



# DISCOVERY alaska

27 January 2022

## QUARTERLY ACTIVITIES REPORT DECEMBER 2021

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Discovery Alaska Limited (ASX: DAF) ("the Company") is an Australian based mineral exploration company with a 100% interest in the Chulitna Project in Alaska, USA.

The Company provides the following update for the Quarter;

### **Exploration Activities**

#### ***Chulitna Project (Alaska) (100% interest)***

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.

The Chulitna Project comprises 308 State mining claims covering 199.4km<sup>2</sup>, 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.

#### **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.

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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

Table 1. 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.





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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

Table 2. 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.

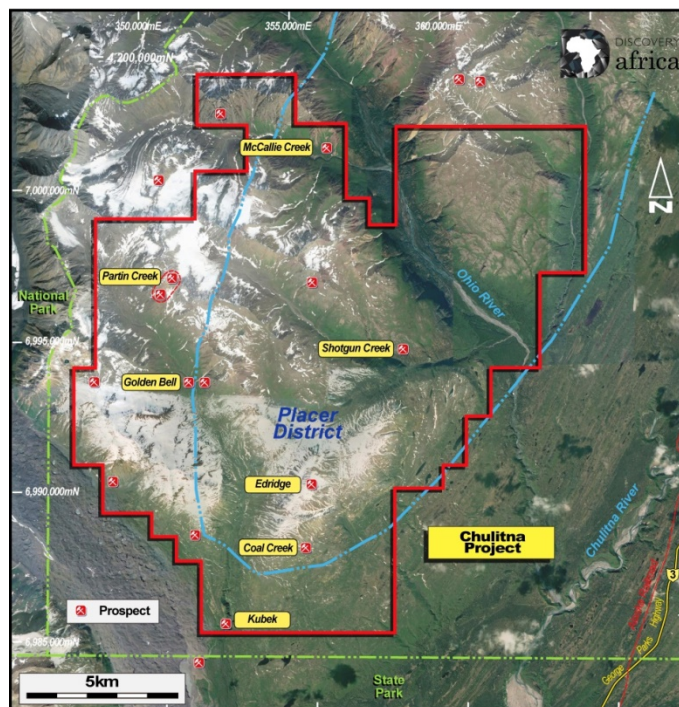


Figure 1. Chulitna Project – Location map with prospect targets







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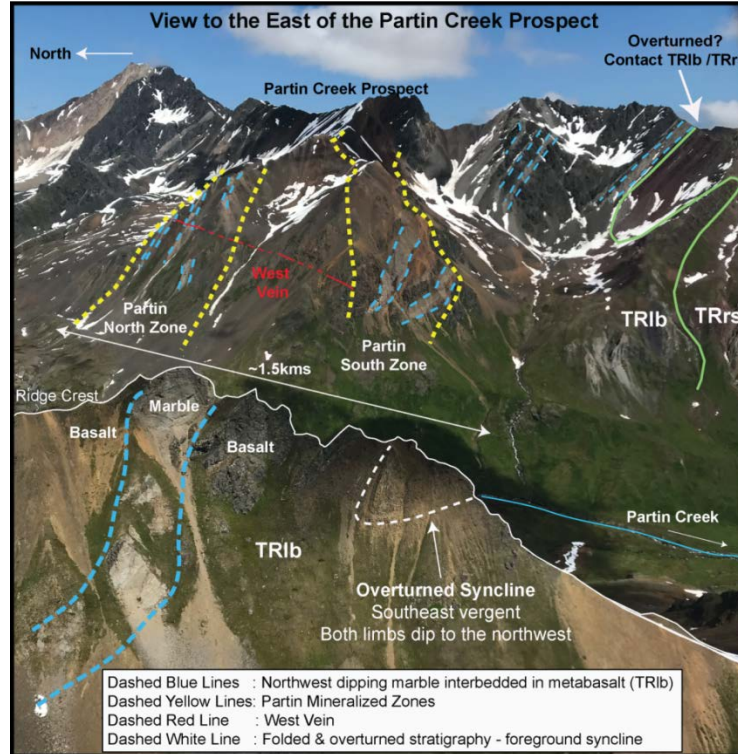


Figure 2. Chulitna Project – Partin Creek Prospect Overview

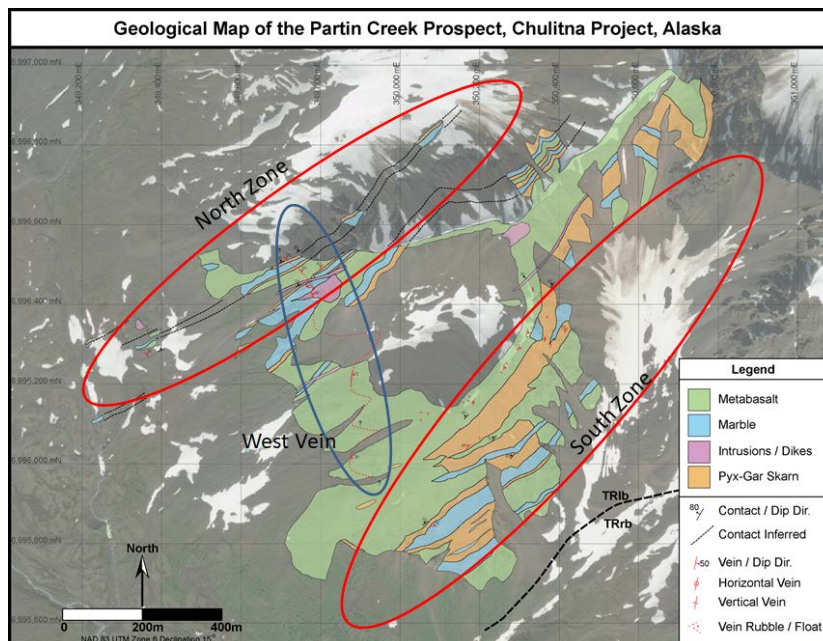


Figure 3. Chulitna Project – Partin Creek Prospect Geology





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## New Project Opportunities

The Company will continue working to identify and review other new projects that may complement the Company's current activities.

## 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.

No exploration activities were conducted at the project prior to the Company relinquishing its interest in the tenement.

## 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.

## Corporate

The Company held its Annual General Meeting during the quarter, whereby shareholders approved the change of company name to Discovery Alaska Limited.

The Directors and Company Secretary exercised their unlisted options at 3.2 cents per share, resulting in the issue of 20m shares and raising \$640,000 for working capital.

## *Additional ASX Disclosure Information*

*ASX Listing Rule 5.3.1:* Costs incurred on exploration and evaluation at the Chulitna Project were approximately \$156,000 during the quarter.

*ASX Listing Rule 5.3.2:* There were no substantive mining production and development activities during the quarter.

*ASX Listing Rule 5.3.5:* As outlined in the attached Appendix 5B (section 6.1), during the quarter, the Company paid Director's fees of approximately \$59,000 - which related to both the September and December 2021 quarters.

## Schedule of Tenements

The schedule of tenements held by the Company at the end of the Quarter is shown below.

Tenement E59/2405 was relinquished.



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Mining Tenement	Location	Beneficial Percentage held
ADL734566 (Chulitna 1) - ADL734873 (Chulitna 308)	Alaska, USA	100%
E59/2405	Western Australia	0%

ENDS

*This announcement has been authorised by the Board of Directors of Discovery Alaska Limited.*

#### For further information:

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#### Reference to Previous ASX/TSX Releases:

This document refers to the following previous ASX/TSX 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 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 Africa 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 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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#### ABOUT DISCOVERY ALASKA LIMITED

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Discovery Alaska Limited (ASX: DAF) is an Australian company with a 100% interest in the Chulitna Project in Alaska, USA.

The Company has an experienced board and management team with a history of exploration, operational and corporate success.

DAF leverages the team's energy, technical and commercial acumen to execute the Company's mission - to maximize shareholder value through development of our assets.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DISCOVERY ALASKA LIMITED

ABN

50 147 324 847

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(88)
(e) administration and corporate costs	(41)	(85)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Others - Net GST (paid) / refunded	6	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(94)</b>	<b>(170)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(156)	(156)
(e) investments	-	-
(f) other non-current assets	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(156)</b>	<b>(156)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	640	640
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>640</b>	<b>640</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,493	1,569
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(94)	(170)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(156)	(156)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	640	640

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	2	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,885</b>	<b>1,885</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,885	1,493
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,885</b>	<b>1,493</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

Director's remuneration for the period of 1 July 2021 to 31 December 2021 paid during the quarter.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(94)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(156)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(250)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,885
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,885
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.54
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2022

Authorised by the Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.