Period ended 31 December 2021

	Issue Price	Fully Paid Ordinary Shares	\$
Balance as at 1 July 2021		202,234,698	12,494,453
Issue of shares upon exercise of options	\$0.032	<u>20,000,000</u>	<u>640,000</u>
Balance as at 31 December 2021		<u>222,234,698</u>	<u>13,134,453</u>

Period ended 31 December 2020

There were no changes to issued capital.

Discovery Alaska Limited
Notes to the Financial Statements
31 December 2021

Note 8. Equity – Issued Capital (continued)

(b) Options

Period ended 31 December 2021

The following unlisted options were on issue during the period ended 31 December 2021:

Exercise price Expiry date	3.2c 6 December 2021	6c 22 February 2023	3.2c 30 April 2023
Opening balance	20,000,000	500,000	11,000,000
Issued during the year	-	-	-
Expired during the year	-	-	-
Exercised during the year	(20,000,000)	-	-
Closing balance	-	500,000	11,000,000

Period ended 31 December 2020

The following unlisted options were on issue during the period ended 31 December 2020:

Exercise price Expiry date	3.2c 6 December 2021	3.2c 30 April 2023
Opening balance	20,000,000	10,000,000
Issued during the year	-	1,000,000 ¹
Expired during the year	-	-
Exercised during the year	-	-
Closing balance	20,000,000	11,000,000

¹ Refer to Note 10 for further details regarding the issue of unlisted options during the period.

Note 9. Equity – Reserves

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Financial assets reserve	169,089	113,381
Option reserve	724,293	724,293
	<u>893,382</u>	<u>837,674</u>

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:

	Financial Assets \$	Options \$	Total \$
Balance as at 1 July 2021	113,381	724,293	837,674
Revaluation of financial assets	55,708	-	55,708
Balance as at 31 December 2021	<u>169,089</u>	<u>724,293</u>	<u>893,382</u>

Discovery Alaska Limited
Notes to the Financial Statements
31 December 2021

Note 10. Equity – Share Based Payment

Period ended 31 December 2021

There were no share based payments made during the period.

Period ended 31 December 2020

On 10 August 2020, 1,000,000 unlisted options were issued to an external consultant in consideration of consultancy services provided to the Company.

During the period ended 31 December 2020, \$17,020 was recognised as a share based payment and capitalised as exploration and evaluation expenditure.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	3.2
Weighted average life of the options (years)	2.72
Weighted average underlying share price (cents)	2.3
Expected share price volatility	148%
Risk-free interest rate	0.27%
Expiry date	30 April 2023

Note 11. Investment in Controlled Entities

For the period ended 31 December 2021, the consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of Incorporation	Equity holding	
		2021	2020
		%	%
Discovery Denali Pty Ltd ¹	Australia	100	100
Discovery Alaska LLC ²	United States	100	100

¹ The entity was incorporated on 5 November 2020.

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

Note 12. Contingencies

The Company had no contingent assets or liabilities as at 31 December 2021.

Note 13. Events after reporting period

No 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
Directors' Declaration
31 December 2021

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 2021 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
10 March 2022
Perth



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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
DISCOVERY ALASKA LIMITED**

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Discovery Alaska Limited (“the Company”), and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group’s financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

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.





Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134 *Interim Financial Reporting* 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 and 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 Group's financial position as at 31 December 2021 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 half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Auditing

Dated 10 March 2022

**Donovan Odendaal
Partner**