

Wednesday 29<sup>th</sup> September, 2021

### Portfolio Stock Developments

**DevEx Resources** - (ASX: DEV, Share Price: \$0.345, Market Cap: \$100m, coverage initiated @ \$0.099 in April 2020 – *current gain of 248%*)



### Key Catalyst

***DEV has commenced an extensive 12-month exploration campaign across one of the world's most highly-endowed uranium provinces in the Northern Territory to test a deep pipeline of targets.***

We introduced DEV to our coverage Portfolio based on its dual exploration focus in Western Australia and NSW. DEV has secured a strategic acreage position within the Julimar Complex in Western Australia, one of Australia's most exciting new exploration regions, where it is engaged in exploration at its Sovereign Project, and where maiden drilling in 2021 has confirmed a close association between the Pd+Pt, Cu anomalies and a differentiated mafic-ultramafic intrusion that forms part of the Julimar Complex, which is host to Chalice Mining's (ASX: CHN) major Gonneville Ni-Cu-PGE discovery. DEV is also exploring for major porphyry copper-gold discoveries within the Lachlan Fold Belt of NSW, where it has built a sizeable 600 sq km ground holding across three 100%-owned projects. Just recently the focus has turned to a uranium, with a strategic review identifying targets within its Nabarlek Project in the Northern Territory.

## Latest Activity

### **Narbalek Project Update**

DEV has provided an update with respect to exploration activity on its Narbalek Project, located within the Alligator Rivers Uranium Province in the Northern Territory, which is regarded as one of the world's most prospective uranium provinces and with a history of uranium production.

### Overview

Up until now, the market's focus in terms of DEV's exploration portfolio has been on its Western Australian and NSW projects, where solid progress has been made. The unveiling today of the company's plans for its Narbalek project in the Northern Territory effectively provides a third prong to the company's overall exploration strategy.

DEV has identified multiple new uranium, copper and gold exploration targets as part of a recently completed technical review at its Nabarlek Uranium Project. The exploration opportunity includes fresh near-mine targets at Nabarlek, together with several prospects (including Nabarlek South and the Zeus-to-U40 corridor) where both strike and down-plunge extensions to high-grade uranium, copper and gold mineralisation have been identified.

DEV's Northern Territory tenement package is located in the midst of Australia's world-class Alligator Rivers Uranium Province, and includes the former Nabarlek Uranium Mine, which is considered to be Australia's highest-grade uranium mine with past production of 24Mlbs @ 1.84% U<sub>3</sub>O<sub>8</sub>.

DEV has planned a substantial exploration program over the coming 12 months, with drilling to be undertaken over multiple prospects. The company's uranium foray is at a time of strong market interest in equities with uranium exposure, and will no doubt generate further interest in the company and its broader exploration activities.

### Details

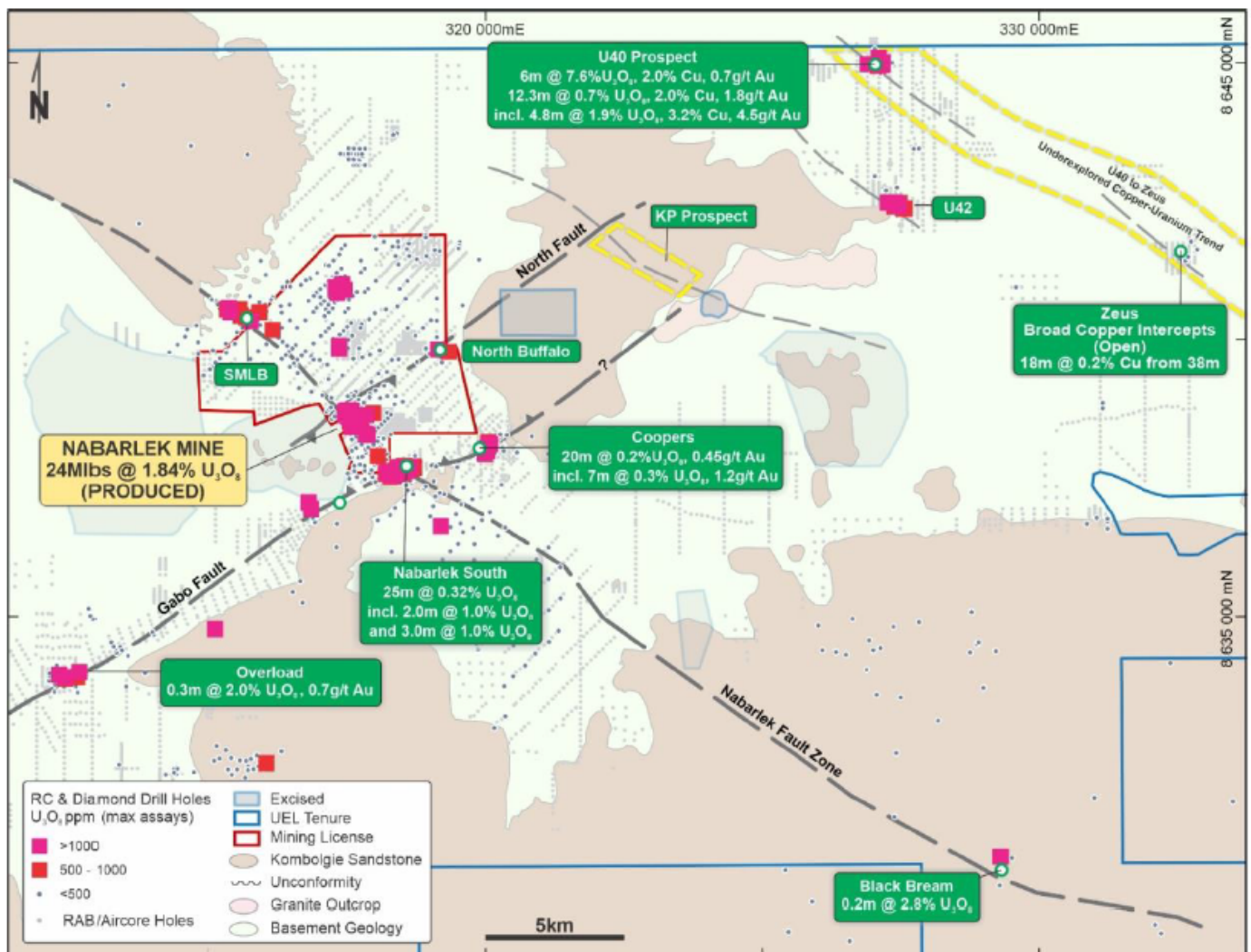
DEV has recently undertaken a comprehensive technical review of the historical pre- and post- mine exploration data covering the Nabarlek Project area, subsequently identifying a number of exploration opportunities for uranium, copper and gold mineralisation.

The planned exploration campaign will systematically test an extensive suite of new targets surrounding the historic, high-grade Nabarlek Uranium Mine, within the company's granted Nabarlek Mining Lease and surrounding exploration tenements. These range from areas located immediately adjacent to the historic Nabarlek Uranium Mine, to drill targets located either down-plunge or along strike from previous high-grade drill intercepts.

These intercepts include firstly the Nabarlek South prospect, where drilling is planned to test the down-plunge potential beneath a cluster of high-grade uranium intercepts, such as hole NARD6017 - 25m @ 0.32% U<sub>3</sub>O<sub>8</sub> from 115m.

A second area of interest is the Zeus to U40 corridor, where early-stage exploration (that includes drilling) is planned to test a uranium-copper-gold corridor from the Zeus to U40 Prospects, where previous drilling encountered high-grade uranium, copper and gold mineralisation, such as hole NAD7492 - 6m @ 7.6% U<sub>3</sub>O<sub>8</sub>, 0.7g/t Au, 2.0% Cu from 75m.

There are other similar uranium corridors located on the Nabarlek, Gabo and North Faults, all of which appear to control the distribution of uranium mineralisation - as seen at the Overload, Coopers, North Buffalo, Black Bream and KP Prospects. All of these areas require a similar amount of exploration attention in the coming 12 months.



**Figure 1:** Nabarlek Project – Uranium Prospects including the historic Nabarlek Uranium Mine. Uranium-copper-gold mineralisation has been intersected within basement rocks (incl Cahill Formation and the Oenpelli Dolerite) along both the Nabarlek Fault Zone (NW) and the North and Gabo Faults (NE) with the overlying Komolgie Sandstone acting as a masking cap rock to mineralisation.

### Technical Significance

What's interesting is that DEV had commissioned its Nabarlek project-wide technical review months ago, well before the current uranium market and associated junior sector hysteria. This re-evaluation of the potential of Nabarlek and its surrounding tenure has therefore led the company to revisit one of its foundation assets.

One of the biggest advantages for DEV is that it has inherited what it describes as a 'treasure trove of data' surrounding the historical Nabarlek uranium mine site. The company's compilation and subsequent review process has generated a wide range of exploration targets supported by numerous occurrences of uranium mineralisation throughout the project. Nabarlek is a Tier-1 uranium province.

Furthermore, the market significance of the identification of strong exploration targets and an associated focused exploration campaign to test these over the coming 12 months, cannot be underestimated in the current environment. Rising uranium prices and a renewed focus on uranium as a more prominent component of future energy production, has led to an explosion of investor interest in the sector.

### Next Steps

Field mapping has commenced at Nabarlek, with drilling planned to test these prospects in the coming dry season next year. Reconnaissance activities are likely to continue during the wet season, taking advantage of the all-weather bitumen airstrip adjoining the Nabarlek Exploration Camp. Activities will be used to advance exploration targets ahead of drilling planned for the next "top end" dry season.

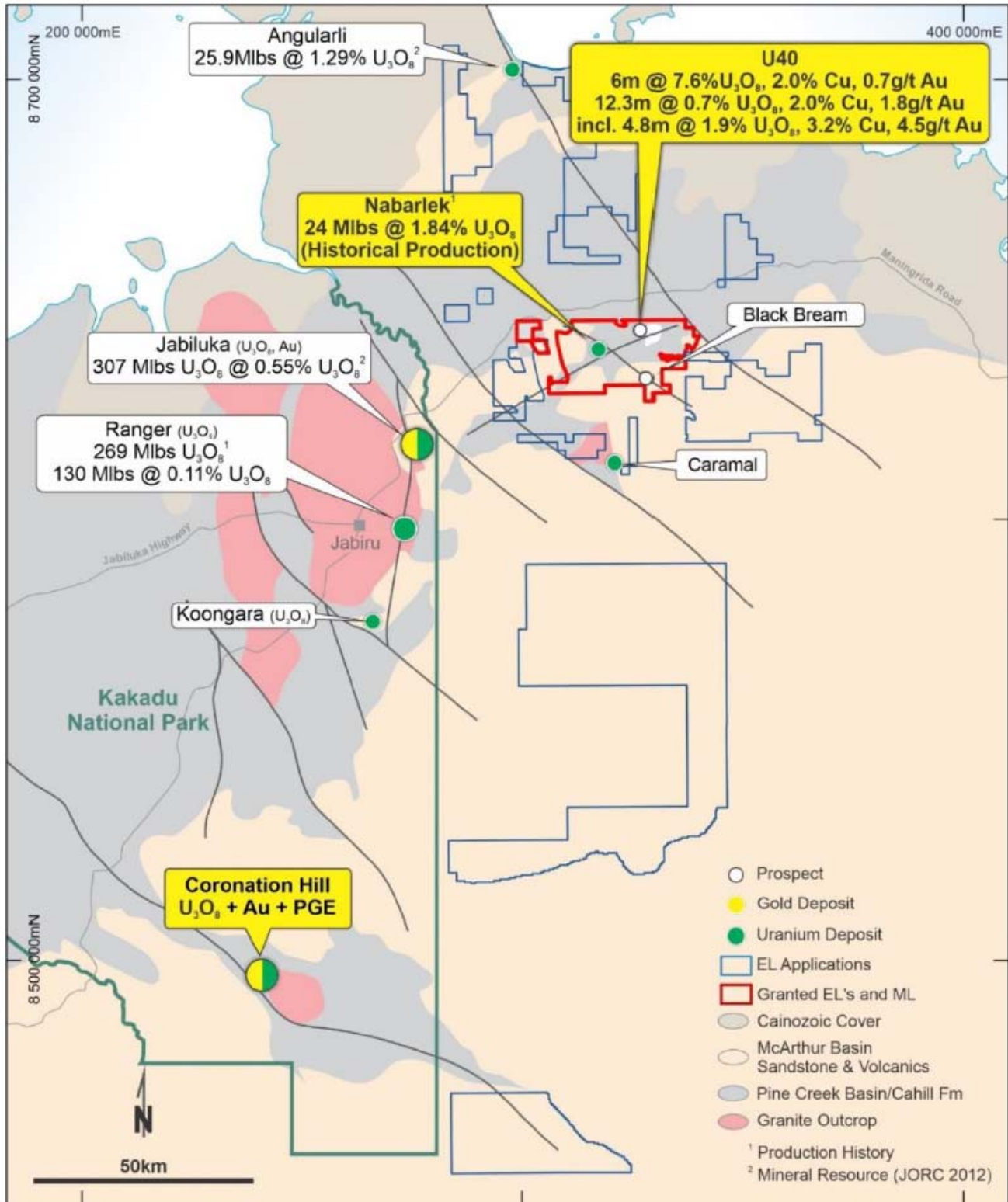
### **Project Overview**

The Alligator Rivers Uranium Province (ARUP) of northern Australia is a geologically unique and highly prospective area for minerals, particularly uranium. The uranium deposits of the South Alligator Valley were first discovered during 1953 when the Coronation Hill site was identified. In the seven years that followed, more than 20 potential uranium deposits were found, of which 13 were exploited between 1959 and 1965. The total production for this field was approximately 840 tonnes of U<sub>3</sub>O<sub>8</sub>.

There were no formal environmental regulations throughout this period and mining legislation was essentially concerned with the tenure of the leases and some aspects of mine safety. In addition, there was no requirement for complete rehabilitation of any of these sites and they were generally just abandoned. This included infrastructure ranging from a small mill and solvent extraction plant, to contaminated process ponds, roads and tracks as well as open cut mines and mineshafts.

The 1960s brought a renewed demand for uranium for nuclear-generated electricity, and so exploration activity rose sharply. Uranium exploration recommenced in the Alligator Rivers Region during the mid-1960s, with four major deposits identified - Ranger in 1969, Nabarlek and Koongarra in 1970, the Jabiluka orebody 1 in 1971, and the Jabiluka orebody 2 in 1973. There are also a number of former uranium mines in the South Alligator Valley of the ARUP that were subject to mining activity during the 1950s and 1960s.

Ranger is currently the only operational uranium mine in the region, and has been one of the longest continually operating uranium mines in the world, having operated for more than 35 years. Mining at Ranger ceased during 2012, however processing of stockpiled ore is continuing until 2021. Rehabilitation activities at Ranger have already commenced, and all rehabilitation works must be complete by 2026.



**Figure 2:** Nabarlek Project – Regional geology of the Alligator River Uranium Province (ARUP) showing DevEx’s current tenement holdings, located well outside of the National Park.

In addition to these large uranium deposits, copper-gold-PGE mineralisation is also well documented in the pre-1990's literature in the ARUP, as demonstrated by the Coronation Hill Deposit (gold-uranium-platinum group elements (PGE)). Significant occurrences of gold mineralisation have been reported from many uranium deposits, including Jabiluka, Ranger and Koongara.

Although rarely assayed, DevEx considers the potential to discover significant occurrences of associated uranium, gold, copper and PGE mineralisation within the Nabarlek Project to be excellent. Examples of this potential can be seen along the Zeus-to-U40 corridor, where significant levels of copper, uranium and gold mineralisation have been encountered in historic drilling.

DevEx has recently undertaken a comprehensive technical review of historical hard copy and digital pre- and post- mine exploration data covering the project area, resulting in the identification of several outstanding exploration opportunities for uranium, copper and gold mineralisation.

### Uranium Price Performance

The graphic below shows the uranium futures price over the past 12 months. As has been widely reported, the primary catalyst for the price surge has been spot market buying of physical uranium by the Sprott Physical Uranium Trust, which has purchased about 26 million pounds of uranium, equal to about 14% of annual consumption from the world's nuclear reactors.

There's no doubt that there is a strong speculative element in the uranium space at present. Reuters reported last week that in North America, uranium has become a recent target of the meme-stock frenzy on Reddit message boards. Apparently, Cameco, the world's second-largest uranium miner, was the most searched stock.



While I am positive on uranium, I remain cautious with respect to the recent spot price activity that has boosted prices. At the end of the day, the spot market represents just a small component of the overall uranium market, with most uranium traded under long-term contracts between producers and end-users/power generators. Secondly, while the prices of other forms of energy like coal and natural gas are being driven up by actual market tightness, uranium's underlying supply-demand fundamentals haven't meaningfully changed to warrant the price surge. There is a lot of idled uranium production capacity ready to return to the market as prices recover.

### **Summary**

***With high-quality exploration activity underway on three fronts - Western Australia, NSW and now the Northern Territory - DEV remains an important and ongoing component of our coverage Portfolio.***

***In particular, we look forward to further results from the Sovereign Nickel-Copper-PGE Project in Western Australia, which overlies a magnetic complex of rocks that is interpreted to be part of the same mafic-ultramafic intrusive rocks hosting the Julimar Complex, where Chalice Mining (ASX: CHN) has discovered world-class Ni-Cu-PGE mineralisation. Meanwhile, uranium-copper-gold exploration activity within its Narbalek project in the Northern Territory will also generate strong interest.***

***DEV remains firmly within our coverage Portfolio.***

**Disclaimer:** Gavin Wendt, who is a director of Mine Life Pty Ltd ACN 140 028 799, compiled this document. It does not constitute investment advice. I wrote this article myself, it expresses my own opinions and I am not receiving compensation for it. In preparing this article, no account was taken of the investment objectives, financial situation and particular needs of any particular person. Investors need to consider, with or without the assistance of a securities adviser, whether the information is appropriate in light of the particular investment needs, objectives and financial circumstances of the investor. Although the information contained in this publication has been obtained from sources considered and believed to be both reliable and accurate, no responsibility is accepted for any opinion expressed or for any error or omission in that information. I have no positions in the stock mentioned and no plans to initiate any positions within the next 72 hours.