

16 May 2018

T: +61 (0) 8 9322 3990

F: +61 (0) 8 9322 5800

Dear Shareholder

E: info@devexresources.com.au

W: www.devexresources.com.au

Notice to Eligible Shareholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of shares in DevEx Resources Limited (ASX: DEV) (**DevEx** or the **Company**). As advised in the Company's ASX announcement dated 14 May 2018, the Company is undertaking a non-renounceable pro-rata entitlement offer to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.005 per share and on the basis of 1 new share (**New Share**) for every 4 shares held on the record date of 18 May 2018 (**Record Date**) (**Entitlement Offer**). Pursuant to the Entitlement Offer, the Company will issue up to 220,655,206 New Shares to raise up to \$1.1 million before costs.

The Entitlement Offer is available to all DevEx shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions.

Prospectus

Details of the Entitlement Offer are contained in the Prospectus. The Prospectus can be accessed from the ASX and DevEx websites, www.asx.com.au and www.devexresources.com.au respectively.

A copy of the Prospectus is intended to be sent to Eligible Shareholders on 23 May 2018.

Purpose of the Entitlement Offer

Subject to the satisfactory completion of the Entitlement Offer, funds will be used primarily for exploration activities on the Company's existing projects including the Dundas Lithium-Gold Project, the West Arnhem Copper-Gold-Uranium Project and the Junee Copper-Gold Project and project generation and assessment.

Indicative Timetable

The New Shares will be offered in accordance with the following indicative timetable:

Item	Date
Lodgement of Appendix 3B and Prospectus with ASX	14 May 2018
Notice of Entitlement Offer sent to Optionholders	
Notice of Entitlement Offer sent to Shareholders	16 May 2018
Shares quoted on an "EX" basis	17 May 2018
Record Date for determining Entitlements	18 May 2018
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	23 May 2018
Last day to extend the offer closing date	29 May 2018
Closing Date of Entitlement Offer (5pm AEST)*	1 June 2018
Shares quoted on a deferred settlement basis	4 June 2018
Notification of Shortfall	6 June 2018
Anticipated date for issue of the shares	8 June 2018
Deferred settlement trading ends	
Anticipated date for commencement of shares trading on a normal settlement basis	12 June 2018

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the New Shares.

Shortfall

The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue Shares not subscribed for under the Entitlement Offer (**Shortfall Shares**) in accordance with the following allocation policy.

The maximum amount of Shortfall Shares that Eligible Shareholders may be issued is:

- (a) the greater of three times that Eligible Shareholders' entitlement or \$10,000 worth of Shortfall Shares;
- (b) if there is insufficient Shortfall Shares to satisfy the applications made in accordance with paragraph (a) above, the applications will be scaled back on a pro rata basis;
- (c) if any Shortfall Shares are remaining after the applications made in accordance with paragraph (a) above are satisfied, the Directors reserve the discretion to place any such remaining Shortfall Shares within three months after the close of the Entitlement Offer;
- (d) Directors and related parties will not be issued with any Shortfall Shares; and
- (e) no Shortfall Shares will be issued if their issue would contravene the takeover prohibition in section 606 of the Corporations Act.

Junior Mineral Exploration Incentive

The Company is a participant of the Federal Government's Junior Mineral Exploration Incentive (JMEI) scheme.

The JMEI scheme allows persons who are required to lodge a tax return in Australia and who apply for and are issued shares as part of the Company's capital raising activities between 23 April 2018 and 30 June 2018 (**JMEI Eligible Shareholders**) to receive JMEI credits from the Australian Tax Office (**ATO**). JMEI credits entitle JMEI Eligible Shareholders to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies).

JMEI credits will be distributed to all eligible investors on a pro-rata basis of up to the approved total allocation of \$181,500. Receiving a JMEI credit could have tax consequences and shareholders should obtain independent tax advice specific to their personal circumstances.

These JMEI credits will apply to the 2017/2018 tax year and will be issued by DevEx after lodgement of its 30 June 2018 tax return. JMEI Eligible Shareholders are expected to be notified by the Company of their JMEI credit entitlement in the approved form by 30 September 2018, and the JMEI credits will apply to their income tax assessment for the year ended 30 June 2018.

Effect on Capital Structure

The table below sets out the impact of the Entitlement Offer on the capital structure of the Company:

Detail	Number of Shares	Number of unquoted options
Balance at date of announcement of the Entitlement Offer	882,620,823	29,800,000
Maximum Number of New Shares offered under the Entitlement Offer*	220,655,206	Nil
Total at completion of the Entitlement Offer	1,103,276,029	29,800,000

*Assuming no options are exercised prior to the Record Date and that the Entitlement Offer is fully subscribed.

The Directors of DevEx urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter.

For all enquiries concerning the Prospectus, please contact Kym Verheyen on +61 8 9322 3990. For all general shareholder enquiries, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tim Goyder', with a stylized flourish at the end.

Tim Goyder
Chairman