



## **Activities Report for the Quarter Ended 31<sup>st</sup> March 2018**

### **Devex advances preparations for upcoming exploration programs at key copper-gold and lithium projects**

#### **Summary of Activities**

##### **West Arnhem Copper-Gold Project, NT**

- Work Plan approval received to carry out ground IP geophysics and drilling at the U40 and U40 South prospects.
- Ground geophysical contractors currently being sourced to re-commence ground IP surveys this Quarter in the lead-up to drilling.

##### **Dundas Lithium Project, WA**

- Key tenement E63/1860, covering the Dundas lithium anomaly, granted.

##### **Junee Copper-Gold Project, NSW**

- Appointment of experienced Land Access Manager to commence the process of contacting and negotiating Land Access Agreements with local farmers in the region.

##### **Corporate**

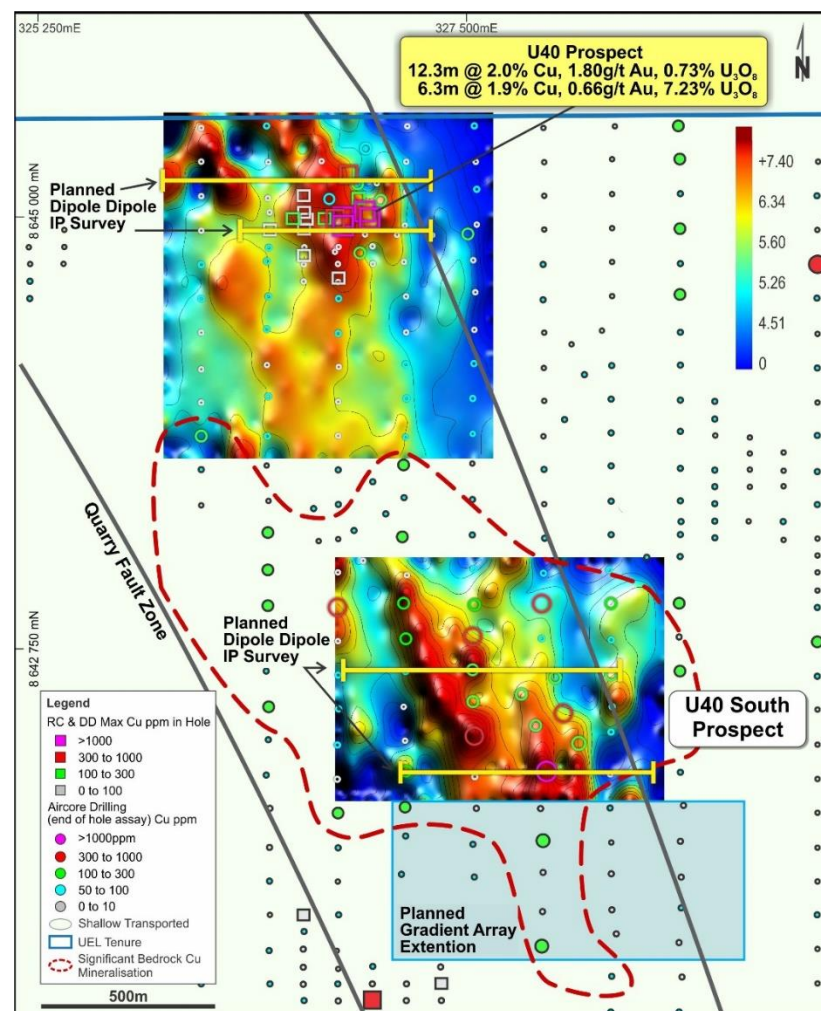
- Completion of a 1-for-2 non-renounceable pro-rata rights issue at \$0.008 per share raised \$1,376,950 before costs.

## 1. West Arnhem Project, NT (100%)

Subsequent to Quarter-end, the Company received work plan approval from the Traditional Owners and the Northern Land Council ('NLC') to carry out its planned ground geophysics and drilling in the U40 and U40 South Areas. The Company is currently seeking tenders to re-mobilise a ground IP contractor to U40 and U40 South during the current (June) Quarter in the lead-up to drilling.

Gradient Array Induced Polarisation (IP) surveys carried out at U40 and U40 South during the December 2017 Quarter (see ASX Announcement, 6th December 2017 and 4<sup>th</sup> October 2017) identified several clear chargeability anomalies lying close to previously noted bedrock copper, gold and uranium mineralisation (Figure 1). These anomalies show a preferred orientation consistent with the regionally prospective Quarry Fault Zone.

The plan is to commence Dipole-Dipole IP surveys over existing anomalies in order to clarify the depth of the anomalies and extend the IP Gradient Array completed last Quarter further to the south. Positive depth definition with the Dipole-Dipole survey will assist with final drill-hole planning.



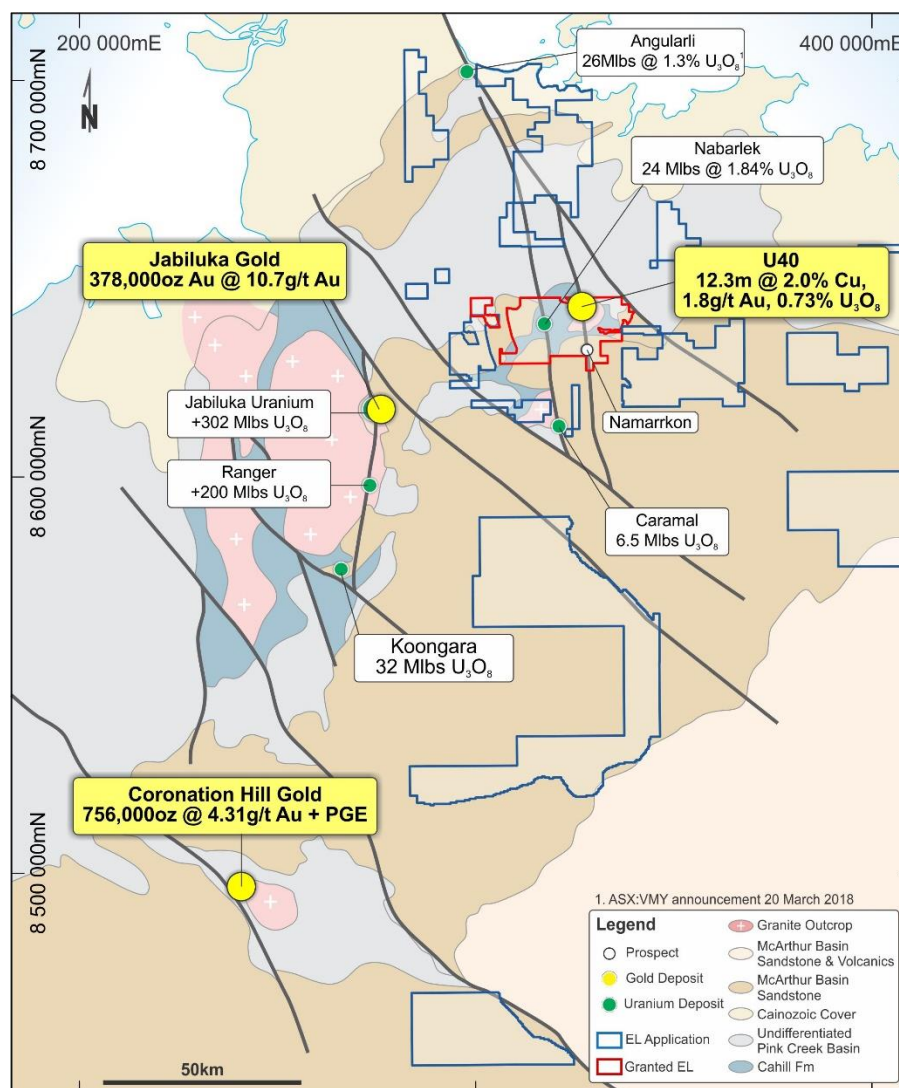
**Figure 1:** The November 2017 Gradient Array IP survey (for more detail see ASX Announcement, 6th December 2017) with chargeable anomalies (red on the background images) overlain by copper in bedrock mineralisation defined by drilling (circle and squares). The IP survey shows a chargeable anomaly open to the south.

The Alligator Rivers Uranium Province (ARUP) in the Northern Territory is a world-class Proterozoic uranium province. The Company's focus in the ARUP has been on the discovery of high-grade Alligator Rivers-style, unconformity related and structurally-controlled uranium deposits.

The prospectivity of the region for this style of mineralisation was highlighted by last month's announcement by Vimy Resources Limited (ASX: VMY) of a maiden Inferred Mineral Resource estimate at the Angularli Project of approximately 26Mlbs  $U_3O_8$  at a grade of 1.3%  $U_3O_8$  on 20th March.

Recently, a new geological assessment of the region shows that it is equally prospective for copper and gold mineralisation, and this potential has not been assessed by previous uranium-focused explorers (Figure 2).

The Company has been actively exploring the ARUP region and believes that its consolidated ground position has discovery potential for uranium, as well as for copper, gold and other base metals.



**Figure 2:** Regional geology of the eastern Alligator River Uranium Province showing pre-mining endowment of uranium and gold deposits and Devex Resources Limited's tenement holdings.

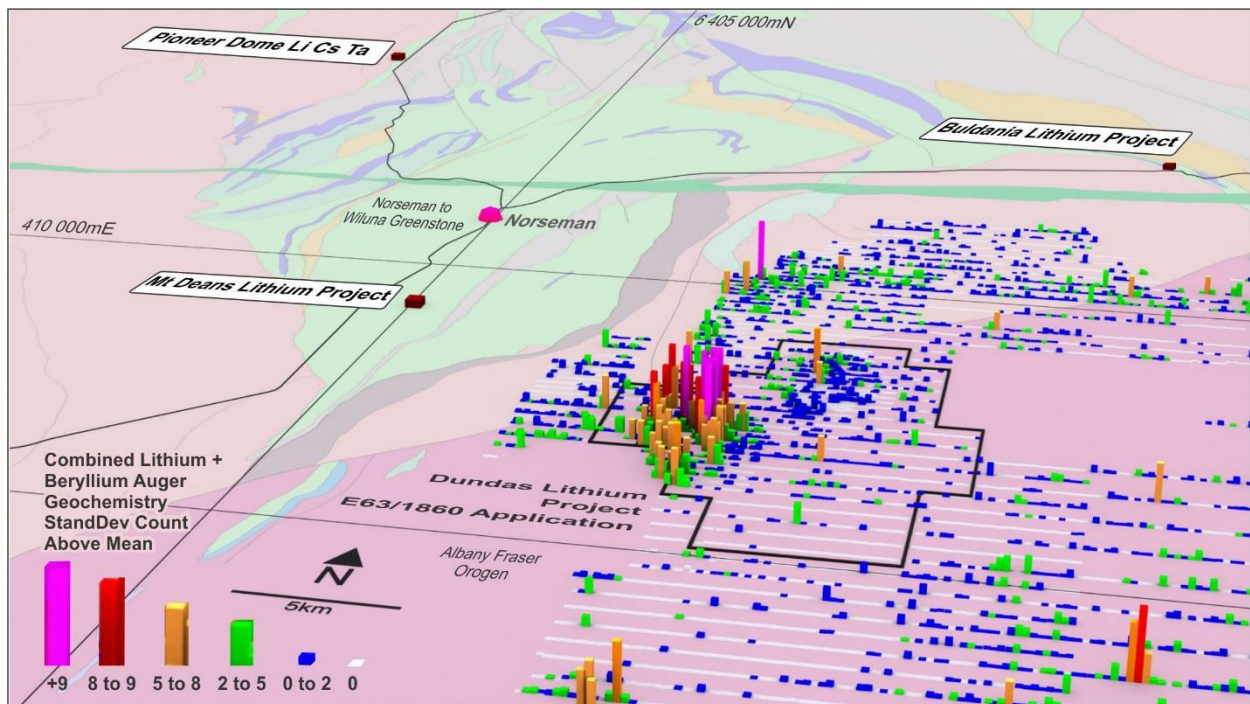


Following on from the Company's Activities Report for the Quarter Ended 30<sup>th</sup> June 2017, Cameco confirmed that expenditure commitments under the previous West Arnhem Joint Venture (see ASX Announcement on 11<sup>th</sup> September 2012) on tenements EL10176, EL24371 and EL23700 have been met, and the Company has earned the remaining 60% interest in these tenements.

## 2. Dundas Lithium – Gold Project, WA

Subsequent to Quarter-end the Company was informed by the Department of Mines, Industry Regulation and Safety ('DMIRS') that the key Dundas tenement application, E63/1860, was granted on the 12<sup>th</sup> April 2018. The Company is currently assessing its requirements as to Aboriginal Heritage and other regulatory approvals, with a view to progress drilling at the Dundas Project.

In October 2017, the Company announced that a review of recently released auger sampling (+9,000 samples) had identified a standout 2km long coincident lithium and beryllium anomaly (Figure 3, see ASX Announcement on 10<sup>th</sup> October 2017).



**Figure 3:** Location of the Dundas Lithium Project near town of Norseman Western Australia, Pioneer Dome and Mt Deans lithium projects. Combined lithium + beryllium anomaly within application E63/1860 with Western Australia government 1:500,000 geology draped beneath.

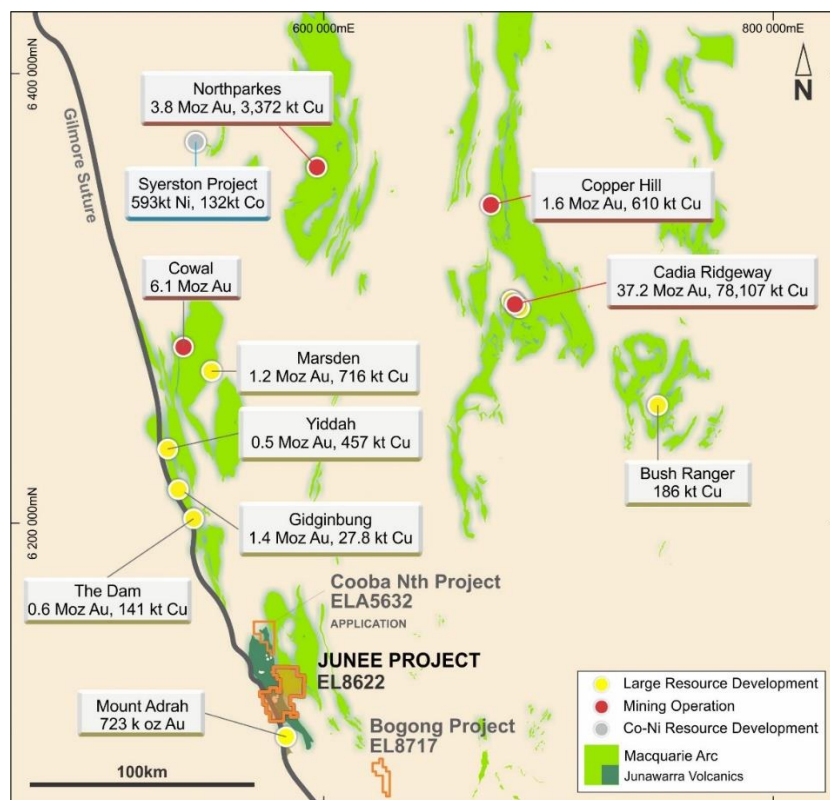
The identification of lithium-bearing pegmatites in the region points to an emerging lithium province which also includes Tawana Resources NL's Bald Hill lithium project (ASX: TAW), Pioneer Resources Limited's Pioneer Dome lithium project (ASX: PIO) and Lontown Resources Limited's Buldania lithium project (ASX: LTR).

### 3. Junee Copper-Gold Project, NSW

Earlier this year, the Company advised that it has substantially upgraded the exploration potential of its recently granted **Junee Copper-Gold Project**, located within the highly-endowed Lachlan Fold Belt of New South Wales, after identifying a number of promising targets with the potential to host large-scale porphyry copper-gold mineralisation (see ASX Announcement on 24<sup>th</sup> January 2018).

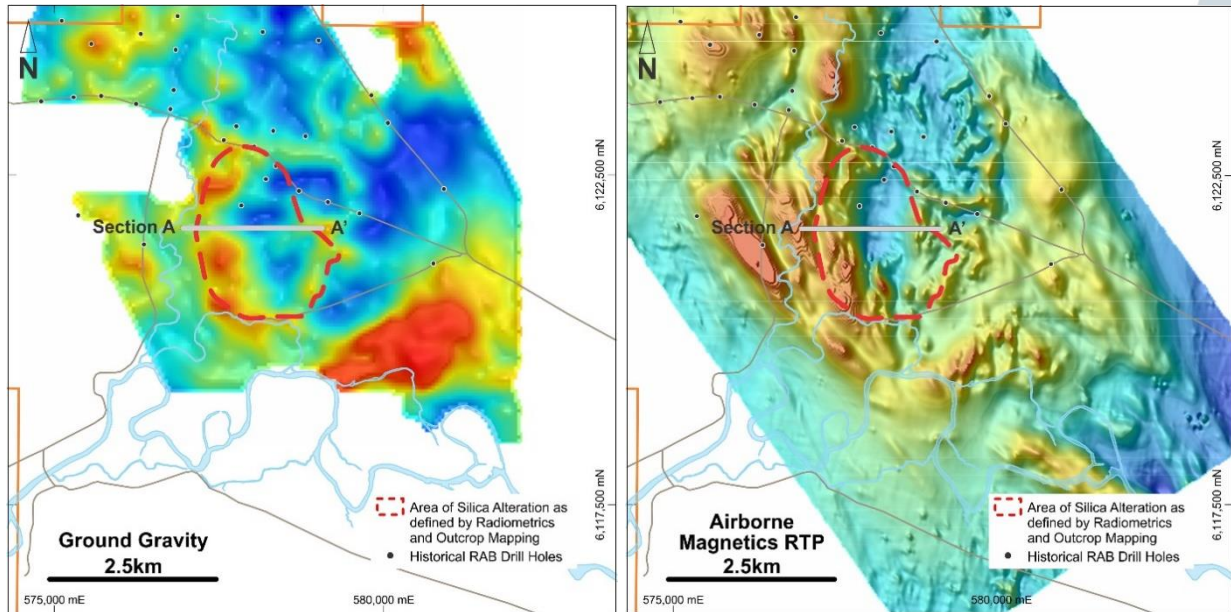
With these targets in mind, the Company has appointed an experienced Land Access Manager based in New South Wales to commence the process of contacting and negotiating Land Access Agreements with local farmers in the region.

The Junee Project area covers a sequence of Ordovician and Silurian volcanics, the Junawarra Volcanics, adjacent to a major crustal structure, the Gilmore Suture Zone, within a province with a high copper-gold endowment, the Macquarie Arc. The rocks of the Macquarie Arc host many large porphyry copper-gold deposits, including the world-class Cadia-Ridgeway and Northparkes deposits (Figure 4). This is the style of mineralisation targeted on the Company's tenure.



**Figure 4:** Location of the Junee Project, NSW, within the Lachlan Fold Belt of New South Wales. Junee Project lies adjacent to Gilmore Suture and contains rocks of the Macquarie Arc (including the Junawarra Volcanics) which hosts several of Australia's largest porphyry copper gold deposits, including Cadia-Ridgeway and Northparkes (mineral endowment compiled from NSW public database – Geoscientific Data Warehouse).

At the Billabong Creek Prospect, field reconnaissance completed during the Quarter continued to showed extensive alteration (silicification of sediments) and quartz veining, resulting in prominent elevated topography overlying coincident magnetic and gravity lows (see Figures 5a and 5b below).



**Figure 5a and 5b:** Billabong Creek gold prospect - Ground Gravity (Bouguer Anomaly) and Airborne Magnetism (Reduced to Pole) displaying coincident gravity and magnetic lows beneath an area of surface alteration (silicification of sediments) and quartz veining identifiable by a radiometric low in airborne magnetism (red dashed circle).

Re-interpretation of geophysical and geological datasets has highlighted the potential for a buried porphyry intrusion (see ASX Announcement on 24<sup>th</sup> January 2018). Historical drilling over the interpreted Billabong Creek porphyry system (2.5km by 2km as defined by the interpreted alteration outline) is limited to RAB drilling, with only two holes within the system. The deeper of these was 29.5m and is considered too shallow to have provided a test of the target concepts evident in the sectional slice through the geophysical model.

With the majority of the project area lying within an active farming community – similar to other active exploration projects in the region – the Company has commenced the process of landowner engagement with the purpose of entering into formal land access agreements which will allow it to carry out exploration.

As part of the Junee technical review, and compilation of regional and open file data related to copper-gold potential within the Lachlan Fold Belt, two areas were identified where historical exploration activity and geophysics suggested the potential for significant copper-gold mineralisation.

The Company has recently applied for new Exploration Licence Applications ELA5620 and ELA5632 on 27<sup>th</sup> March. The Bogong tenement application ELA5620 was granted to become EL8717 (see Figure 4).

A technical review of historical exploration in conjunction with land owner engagement is in progress.



#### 4. Business Development – Project Generation

During the Quarter the Company has been actively reviewing advanced and greenfields exploration opportunities within New South Wales, South Australia and Western Australia, resulting in additional tenement applications in all three States.

Similar to the methodology used to target the Junee Project, the merits of these applications are typically driven by new emerging science, combined with large-scale target size where historical exploration appears to have ineffectively tested the target.

The Company is currently reviewing the historical exploration activity within these applications with the view to provide an update in the coming Quarter.

#### 5. PROJECT SUMMARY

This section is provided in compliance with Listing Rule 5.3.

##### Expenditure

Exploration and evaluation expenditure by the Company during the quarter was \$299,631 (YTD: \$643,332). In addition, the Company has spent \$87,921 on administration costs (YTD: \$251,430) during the Quarter.

##### Tenements

A full list of tenements held by the Company is enclosed in Appendix 1.

##### Changes in tenements held during the quarter:

Location	Project	Tenement No.	Registered Holder	Nature of Interests
Australia – NSW	Junee	ELA5632	TRK Resource Pty Ltd 100%	Application
Australia – NSW	Junee	ELA5595	TRK Resource Pty Ltd 100%	Withdrawn
Australia – NSW	Bogong	EL 8717 (formerly ELA5620)	TRK Resource Pty Ltd 100%	Granted
Australia – WA	York	E70/5120	G E Resources Pty Ltd 100%	Application
		E70/5121		
		E70/5122		
Australia – WA	Rudall River	E45/3118	G E Resources Pty Ltd 100%	Surrendered
		E45/3119		
		E45/3126		
Australia – WA	Mt Narryer	E09/2268	G E Resources Pty Ltd 100%	Withdrawn
Australia – SA	Sloane Hill	ELA 2018/00064	TRK Resource Pty Ltd 100%	Application
Australia – SA	Adele	ELA 2018/00040	TRK Resource Pty Ltd 100%	Application

**Changes in farm-in or farm-out agreements during the quarter:**

Increase in percentage of tenements held by the Company in West Arnhem Tenements, EL10176, EL24371, EL23700 and application ELA24878, from 40% to 100% pursuant to an agreement with Cameco and as outlined in the Company's ASX Announcement of 11<sup>th</sup> September 2012.

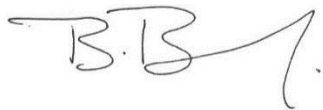
**CORPORATE**

During the Quarter, a 1-for-2 non-renounceable pro-rata Rights Issue at \$0.008 per share closed on 6<sup>th</sup> February with a total of \$1,376,950, including partial placement of the shortfall, raised (see ASX announcement 9th February 2018).

In June 2017, Chairman of the Company, Mr Goyder provided a loan facility of up to \$200,000 to the Company on normal commercial terms. During the Quarter, the outstanding balance of \$160,000, plus accrued interest, was repaid in full.

The Group's cash balance at the end of the quarter was \$906,192 (refer Appendix 5B for further information).

DevEx Resources retains a 9.9% interest (3,455,371 shares) in the unlisted company PhosEnergy Limited ([www.phosenergy.com](http://www.phosenergy.com)).



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Managing Director

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## COMPETENT PERSON STATEMENT

The Information in this report that relates to Exploration Results for the West Arnhem Project is extracted from the ASX announcements titled “UEQ – Identifies High Grade Copper-Gold and Base Metal Potential at NT Uranium Projects” released on 4 October 2017 and “Multiple Priority Drill Targets Identified at West Arnhem Copper-Gold-Uranium Project, NT” released on the 6<sup>th</sup> December 2017, both of which are available on [www.devexresources.com.au](http://www.devexresources.com.au).

The Information in this report that relates to Exploration Results for the Dundas Project is extracted from the ASX announcement titled “Extensive Lithium Anomaly Identified at Dundas, WA” released on 10 October 2017 and which is available on [www.devexresources.com.au](http://www.devexresources.com.au).

The Information in this report that relates to Exploration Results for the Junee Project is extracted from the ASX announcement titled “Porphyry Copper-Gold Targets Identified at Junee Project, Lachlan Fold Belt, NSW” released on 24<sup>th</sup> January 2018 and which is available on [www.devexresources.com.au](http://www.devexresources.com.au).

The company confirms that it is not aware of any new information or data that materially affects the information included in the above original market announcements. 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 announcements.

## FORWARD LOOKING STATEMENT

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

## Appendix 1 – Tenement Schedule

State	Project	Tenement	Status	Current Equity
NT	Nabarlek	EL10176	Granted	100% - transfers pending
		EL24371	Granted	100% - transfers pending
		EL23700	Granted	100% - transfers pending
		ELA24878	Application	100% - transfers pending
		EL31519	Application	100%
		EL31520	Application	100%
		EL31521	Application	100%
		EL31522	Application	100%
		EL31523	Application	100%
		EL31557	Application	100%
		MLN962	Granted	100%
	Arnhem Minerals	ELA25384	Application	100%
		ELA25385	Application	100%
		ELA25386	Application	100%
		ELA25387	Application	100%
		ELA25389	Application	100%
		ELA25391	Application	100%
		ELA25393	Application	100%
	Headwaters	ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
	Woodside	ELA29947	Application	100%
	Browse	ELA29945	Application	100%
	Cadel North	ELA28316	Application	100%
	Aurari Bay	ELA29897	Application	100%
	Pluto	ELA30073	Application	100%
NSW	June	EL8622	Granted	100%
		ELA5632	Application	100%

State	Project	Tenement	Status	Current Equity
		EL8717	Granted	100%
<b>WA</b>	Mt. Narryer	E09/2269	Application	100%
		E09/2270	Application	100%
		E09/2274	Application	100%
		E09/2276	Application	100%
	Dundas	E63/1860	Application	100%
		E63/1869	Application	100%
		E63/1871	Application	100%
		E63/1872	Application	100%
	York	E70/5120	Application	100%
		E70/5120	Application	100%
		E70/5122	Application	100%
<b>SA</b>	Sloane Hill	ELA 2018/00064	Application	100%
	Adele	ELA 2018/00040	Application	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

DevEx Resources Limited

### ABN

74 009 799 553

### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A	Year to date (9 months) \$A
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(299,631)	(643,332)
(b) development	-	-
(c) production	-	-
(d) staff costs	(25,715)	(62,272)
(e) administration and corporate costs	(87,921)	(251,430)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11,110	31,263
1.5 Interest and other costs of finance paid	(7,000)	(7,000)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other - Business Development Costs	(64,283)	(165,670)
Other – Insurance Claim	5,000	5,000
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(468,440)</b>	<b>(1,093,441)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,407)	(6,670)
(b) tenements (see item 10)	-	-
(c) investments	-	-



<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (9 months) \$A</b>
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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 Net cash from / (used in) investing activities</b>	<b>(1,407)</b>	<b>(6,670)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,376,950	1,946,950
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(50,480)	(76,718)
3.5 Proceeds from borrowings	-	200,000
3.6 Repayment of borrowings	(160,000)	(200,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Security Bond	(10,000)	(10,000)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,156,470</b>	<b>1,860,232</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	219,569	146,071
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(468,440)	(1,093,441)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,407)	(6,670)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,156,470	1,860,232

Consolidated statement of cash flows		Current quarter \$A	Year to date (9 months) \$A
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>906,192</b>	<b>906,192</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	906,192	906,192
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>906,192</b>	<b>906,192</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	94,273
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 consists of the salary and superannuation paid to the Managing Director (\$53,838), directors fees (July 17 to January 2018), PAYG and superannuation for non-executive directors for the quarter (\$40,435).

7.	Payments to related entities of the entity and their associates	Current quarter \$A
7.1	Aggregate amount of payments to these parties included in item 1.2	46,748
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 represents service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, contract geologists and office rent for the period from 1 July 2017 to February 2018.

<b>8.      Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A</b>	<b>Amount drawn at quarter end \$A</b>
8.1      Loan facilities	-	-
8.2      Credit standby arrangements	-	-
8.3      Other (please specify)	-	-
8.4      Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

In January 2018 the balance of the outstanding debt facility (\$160,000) provided by Mr Goyder was repaid in full including interest.

<b>9.      Estimated cash outflows for next quarter</b>	<b>\$A</b>
9.1      Exploration and evaluation	120,000
9.2      Development	-
9.3      Production	-
9.4      Staff costs	45,000
9.5      Administration and corporate costs	80,000
9.6      Other (issued capital costs)	-
<b>9.7      Total estimated cash outflows</b>	<b>245,000</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<b>Australia</b> <b>WA</b> <b>Mt Narryer</b> E09/2268  <b>NSW</b> <b>Junee</b> ELA5595  <b>NT</b> <b>Rudall River</b> PL45/3126 PL45/3119 PL45/3118	Application withdrawn  Application withdrawn  Surrendered Surrendered Surrendered	0%  0%  100% 100% 100%	0%  0%  0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<b>Australia</b> <b>NSW</b> <b>Junee</b> EL8717 ELA5632  <b>WA</b> <b>York</b> EL70/5120 EL70/5121 EL70/5122  <b>SA</b> Adele ELA2018/0040 Sloane Hill ELA2018/0064  <b>NT</b> EL10176 EL24371 EL23700	ELA5620 granted Application  Application Application Application  Application Application  Granted Granted Granted	0% 0%  0% 0% 0%  0% 0%  40% 40% 40%	100% 0%  0% 0% 0%  0% 0%  100% <sup>1</sup> 100% <sup>1</sup> 100% <sup>1</sup>

<sup>1</sup> see ASX Announcement on 11<sup>th</sup> September 2012

### 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.



Sign here: .....  
(Company secretary)

Date: 26 April 2018

Print name: Kym Verheyen



**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.