

16 May 2018

T: +61 (0) 8 9322 3990

F: +61 (0) 8 9322 5800

E: info@devexresources.com.au

W: www.devexresources.com.au

Dear Shareholder

Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer

As announced on 14 May 2018, DevEx Resources Limited (ASX: DEV) (**DevEx** or 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 Company released a prospectus for the Entitlement Offer (**Prospectus**) to ASX on 14 May 2018.

A copy of the Prospectus is available on the ASX and DevEx websites, www.asx.com.au and www.devexresources.com.au respectively.

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.

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**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

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.

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.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

The Company's records indicate that you are an Ineligible Shareholder, and as a result, you are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

Subject to the receipt of ASIC approval, the Company will appoint a nominee to which the Company will transfer the New Shares that would otherwise have been issued to Ineligible Shareholders, had they participated in the Entitlement Offer. The nominee will then sell those New Shares as soon as reasonably practicable and distribute to each of the Ineligible Shareholders their proportion of the proceeds of the sale, net of all expenses (including brokerage and any applicable taxes and charges). If any such net proceeds are less than the reasonable costs that would be incurred for distributing those proceeds, such proceeds may be retained by the Company. Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the nominee will be able to sell the relevant New Shares and Ineligible Shareholders may receive no proceeds. Both the Company and the nominee take no responsibility for the outcome of the sale of such New Shares or the failure to sell such New Shares.

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



Tim Goyder
Chairman