



Half Year Report  
31 December 2018

DevEx Resources Limited

ABN 74 009 799 553



# DevEx Resources Limited

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# DevEx Resources Limited

## Corporate Directory

For the half-year ended 31 December 2018

### Directors

Tim R B Goyder	Chairman
Brendan Bradley	Managing Director
Bryn L Jones	Non-executive Director
Richard K Hacker	Non-executive Director

### Company Secretary

Rebecca Broughton

### Principal Place of Business & Registered Office

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### Auditors

HLB Mann Judd  
Level 4  
130 Stirling Street  
PERTH Western Australia 6000

### Share Registry

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace  
PERTH Western Australia 6000  
Tel: 1300 850 505

### Home Exchange

ASX Compliance Pty Ltd  
Central Park  
Level 40  
152-158 St Georges Terrace  
PERTH Western Australia 6000

### ASX Code

Share Code: DEV

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2018

The directors present their report together with the condensed financial report for the half-year ended 31 December 2018 for DevEx Resources Limited ("the Group") and its controlled entities ("the Group") and the auditor's review report thereon.

### DIRECTORS

The names of the directors who held office during the half-year and until the date of this report are as below.

Timothy R B Goyder	Chairman
Brendan J Bradley	Managing director
Richard Hacker	Non-executive director
Bryn Jones	Non-executive director

### REVIEW OF OPERATIONS

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

*The West Arnhem-Nabarlek Project comprises a dominant 5,963km<sup>2</sup> tenement package located in the Alligator Rivers Uranium Province (ARUP) of the Northern Territory, a Proterozoic mineral province which is known for its world-class uranium deposits. At the heart of the project lies the historical Nabarlek Uranium Mine, considered Australia's highest-grade uranium mine with a previous production of 24 Mlbs @ 1.84% U<sub>3</sub>O<sub>8</sub>.*

*New assessment of historical data by the Group has revealed potential for other commodities including high-grade copper-gold, previously overlooked by uranium focused explorers. The former single-commodity focus for uranium within the project area has seen the copper-gold and base metal potential lie dormant for decades. DevEx is actively exploring for both copper-gold and uranium in the region.*

#### Nabarlek Prospect

During the reporting period, DevEx completed a 3D Induced Polarisation (IP) geophysical survey which resulted in the identification of a chargeability anomaly beneath the historical Nabarlek Uranium Mine. The IP survey was undertaken to map nearmine extensions to alteration associated with the uranium mineralisation around the old open pit, and the target identified has potential to host a repetition of the high-grade Nabarlek uranium system.

#### U40 Prospect

An IP survey completed during the period has identified a clear chargeable anomaly located down-dip from an isolated pod of high-grade uranium-copper-gold mineralisation at the U40 Prospect. Previous intercepts in diamond core holes that define the high-grade pod include:

- **6.3m at 7.23% U<sub>3</sub>O<sub>8</sub>, 1.9% Cu and 0.66g/t Au from 75.5m (NAD7492)**
- **12.3m at 0.73% U<sub>3</sub>O<sub>8</sub>, 2.03% Cu and 1.77g/t Au from 78.9m (NAD7493)**

The IP anomaly is interpreted to represent alteration associated with a larger body of mineralisation, with the previous high-grade intercepts interpreted to represent an isolated pod separated from the main body by faulting.

Subject to funding and commodity prices, DevEx plans to drill Reverse Circulation and Diamond holes to test these targets. Approvals to drill are in place for the U40 prospect and annual applications for approval to drill within the Nabarlek Mineral Lease is progressing.

## Directors' Report

For the half-year ended 31 December 2018

### 2. Junee Copper-Gold Project, NSW (100%)

*The Junee Project is located within the highly-endowed Lachlan Fold Belt of New South Wales and covers an area of 281.3km<sup>2</sup>. DevEx has identified the potential for buried porphyry-style copper-gold mineralisation similar style to other major deposits in this region including the world-class deposits of Cadia-Ridgeway (owned by Newcrest Mining Ltd) and Northparkes (owned by China Molybdenum Co Ltd). DevEx is targeting similar mineralisation on the group's tenure.*

Earlier this year, the Group substantially upgraded the exploration potential of its Junee Project, after identifying a number of promising targets with the potential to host large-scale porphyry copper-gold mineralisation. Mapping conducted by the Geological Survey identified intrusions adjacent to the DevEx tenement with the same age and chemistry as the Cadia-Ridgeway and Northparkes intrusions.

During the period, DevEx commenced programs of mapping and rock chip sampling at the Billabong Creek Prospect – one of several prospects identified within the Group's granted Exploration Licence as being prospective for porphyry copper-gold deposits.

Several small occurrences of carbonate altered quartz monzonite (monzogranite) dykes were observed adjacent to the target area, supporting the potential for a buried porphyry system at depth. A total of 138 rock chip samples were collected from the Billabong Creek Prospect over the period and assayed for gold using aqua regia extraction with ICPMS finish. The purpose of the sampling was to determine whether there is an association of anomalous gold mineralisation with the silicified sediments and jaspers surrounding the Billabong Creek target.

Although the rock chip results were not high grade, the significance of the gold mineralisation may be part of the alteration associated with the interpreted buried intrusion defined in the geophysics and additional work is required (see ASX DEV Announcement on 30<sup>th</sup> January 2019). DevEx is currently planning to follow up on these interim gold in rock chip results in the March Quarter with soil geochemistry and additional sampling planned.

In addition to Billabong Creek Prospect, several other porphyry copper-gold targets were recognised within the Junee Project. Over the period, DevEx commenced compiling the technical information of these targets as well as entering into discussions with additional Landowners for the purpose of securing Land Access Agreements for the exploration of these new targets.

### 3. Bogong Copper-Gold Project, NSW (100%)

*The Bogong Project is located 60km south east of DevEx's Junee Project. The Bogong Project covers an area of 53 km<sup>2</sup> and is in close proximity to modern infrastructure, only ~18km from the township of Tumut. The project lies within the Lachlan Fold Belt, a major geological province which hosts several of Australia's largest porphyry copper-gold deposits.*

During the period, DevEx commenced landowner engagement to secure land access agreements which will allow it to carry out planned exploration activities including project-scale mapping, rock chip and soil sampling and ground IP geophysics to assist with definition of drill targets.

DevEx previously identified significant near surface, broad copper intercepts in historical drilling at the Bogong Project with mineralisation hosted within felsic rocks (see ASX DEV Announcement on 22nd May 2018).

The group considers that the Bogong Project is largely untested for economic deposits of copper and gold mineralisation. The broad widths of mineralisation intersected historically, and the association with a felsic host rock, are seen as positive indicators for the presence of a significant copper system. The application of modern geophysics such as ground-based Induced Polarisation surveys would map the potential of the sub-surface copper system around the historical drill-hole intercepts.

### 4. Other Projects

*DevEx has identified a standout 2km-long coincident lithium and beryllium auger geochemical anomaly within the Dundas Project after the review of recently released auger sampling (+9,000 samples). The identification of lithium-bearing pegmatites in the nearby region points to an emerging lithium province which also includes Tawana Resources NL, now known as Alliance Mineral Assets Limited, Bald Hill Lithium Project (ASX:A40), Pioneer*

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2018

*Resources Ltd.'s Pioneer Dome Lithium Project (ASX: PIO) and Liantown Resources Ltd.'s Buldania Lithium Project (ASX: LTR).*

The Dundas Exploration Licences were granted in 2018. The Group continued to assess its requirements in relation to Aboriginal Heritage over the reporting period, with a view to advancing towards drilling.

*The Oscar and Mount (Mt) Hann Diamond Projects are located in the Kimberley Region of WA, Australia's premier diamond province, hosting world-class Argyle and Ellendale mines. DevEx identified these opportunities after completing a favourable review of the exploration potential of the region utilising new geological concepts and an innovative approach to the vast amount of historical exploration data available.*

In July 2018, the Group announced that it had lodged eight Exploration Licence Applications (totalling 2,700km<sup>2</sup>) covering two prospective areas, Oscar and Mount Hann in the Kimberley Region of Western Australia, Australia's premier diamond province (see ASX DEV Announcement on 2nd July 2018).

DevEx plans to initially focus exploration on mapping and sampling within the potential 'lamproite system' once the tenements are granted.

### 6. Corporate

During the half year, the group completed the consolidation of its securities based on 12 existing shares for 1 new share (12:1), following receipt of shareholder approval of the Group's Annual General Meeting held in late November 2018.

### 7. Finance

At 31 December 2018 the Group had a net assets of \$149,225 (30 June 2018: \$1,115,575) and a working capital surplus of \$90,331 (30 June 2018: \$1,093,132). At 31 December 2018 cash at bank totalled \$446,656 (30 June 2018: \$1,474,206)

The Group reported a net loss for the period of \$1,070,329 (31 December 2017 loss: \$785,558).

### EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no significant events after the balance date that require disclosure in this financial report.

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Group's auditors, HLB Mann Judd, to provide the directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

Dated at Perth 13th March 2019.



Brendan Bradley

Managing Director

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2018

### Competent Person's Statement

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" and "Quarterly Activities Report" released on 24th January 2018 and 5 March 2019, 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 West Arnhem (Nabarlek) Project is extracted from the ASX announcements titled "Uranium-copper-gold target defined at West Arnhem Project, NT" released on 12th September 2018 and "Large drill target defined below Nabarlek Uranium Mine, West Arnhem Project, NT" released on 9th October 2018", 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 Kimberley Diamond Projects is extracted from the ASX announcement titled "DevEx identifies outstanding new diamond exploration opportunities in Australia's Kimberley Region" released on 2nd July 2018 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 Bogong Project is extracted from the ASX announcement titled "Copper-Gold Targets Identified at Bogong Project, NSW" released on 22nd May 2018 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 Dundas Lithium Projects is extracted from the ASX announcement titled "Extensive Lithium Anomaly Identified at Dunas, WA" released on 10 October 2017 and which is available on [www.devexresources.com.au](http://www.devexresources.com.au).

The Group 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 Group 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 report 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 report. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of DevEx Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia**  
**13 March 2019**

**L Di Giallonardo**  
**Partner**



DevEx Resources Limited

**Condensed Consolidated Statement of Comprehensive Income**

For the half-year ended 31 December 2018

	Note	31 Dec 18 \$	31 Dec 17 \$
<b>Total revenue</b>		-	-
Exploration and evaluation expenditure	3(a)	(683,013)	(392,189)
Business development costs		-	(81,865)
Corporate and administration expenses	3(b)	(381,252)	(294,080)
Impairment of PhosEnergy Loan		(12,324)	(2,142)
Loss on disposal of fixed assets		(964)	-
<b>Loss from operating activities</b>		<b>(1,077,553)</b>	<b>(770,276)</b>
Finance Income		28,651	22,229
Finance Costs		(21,427)	(37,511)
<b>Net Finance Income</b>		<b>7,224</b>	<b>(15,281)</b>
<b>Loss before income tax</b>		<b>(1,070,329)</b>	<b>(785,558)</b>
Income tax benefit		-	-
<b>Loss for the period attributable to owners of the parent</b>		<b>(1,070,329)</b>	<b>(785,558)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period attributable to owners of the parent</b>		<b>(1,070,329)</b>	<b>(785,558)</b>
<b>Earnings per share</b>			
Basic loss per share attributable to ordinary equity holders (cents per share)		(1.16)	(1.39)
Diluted loss per share attributable to ordinary equity holders (cents per share)		(1.16)	(1.39)

The condensed consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements

DevEx Resources Limited

**Condensed Consolidated Statement of Financial Position**

As at 31 December 2018

	Note	31 Dec 18	30 Jun 18
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		446,656	1,474,206
Trade and other receivables		62,224	38,015
<b>Total current assets</b>		<b>508,880</b>	<b>1,512,221</b>
<b>Non-current assets</b>			
Restricted cash	4	1,647,099	1,632,099
Property, plant and equipment		10,104	9,532
<b>Total non-current assets</b>		<b>1,657,203</b>	<b>1,641,631</b>
<b>Total assets</b>		<b>2,166,083</b>	<b>3,153,852</b>
<b>Current liabilities</b>			
Trade and other payables		138,441	155,933
Provisions	5	251,740	251,740
Employee benefits		28,368	11,416
<b>Total current liabilities</b>		<b>418,549</b>	<b>419,089</b>
<b>Non-current liabilities</b>			
Provisions	5	1,598,309	1,619,188
<b>Total non-current liabilities</b>		<b>1,598,309</b>	<b>1,619,188</b>
<b>Total liabilities</b>		<b>2,016,858</b>	<b>2,038,277</b>
<b>Net assets</b>		<b>149,225</b>	<b>1,115,575</b>
<b>Equity</b>			
Issued capital	6	53,098,959	53,098,959
Reserves		206,688	102,709
Accumulated losses		(53,156,422)	(52,086,093)
<b>Total equity</b>		<b>149,225</b>	<b>1,115,575</b>

The condensed consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

DevEx Resources Limited

## Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2018

	Issued capital	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 17</b>	50,172,877	37,592	(50,461,090)	(250,621)
Loss for the period	-	-	(785,558)	(785,558)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(785,558)</b>	<b>(785,558)</b>
<b>Transactions with Owners in their capacity as Owners:</b>				
Share-based payments	-	65,117	-	65,117
Issue of shares (net of costs)	525,799	-	-	525,799
<b>Balance at 31 December 17</b>	<b>50,698,676</b>	<b>102,709</b>	<b>(51,246,648)</b>	<b>(445,263)</b>
<b>Balance at 1 July 18</b>	53,098,959	102,709	(52,086,093)	1,115,575
Loss for the period	-	-	(1,070,329)	(1,070,329)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(1,070,329)</b>	<b>(1,070,329)</b>
<b>Transactions with Owners in their capacity as Owners:</b>				
Share-based payments	-	103,979	-	103,979
<b>Balance at 31 December 18</b>	<b>53,098,959</b>	<b>206,688</b>	<b>(53,156,422)</b>	<b>149,225</b>

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

DevEx Resources Limited

## Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2018

	31 Dec 18 \$	31 Dec 17 \$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(281,805)	(199,167)
Payments for mining exploration, evaluation and rehabilitation	(737,627)	(352,808)
Interest received	35,858	20,153
Business development costs	-	(94,671)
<b>Net cash used in operating activities</b>	<b>(984,574)</b>	<b>(626,493)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(3,736)	(3,771)
Loans to related parties	(10,000)	-
<b>Net cash used in investing activities</b>	<b>(13,736)</b>	<b>(3,771)</b>
<b>Net cash used in financing activities</b>		
Net proceeds from issue of shares	(14,240)	543,762
Proceeds from short term borrowings	-	200,000
Repayment of short term borrowings	-	(40,000)
Movement in Restricted Cash	(15,000)	-
<b>Net cash from/(used in) financing activities</b>	<b>(29,240)</b>	<b>703,762</b>
Net increase/(decrease) in cash and cash equivalents	(1,027,550)	73,498
Cash and cash equivalents at 1 July	1,474,206	146,071
<b>Cash and cash equivalents at 31 December</b>	<b>446,656</b>	<b>219,569</b>

The condensed consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

### 1. Significant accounting policies

#### (a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by DevEx Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2018. These accounting policies are consistent with Australian Accounting Standards and with Australian Equivalents to International Financial Reporting Standards (AIFRS).

#### (b) Basis of preparation

The interim report has been prepared on a historical cost basis except for certain other investments which have been stated at market value. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in whole Australian dollars, unless otherwise noted. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (c) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2018, except for the impact (if any) of the new and revised standards and interpretations outlined in (d) below.

#### (d) Adoption of new and revised Accounting Standards

##### *Standards and Interpretations applicable to 31 December 2018*

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have initially applied AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers from 1 July 2018, however there is no material impact of these Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

##### *Standards and interpretations in issue not yet adopted*

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet adopted for the half-year ended 31 December 2018.

As a result of this review, the directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

#### (e) Going concern

The Group currently has a working capital surplus of \$90,331 and recorded a loss of \$1,070,329 for the period. A 12 month cash flow forecast suggests that the Group will need to raise additional funds in the coming year to meet its operating expenditure and exploration commitments. If the Group is unable to raise capital, there is a material uncertainty that may cause significant doubt as to whether the Group will be able to continue as a going concern. As a result, the Group's auditors have included in their review report for the period an "emphasis of matter" paragraph, in relation to going concern.

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

### 2. Segment reporting

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the allocation of costs; whether they are corporate related costs or exploration costs. Results of both segments are reported to the Board of Directors at each board meeting.

	Exploration and Evaluation		Corporate		Total	
	6 months to 31 Dec 18 \$	6 months to 31 Dec 17 \$	6 months to 31 Dec 18 \$	6 months to 31 Dec 17 \$	31 Dec 18 \$	31 Dec 17 \$
Exploration and evaluation expenditure	(683,013)	(392,189)	-	-	(683,013)	(392,189)
Business development expenses	-	-	-	(81,865)	-	(81,865)
Corporate and administration expenses	-	-	(381,252)	(294,080)	(381,252)	(294,080)
Loss on disposal of fixed asset	-	-	(964)	-	(964)	-
Impairment loss on loan	-	-	(12,324)	(2,142)	(12,324)	(2,142)
Segment net loss before tax	(683,013)	(392,189)	(394,540)	(378,088)	(1,077,553)	(770,296)
Net financing expense					7,224	(15,282)
					(1,070,329)	(785,558)
	31 Dec 18 \$	30 Jun 18 \$	31 Dec 18 \$	30 Jun 18 \$	31 Dec 18 \$	30 Jun 18 \$
Segment assets	1,622,099	1,622,099	94,173	44,862	1,716,272	1,666,961
Unallocated assets					449,811	1486,891
<b>Total assets</b>					<b>2,166,083</b>	<b>3,153,852</b>
	31 Dec 18 \$	30 Jun 18 \$	31 Dec 18 \$	30 Jun 18 \$	31 Dec 18 \$	30 Jun 18 \$
Segment liabilities	1,898,249	1,949,011	118,609	89,266	2,016,858	2,038,277
Unallocated liabilities					-	-
<b>Total liabilities</b>					<b>2,016,858</b>	<b>2,038,277</b>

### 3. Income and expenses

	6 months to 31 Dec 18 \$	6 months to 31 Dec 17 \$
<b>(a) Exploration and evaluation expenditure by Project</b>		
Nabarlek	432,126	215,439
June	151,008	62,990
Bogong	9,248	2,489
Dundas	28,356	20,655
Oscar and Mt Hann	67,507	-
Mt Narryer	-	52,068
Other	(5,231)	38,547
	<b>683,013</b>	<b>392,189</b>

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

	6 months to 31 Dec 18 \$	6 months to 31 Dec 17 \$
<b>(b) Corporate and administration expenses</b>		
Depreciation and amortisation	2,201	1,621
Insurance	81	1,804
Legal fees	4,985	4,451
Office costs – corporate service charge and reimbursements	36,000	33,000
Personnel expenses	256,012	167,035
Regulatory and compliance	49,968	48,765
Other	32,005	37,404
	<b>381,252</b>	<b>294,080</b>

#### 4. Restricted cash

	31 Dec 18 \$	30 Jun 18 \$
Bank guarantees in relation to rehabilitation obligations	1,622,099	1,622,099
Bank guarantee in relation to business credit cards	25,000	10,000
	<b>1,647,099</b>	<b>1,632,099</b>

Bank guarantees in relation to rehabilitation obligations are held by the Northern Territory Department of Mines and Energy (DME) for rehabilitation obligations on the Nabarlek Mineral Lease (\$1,537,248), the Northern Land Council and DME on the Nabarlek tenements held (totalling \$54,851) and the New South Wales Department of Planning and Environment – Resources & Energy on the New South Wales tenements (\$30,000).

#### 5. Provisions

	31 Dec 18 \$	30 Jun 18 \$
<b>Current</b>		
Rehabilitation <sup>1</sup>	83,365	83,365
Income tax payable	168,375	168,375
	<b>251,740</b>	<b>251,740</b>
<b>Non-current</b>		
Rehabilitation <sup>1</sup>	1,598,309	1,619,188
	<b>1,598,309</b>	<b>1,619,188</b>

<sup>1</sup> The current and non-current rehabilitation provisions represent an estimate of costs required to meet rehabilitation obligations at the Nabarlek Mineral Lease assumed by the Group upon the acquisition of Queensland Mines Pty Ltd in 2008.

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

### 6. Issued capital

	31 Dec 18	30 Jun 18
	No.	No.
Issued and fully paid ordinary shares	91,940,151	1,103,276,188

	6 months to 31 Dec 18		Year to 30 Jun 18	
	No.	\$	No.	\$
Balance at 1 July	1,103,276,188	53,098,959	653,502,191	50,172,877
Rights issues and placements	-	-	449,773,997	3,050,226
Less share issue costs	-	-	-	(124,144)
12 for 1 share consolidation <sup>1</sup>	(1,011,336,037)	-	-	-
Balance at end of period	<b>91,940,151</b>	<b>53,098,959</b>	<b>1,103,276,188</b>	<b>53,098,959</b>

<sup>1</sup> In December 2018, the Group undertook a share consolidation on a 12 for 1 basis.

### 7. Share options

	6 months to 31 Dec 18	Year to 30 Jun 18
	No.	No.
Movements in unlisted options over ordinary shares on issue:		
At 1 July	29,800,000	14,800,000
Options lapsed/expired	-	-
Options exercised	-	-
Options granted	60,200,000	15,000,000
12 for 1 options consolidation <sup>1</sup>	(82,500,000)	-
Options issued post consolidation	166,667	-
Total share options on issue	<b>7,666,670</b>	<b>29,800,000</b>

<sup>1</sup> In December 2018, the Group undertook a share consolidation on a 12 for 1 basis.

The fair value of the options is estimated at the grant date using a Black Scholes option-pricing model. Refer to the table below for inputs to the Black Scholes option-pricing model for options granted during the half-year.

	Options Issued Dec 18
Share price at grant date (weighted average)	\$0.049
Exercise price (weighted average)	\$0.106
Expected volatility (expressed as weighted average used in the modelling under Black Scholes option pricing model)	125.7%
Expected life (expressed as weighted average used in the modelling under Black Scholes option pricing model)	3 years
Expected dividends	-
Risk-free interest rate (weighted average)	2.1%
Number (post consolidation)	5,183,334



# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

Share options are granted under service conditions. Non-market performance conditions are not taken into account in the grant date fair value measurement of the services rendered.

### 8. Related party transactions

Key management personnel compensation is as follows:

	6 months to 31 Dec 18 \$	6 months to 31 Dec17 \$
Short-term employee benefits	152,423	161,085
Post-employment benefits	13,711	14,617
Equity-settled transactions	78,033	34,422
	<b>244,167</b>	<b>210,123</b>

As a cash conservation measure the Board agreed to accrue rather than pay the majority of non-executive director fees from 1 July 2018 until further notice. At 31 December 2018, the balance of non-executive directors' fees owing was \$15,164 (30 June 2018: \$nil).

### Loans made to key management personnel and related parties

There were no loans issued during the six months ended 31 December 2018.

### Other related parties transactions

The Group receives corporate services including office rent and facilities, management and accounting services under a Corporate Services Agreement with Chalice Gold Mines Limited. Messrs Goyder and Hacker are all KMP's of Chalice Gold Mines Limited. Amounts billed are based on a proportionate share of the cost to Chalice Gold Mines Limited of providing the services and have normal payment terms. The total amount paid during the period was \$30,000 (six months ended 31 December 2017: \$12,000). An amount of \$12,000 was outstanding and payable at the end of December 2018 (30 June 2018: \$6,000).

### 9. Events after balance date

There are no significant events after the balance date that require disclosure in this financial report.

### 10. Exploration commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. The amounts stated are based on the maximum commitments. The Group may in certain situations apply for exemptions under relevant mining legislation. These obligations are not provided for in the financial report and are payable:

	31 Dec 18 \$
Within 1 year	189,413
Within 2 – 5 years	120,292
Later than 5 years	60,146
	<b>369,850</b>

DevEx Resources Limited  
**Notes to the Condensed Consolidated Financial Statements**

**For the half-year ended 31 December 2018**

**11. Contingent liabilities**

The Group has no contingent liabilities.

**12. Financial Instruments**

The directors consider the carrying value of financial assets and financial liabilities recognised in the consolidated financial statements to approximate their fair values.

The directors have assessed the fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

# DevEx Resources Limited

## Directors' Declaration

For the half-year ended 31 December 2018

In the opinion of the directors of DevEx Resources Limited:

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the Group as at 31 December 2018 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Dated at Perth on 13th March 2019.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'B. Bradley', with a stylized flourish extending to the right.

Brendan Bradley

Managing Director

DevEx Resources Limited

## Independent Auditor's Review Report

For the half year ended 31 December 2018



### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DevEx Resources Limited

#### Report on the Condensed Half-Year Financial Report

##### *Conclusion*

We have reviewed the accompanying half-year financial report of DevEx Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DevEx Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### *Emphasis of matter - material uncertainty related to going concern*

We draw attention to Note 1(e) in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

##### *Directors' responsibility for the half-year financial report*

The directors of the DevEx Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

##### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that

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makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DevEx.

Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**13 March 2019**



**L Di Giallonardo**  
**Partner**