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Form 10-Q/A

Discovery Energy Corp. - DENR

Filed: October 22, 2012 (period: August 31, 2012)

Amendment to a previously filed 10-Q

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XBRL Content

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 10-Q /A
(Amendment No. 1)**

(MARK ONE)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **August 31, 2012**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-53520**

DISCOVERY ENERGY CORP.

f/k/a "Santos Resource Corp."

(Exact Name of Registrant as Specified in Its Charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0507846

(I.R.S. Employer Identification No.)

One Riverway Drive, Suite 1700, Houston, Texas 77056

(Address of principal executive offices)

713-840-6495

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:
62,595,500 common shares as of October 12, 2012

**AMENDMENT NO. 1 TO THE QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED August 31, 2012**

EXPLANATORY NOTE

We are filing this Amendment No. 1 (the "Amendment") to our Quarterly Report on Form 10-Q for the quarter ended August 31, 2012 (the "Quarterly Report") to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. This Exhibit was available at the time of the Quarterly Report, but was inadvertently omitted at the time of filing.

Other than for these changes, the Quarterly Report is not being amended in any respect. This Amendment speaks as of the original filing date of the Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosures made in the original Form 10-Q.

Pursuant to rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Document and Entity Information

Document and Entity Information (USD \$)	6 Months Ended 08/31/2012	10/12/2012
Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	2012-08-31	
Document Fiscal Year Focus		2,013
Document Fiscal Period Focus	Q2	
Trading Symbol	DENR	
Entity Registrant Name	DISCOVERY ENERGY CORP.	
Entity Central Index Key	0001435387	
Current Fiscal Year End Date	--02-29	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		62,595,000

Balance Sheets (Unaudited)

Balance Sheets (Unaudited) (USD \$)	08/31/2012	02/29/2012
Fair Value Of Shares Issued To Related Party To Acquire Lease Rights [Member]		
Current Assets		
Deposit for acquisition of oil and gas license	\$ 180,000	
Februrary 29,2012 Payment To Liberty Petroleum Acquire Lease Rights [Member]		
Current Assets		
Deposit for acquisition of oil and gas license	550,000	
June 28, 2012 Payment To Liberty Petroleum To Acquire Lease Rights [Member]		
Current Assets		
Deposit for acquisition of oil and gas license	250,000	
Assets		
Current Assets		
Cash	162,809	504,742
Other receivables	1,007	3,828
Deposit for acquisition of oil and gas license	980,000	730,000
Prepaid expenses	4,842	0
Total Current Assets	<u>1,148,658</u>	<u>1,238,570</u>
Total Assets	<u>1,148,658</u>	<u>1,238,570</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	131,928	34,215
Accounts payable- related party	0	50,000
Total Current Liabilities	<u>131,928</u>	<u>84,215</u>
Stockholders' Equity		
Preferred Stock- 10,000,000 shares authorized, zero issued and outstanding	0	0
Common Stock - 500,000,000 shares authorized, \$0.001 par value - 62,448,500 and 60,858,500 shares issued and outstanding, respectively	62,449	60,859
Additional paid in capital	1,634,565	1,437,405
Deficit accumulated during the exploration stage	(680,284)	(343,909)
Total Stockholders' Equity	<u>1,016,730</u>	<u>1,154,355</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,148,658</u>	<u>\$ 1,238,570</u>

Balance Sheets (Parenthetical) (Unaudited)

Balance Sheets (Parenthetical) (Unaudited) (USD \$)	08/31/2012	02/29/2012
Preferred Stock, shares authorized	10,000,000	10,000,000
Preferred Stock, issued	0	0
Preferred Stock, outstanding	0	0
Common Stock, shares authorized	500,000,00	500,000,00
	0	0
Common Stock, par value	\$ 0.001	\$ 0.001
Common Stock, shares issued	62,448,500	60,858,500
Common Stock, shares outstanding	62,448,500	60,858,500

Statements of Expenses (Unaudited)

Statements of Expenses (Unaudited) (USD \$)	3 Months Ended 08/31/2012	3 Months Ended 08/31/2011	6 Months Ended 08/31/2012	6 Months Ended 08/31/2011	08/31/2012
Expenses					
General and administrative	\$ 10,232	\$ 28	\$ 32,470	\$ 74	\$ 34,641
Mineral property costs	123,080	0	170,592	29,740	270,021
Professional fees	69,931	1,482	133,723	6,327	393,068
Rent	1,104	0	3,170	0	3,371
Travel	980	0	4,143	0	4,274
Total expenses	<u>(205,327)</u>	<u>(1,510)</u>	<u>(344,098)</u>	<u>(36,141)</u>	<u>(705,375)</u>
Other Income					
Gain on debt for settlement of accounts payable	0	0	0	0	17,980
Miscellaneous income	6,730	0	7,973	0	7,973
Foreign exchange (loss) gain	(250)	0	(250)	(615)	(862)
Other income (expenses)	<u>6,480</u>	<u>0</u>	<u>7,723</u>	<u>(615)</u>	<u>25,091</u>
Net loss	<u>\$ (198,847)</u>	<u>\$ (1,510)</u>	<u>\$ (336,375)</u>	<u>\$ (36,756)</u>	<u>\$ (680,284)</u>
Net loss per share - basic and diluted	\$ 0	\$ 0	\$ 0.01	\$ 0	
Weighted average number of shares outstanding - basic and diluted	62,448,500	32,076,500	62,228,283	32,076,500	

Statements of Cash Flows (Unaudited)

Statements of Cash Flows (Unaudited) (USD \$)	6 Months Ended 08/31/2012	6 Months Ended 08/31/2011	08/31/2012
Cash flows used in operating activities			
Net loss	\$ (336,375)	\$ (36,756)	\$ (680,284)
Adjustments to reconcile net loss to net cash used in operating activities			
Shares issued for property acquisition	0	0	11,250
Gain on debt for shares issued for settlement of accounts payable	0	0	(17,980)
Unrealized foreign exchange (loss) gain	250	615	2,746
Services provided by founders in exchange for shares	0	0	15,520
Changes in assets and liabilities:			
Prepaid expenses	(4,842)	0	(4,842)
Other receivable	2,821	(360)	(1,007)
Accounts payable and accrued liabilities	97,713	(2,957)	150,609
Net cash used in operating activities	<u>(240,433)</u>	<u>(39,458)</u>	<u>(523,988)</u>
Cash flows from investing activities			
Acquisition of oil and gas property	(250,000)	0	(800,000)
Net cash flows used in investing activities	<u>(250,000)</u>	<u>0</u>	<u>(800,000)</u>
Cash flows from financing activities			
Common Stock issued	198,750	0	1,408,496
Private placement fees	0	0	(4,713)
Repayments on shareholder advances	(50,000)	0	(50,000)
Advances from shareholders	0	37,716	134,061
Net cash flows from financing activities	<u>148,750</u>	<u>37,716</u>	<u>1,487,844</u>
Foreign exchange effect on cash	(250)	306	(1,047)
Change in cash during the period	<u>(341,933)</u>	<u>(1,436)</u>	<u>162,809</u>
Cash beginning of the period	504,742	1,909	0
Cash end of the period	162,809	473	162,809
Supplemental disclosures:			
Interest Paid in the period	0	0	0
Income Taxes Paid in the period	0	0	0
Noncash investing and financing activities:			
Shares issued for conversion of debt	0	0	85,066
Shares issued for OGproperty	\$ 0	\$ 0	\$ 180,000

Nature of Operations and Basis of Presentation

Nature of Operations and Basis of Presentation
(USD \$)

6 Months Ended
08/31/2012

Nature of Operations and Basis of Presentation

1. Nature of Operations and Basis of Presentation

Discovery Energy Corp. (the "Company") was incorporated in Nevada on May 24, 2006 under the name "Santos Resource Corp." The Company is an Exploration Stage Company. The Company's principal business is the proposed acquisition, exploration and development of the Petroleum Exploration License (PEL) 512 (the "Prospect") in the State of South Australia. The Company has not presently determined whether the Prospect contains any crude oil and natural gas reserves that are economically recoverable. While the Company's present focus is on the Prospect, the Company may consider the acquisition of other attractive oil and gas properties under the right circumstances. On May 7, 2012, the Company changed its name to Discovery Energy Corp.

In May 2012, the Company incorporated a wholly-owned Australian subsidiary, Discovery Energy SA Ltd. for purposes of acquiring the Prospect.

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's February 29, 2012 Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end February 29, 2012, as reported on Form 10-K, have been omitted.

Going Concern

Going Concern 6 Months Ended
(USD \$) 08/31/2012

Going Concern

2. Going Concern

The accompanying financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues since inception and has never paid dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or debt financing to continue operations, the acquisition of the Prospect or one or more alternative oil and gas properties, and the attainment of profitable operations. As of August 31, 2012, the Company has not generated any revenues and has an accumulated loss of \$680,284 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Related Party Transactions

Related Party Transactions (USD \$)	6 Months Ended 08/31/2012
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Related Party Transactions

3. Related Party Transactions

- a) During the first quarter of fiscal 2013, \$50,000 was paid to a related party pursuant to the Liberty Agreement, as defined herein.
- b) At various times during the period April 2006 through December 2011, a shareholder loaned the Company a total of \$85,066. In January 2012, the amount was repaid through the issuance of 147,000 common shares. The shares were valued at \$0.009 per share.
- c) A related party transaction involving our current Chairman of the Board is discussed in footnote 4 immediately below.

Oil and Gas Properties

Oil and Gas Properties 6 Months Ended
(USD \$) 08/31/2012

Oil and Gas Properties

4. Oil and Gas Properties

On September 12, 2011, Keith D. Spickelmier entered into an agreement (the “Liberty Agreement”) with Liberty Petroleum Corporation (“Liberty”) granting to Mr. Spickelmier an exclusive right to negotiate an option to acquire the Petroleum Exploration License (PEL) 512 (the “License”) regarding the Prospect, which is located in the State of South Australia. The Prospect involves 584,651 gross acres overlaying portions of the Cooper and Eromanga basins. On January 13, 2012, the Company bought Mr. Spickelmier’s rights in the Liberty Agreement. On January 31, 2012, the Company bought an option (the “Option”) directly from Liberty. Under ASC 932, costs incurred to purchase, lease or otherwise acquire a property (whether unproved or proved) are capitalized when incurred. Per the terms of the Liberty Agreement, Mr. Spickelmier, a related party, paid \$50,000 to Liberty for the exclusive right. In anticipation of the assignment of the Liberty Agreement to the Company, the Company agreed to pay an additional \$100,000 to extend the exclusive right provided for by the Liberty Agreement, and an additional \$200,000 deposit to modify certain terms. Eventually the Option was replaced by a Novation Deed. To the extent possible, the original terms of the Option Agreement were preserved in the Novation Deed. In the event that the License is not approved or issued, the total consideration will be refunded to the Company.

As of August 31, 2012, the Company capitalized \$980,000 as a deposit for the acquisition of the License.

The purchase price of Spickelmier’s rights in the Liberty Agreement was as follows:

- a) \$100,000 payable upon notice from the South Australian Minister of Regional Development (the “Minister”) that the Minister has granted and issued the License in the name of the Company;
- b) \$50,000 payable as of February 29, 2012 for reimbursement, which was paid during the first quarter of fiscal 2013;
- c) 20 million common shares issued at \$0.009, total fair value of \$180,000 which is capitalized as a deposit for the acquisition of the License;
- d) 55 million common shares of the Company issuable upon delivery of the License.

The purchase price for the Option is as follows:

- a) \$550,000 paid to Liberty as of February 29, 2012 for the acquisition of the License. An additional \$250,000 was paid to Liberty on June 28, 2012.
- b) Two promissory notes issuable upon delivery of the License with an aggregate principal amount of \$650,000:
 - (i) \$500,000 due 6 months after the delivery of the License
 - (ii) \$150,000 due 9 months after the delivery of the License
- c) 12 million common shares issuable upon delivery of the License

The License requires a five-year work commitment involving expenditures of AU\$200,000 in the first year after the acquisition, \$1,273,900 in the second year, and even greater amounts in the subsequent years. The Company’s inability to honor this work commitment may result in the assignment of the Prospect to Liberty pursuant to the terms of the Novation Deed or its reversion back to the South Australian Government.

Common stock

Common stock (USD \$)	6 Months Ended 08/31/2012
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Common stock

5. Common stock

During the six months ended August 31, 2012, the Company sold an aggregate 1.59 million common shares from a private placement offering at a price of \$0.125 per share for total proceeds of \$198,750.

In May 2012, the Company amended its articles of incorporation to increase the number of authorized common shares to 500 million and to authorize 10 million preferred shares.

Subsequent Events

Subsequent Events 6 Months Ended
(USD \$) 08/31/2012

Subsequent Events

6. Subsequent Events

During October 2012, the Company entered into a service agreement with Chrystal Capital Partners LLP (“Chrystal”), a corporate finance firm based in London regulated by the British Financial Services Authority. Chrystal has agreed to assist us in connections with our efforts to complete a major capital raising transaction of up to US\$15.0 million.

The term of the Engagement Agreement is initially for two months, and it will continue on a month-to-month basis thereafter until either party terminates it. In the event of a successful capital raise, the term of the Engagement Agreement will continue on a year-to-year basis thereafter until either party terminates it. We have the right to terminate the Engagement Agreement within its first two months by paying a termination fee that starts at \$33,500 and rises to \$100,000 with the fee increasing with the passage of time. After termination of the Engagement Agreement, Chrystal will be entitled to the success fees described below for any transaction completed within 18 months after termination with any prospect presented by Chrystal.

Pursuant to the Engagement Agreement, we agreed to pay the following fees to Chrystal:

- * Monthly fees in the amount of GBP £7,500 (Sterling) (or approximately US\$12,100);
- * Cash success fees generally in amounts equal to 7% of the gross amount of all funds raised; and
- * A stock success fee represented by 6,472,425 shares of our common stock – In this connection, We issued the preceding shares in advanced pursuant to a Restricted Share Award Agreement. Generally, if Chrystal fails to present timely a fund raising transaction that We accept, these shares will be forfeited and returned to us. Under certain limited circumstances, Chrystal will be entitled to retain one-half of these shares while forfeiting the other half.
- * Option success fees giving to Chrystal the right for three years to purchase a number of shares of our common stock equal to 7% of the number of shares issued in the related capital raises at exercise prices equal to the sale prices of Chrystal shares in such raises, but subject to certain carve outs for existing contacts and possibilities.

We will also reimburse Chrystal for its expenses in connection with its services.

During the first week of September 2012, we initiated a second private placement seeking up to \$2.0 million in capital through the sale of 16.0 million shares of common stock at a price of \$0.125 per share. As of October 12, 2012, subscriptions valued at \$250,000 have been received. These subscriptions will result in the issuance of 2,000,000 shares of stock. We will continue to try to raise funds in this financing, but we have no assurance that we will be able to do so.

In October 2012, we entered into a convertible promissory note agreement with a non-related party for \$25,000. The note is convertible into common shares at \$0.085 per share. The note matures February 4, 2013 and accrues interest at 6% per annum.

Nature of Operations and Basis of Presentation (Narrative) (Details)

Nature of Operations and Basis of Presentation (Narrative) (Details) (USD \$)	6 Months Ended 08/31/2012
Date incorporated	2006-05-24
Date of name change	2012-05-07

Going Concern (Narrative) (Details)

Going Concern (Narrative) (Details) (USD \$)	08/31/2012	02/29/2012
Accumulated loss since inception	\$ 680,284	\$ 343,909

Related Party Transactions (Narrative) (Details)

Related Party Transactions (Narrative) (Details) (USD \$)	1 Months Ended 01/31/2012	6 Months Ended 08/31/2012	6 Months Ended 08/31/2011	08/31/2012	12/31/2011
Amount paid to a related party pursuant to the Liberty Agreement		\$ 50,000		\$ 0	\$ 50,000
Amount a shareholder loaned to the Company which was converted common stock					\$ 85,066
Issuance of common shares to repay loan (in Shares)	147,000				
Value per share of common stock issued for repayment of debt (in dollars per share)	\$ 0.009				

Oil and Gas Properties (Narrative) (Details)

Oil and Gas Properties (Narrative) (Details) (USD \$)	6 Months Ended 08/31/2012	08/31/2012
Committed Expenditures Under Prospective Lease Agreement Year One [Member]		
Expenditure requirement under License	\$ 200,000	\$ 200,000
Committed Expenditures Under Prospective Lease Agreement Year Two [Member]		
Expenditure requirement under License	1,273,900	1,273,900
Fair Value Of Shares Issued To Related Party To Acquire Lease Rights [Member]		
Cost capitalized as a deposit for the acquisition of the License	180,000	180,000
February 29, 2012 Payment To Liberty Petroleum Acquire Lease Rights [Member]		
Cost capitalized as a deposit for the acquisition of the License	550,000	550,000
June 28, 2012 Payment To Liberty Petroleum To Acquire Lease Rights [Member]		
Cost capitalized as a deposit for the acquisition of the License	250,000	250,000
Licensee Fee Contingent Payable To South Australian Minister Of Regional Development [Member]		
Payable upon notice to South Australian Minister of Regional development	100,000	100,000
Notes Issuable Nine Months After Delivery Of Lease Rights License [Member]		
Promissory notes issuable upon delivery of the License	150,000	150,000
Notes Issuable Six Months After Delivery Of Lease Rights License [Member]		
Promissory notes issuable upon delivery of the License	500,000	500,000
Shares Issuable To Liberty [Member]		
Common shares issuable upon delivery of the License (in Shares)	12,000,000	12,000,000
Shares Issuable To Related Party [Member]		
Common shares issuable upon delivery of the License (in Shares)	55,000,000	55,000,000
Shares Issued To Related Party To Acquire Lease Rights [Member]		
Common shares issued as a deposit for the acquisition of the License (in Shares)	20,000,000	
Value per share of common stock issued for repayment of debt (in dollars per share)	\$ 0.009	\$ 0.009
Gross acres of optioned lease (in Acres)	584,651	584,651
Cost related party paid for exclusive lease rights	50,000	50,000
Additional cost to extend the exclusive lease rights	100,000	100,000
Additional deposit to modify certain terms of exclusive lease rights	200,000	200,000
Amount paid to a related party pursuant to the Liberty Agreement	50,000	50,000
Required work commitment under License (in Duration)	P5Y	
Cost capitalized as a deposit for the acquisition of the License	980,000	980,000
Value per share of common stock issued for repayment of debt (in dollars per share)	\$ 0.125	\$ 0.125
Promissory notes issuable upon delivery of the License	\$ 650,000	\$ 650,000

Common stock (Narrative) (Details)

Common stock (Narrative) (Details) (USD \$)	6 Months Ended 08/31/2012	6 Months Ended 08/31/2011	08/31/2012
Shares Issued To Related Party To Acquire Lease Rights [Member]			
Price of common shares sold (in dollars per share)	\$ 0.009		\$ 0.009
Common shares sold from a private placement offering (in Shares)	1.59		
Price of common shares sold (in dollars per share)	\$ 0.125		\$ 0.125
Total proceeds from common shares sold	\$ 198,750	\$ 0	\$ 1,408,496
Increased number of authorized common shares (in Shares)	500		500
Number of authorized preferred shares (in Shares)	10		10

Subsequent Events (Narrative) (Details)

Subsequent Events (Narrative) (Details) (USD \$)	6 Months Ended 08/31/2012
Cancellation of Contract [Member]	
Minimum termination fee	\$ 33,500
Maximum termination fee	100,000
Major capital raising efforts outlined in the agreement with Chrystal	15,000,000
Term of the Engagement Agreement (in Duration)	P2M
Range after termination Chrystal will be entitled to success fees (in Duration)	P18M
Monthly fees pursuant to the Engagement Agreement	12,100
Cash success fee percentage of the gross amount of all funds raised (in Percent)	0.07
Stock success fee (in Shares)	6,472,425
Chrystal entitlement to portion of stocks success fees (in Percent)	0.5
Percentage of the number of shares issued in the related capital raise that will be covered by the options (in Percent)	0.07
Second private placement estimated amount of capital	2,000,000
Second private placement common stock for sale (in Shares)	16,000,000
Common stock purchase price in second private placement (in dollars per share)	\$ 0.125
Value of subscriptions received	
Number of shares of stock issued in result of subscriptions (in Shares)	
Date company entered into convertible promissory note agreement (Date)	2012-10-01
Amount borrowed in convertible promissory note	\$ 25,000
Amount the note is convertible into common shares (in Dollars per share)	\$ 0.085
Maturity date of convertible promissory note (Date)	2013-02-04
Interest rate of the convertible promissory note (in Percent)	0.06

PART II – OTHER INFORMATION

Item 6. Exhibits.

- (a) The following exhibits are filed with this Quarterly Report or are incorporated herein by reference:

Exhibit Number	Description
31.01	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.02	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.01	Certification Pursuant to 18 U.S.C. Section 1350, as pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02	Certification Pursuant to 18 U.S.C. Section 1350, as pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Labels Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

*XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

DISCOVERY ENERGY CORP.
(Registrant)

By: /s/ Keith J. McKenzie
Keith J. McKenzie,
Chief Executive Officer
(Principal Executive Officer)

By: /s/ William E. Begley
William E. Begley,
Chief Financial Officer
(Principal Financial Officer and Principal Accounting
Officer)

October 22, 2012

CERTIFICATIONS

I, Keith J. McKenzie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Discovery Energy Corp. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal controls over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Date: October 22, 2012

/s/ Keith J. McKenzie

Keith J. McKenzie,
Chief Executive Officer

CERTIFICATIONS

I, William E. Begley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Discovery Energy Corp. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the Company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Date: October 22, 2012

/s/ William E. Begley

William E. Begley,
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Discovery Energy Corp. (the "Company") on Form 10-Q for the quarter ended November 30, 2011 as filed with the Securities and Exchange Commission on or about the date hereof ("Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 22, 2012

/s/ Keith J. McKenzie

Keith J. McKenzie,
Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Discovery Energy Corp. (the "Company") on Form 10-Q for the quarter ended November 30, 2011 as filed with the Securities and Exchange Commission on or about the date hereof ("Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 22, 2012

/s/ William E. Begley

William E. Begley,
Chief Financial Officer