



Half Year Report
31 December 2019

DevEx Resources Limited

ABN 74 009 799 553



DevEx Resources Limited

Contents

CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

DevEx Resources Limited

Corporate Directory

For the half-year ended 31 December 2019

Directors

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

Company Secretary

Kym Verheyen

Principal Place of Business & Registered Office

Level 2, 1292 Hay Street
WEST PERTH Western Australia 6005
Tel: (+61 8) 9322 3990
Fax: (+61 8) 9322 5800
Web: www.devexresources.com.au
Email: info@devexresources.com.au

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

Securities Exchange

Australian Securities Exchange Ltd
ASX Code: DEV

DevEx Resources Limited

Directors' Report

For the half-year ended 31 December 2019

The directors present their report together with the condensed financial report for the half-year ended 31 December 2019 for DevEx Resources Limited ("DevEx") 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 K Hacker	Non-Executive Director
Bryn L Jones	Non-Executive Director

REVIEW OF OPERATIONS

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

The Junee Project covers an area of 580km² and lies within the highly endowed copper-gold province of the Macquarie Arc, a geological domain which hosts numerous major porphyry copper-gold deposits including the world-class Cadia-Ridgeway and Northparkes mines. In contrast to the intense exploration drilling activity within the main Junee–Narromine Volcanic Belt to the north, the Junee Project has had very little systematic exploration with previous cursory drilling within the Project dating back over 25 years ago. The Company has recently identified several new large-scale porphyry copper-gold style targets.

DevEx commenced follow-up fieldwork at the Junee Copper-Gold Project during the reporting period, designed to investigate the Riversdale North and Billabong Creek Prospects. The compilation of surface mapping, rock chip sampling and petrology identified several new areas of copper, gold and base metals mineralisation.

Anomalous rock-chip results ranging up to **2.81g/t gold and 1.26% copper** are spatially associated with epidote and actinolite alteration/veins, including a gossanous base metals sub-crop (vein), and several breccias. This alteration style shows similarity to other large-scale porphyry copper-gold systems within the Macquarie Arc.

The Company also commenced a programme of broad-spaced IP geophysics to assist with the mapping of potential underlying sulphide targets on these prospective targets. The collective fieldwork completed across the reporting period and combined historical data have expanded the prospective strike to over ~20km.

In January, DevEx drilled a single diamond drill hole at the Riversdale Propsect. Drilling tested for porphyry copper-gold mineralisation associated with a large buried magnetic anomaly within the Riversdale Prospect area. No significant copper sulphide mineralisation was observed in the drill core and the hole was terminated at 439m having tested the main magnetic source within the intrusion, however drilling did confirm that the 6km long magnetic anomaly at Riversdale is associated with porphyry copper-gold style alteration in an intrusive monzonite porphyry.

Next Steps

Subsequent to period-end, a broad-spaced Induced Polarisation (IP) survey identified two large IP anomalies directly associated with existing porphyry copper-gold targets at the Riversdale North and Billabong Creek Prospects. The targets, which were originally identified through regional geophysical targeting, mapping and rock chip sampling, have been significantly enhanced by the presence of these IP anomalies at depth.

In tandem with the completion of the IP survey, the Company commenced an air-core (AC) drilling programme in February 2020 (approximately 60 holes), targeting potential large-scale porphyry copper-gold discoveries along the eastern corridor surrounding the Nangus Road Prospect. The Nangus Road Prospect represents a broad buried magnetic anomaly of similar size and amplitude to the magnetic anomaly which maps the copper-gold bearing monzonite intrusion at Cooba to the north of the DevEx tenements.

Following the highly encouraging IP survey results, planning is now underway for drilling to test the Riversdale North and Billabong Creek Prospects.

Directors' Report

For the half-year ended 31 December 2019

2. 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 km² 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-old deposits.

During the period, DevEx commenced a maiden exploration program at the Bogong Copper-Gold Project, identifying significant copper sulphides (chalcopyrite and bornite) associated with a porphyry (diorite) intrusion. New rock chip results from both outcrop and historical shafts returned individual values of up to **10% copper and 0.47g/t gold**.

A dipole-dipole Induced Polarisation (IP) survey was completed in the same area, showing a significant chargeability IP anomaly beneath previously reported historical near-surface intercepts, providing the Company with further drill targets.

In late December 2019, DevEx completed a maiden diamond drilling programme designed to test beneath both the historical copper intercepts and the newly identified IP anomaly. A total of seven holes for 1,548m was drilled.

The wide-spaced drilling program confirmed the continuation of a zone of structurally controlled copper sulphide mineralisation (chalcopyrite and bornite) within and adjacent to a brecciated felsic porphyry (diorite), now extending over a strike length of over 400 metres.

Of most significance, assay results show that the zone dips to the west and remains open to the south and at depth beneath Hole 3, indicating that there is potential for structural repetition of the mineralised breccia. Significant down-hole intercepts from the Bogong diamond drilling programme include:

<ul style="list-style-type: none">• 19BGDD001 (Hole 1) 39.0m @ 0.5% Cu from 13m including:<ul style="list-style-type: none">○ 12.6m @ 1.24% Cu¹ from 16.8m
<ul style="list-style-type: none">• 19BGDD002 (Hole 2) 28.0m @ 0.6% Cu from 71m including:<ul style="list-style-type: none">○ 6m @ 1.2% Cu from 79m
<ul style="list-style-type: none">• 19BGDD003 (Hole 3) 7.5m @ 0.9% Cu from 104.5m including:<ul style="list-style-type: none">○ 2.5m @ 2.3% Cu from 104.5m

Next Steps

The Company is currently reviewing the results from the diamond drilling to determine whether late stage faulting has dislocated the mineralised breccia and additional follow-up drilling is required. Recent reconnaissance mapping and historical soil geochemistry support the possibility that the porphyry and copper-bearing structures continue to the south-west, with several feldspar porphyries mapped 300m to the south-west of Hole 3.

This area requires further investigation with mapping and soil geochemistry to determine the continuation of the copper mineralisation. The Company is planning several multi-element soil traverses over this area in the coming month.

Directors' Report

For the half-year ended 31 December 2019

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

The West Arnhem-Nabarlek Project comprises a dominant 5,963km² 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% U₃O₈.

During the period, the Company completed a 10-hole reverse circulation (RC) and diamond drilling program totalling 2100m. This new drilling confirmed the presence of uranium mineralisation beneath the historical Nabarlek Mine and on the western side of the U40 Prospect.

Following the completion of the drilling campaign in August 2019, DevEx has progressed its review of exploration data from the Nabarlek area for signs of conductors beneath the dolerite. The aim is to refine targets for potential future drilling.

While the West Arnhem-Nabarlek Project remains a core asset for DevEx, the Company's current focus remains on its porphyry copper-gold exploration strategy in New South Wales, allowing the Company to advance the Junee and Bogong Projects at pace.

4. Other Projects

No additional work was completed on any other DevEx projects during the period.

5. Corporate

During the half-year the Group completed a \$4.6 million equity raising by way of a two-tranche placement with an issue price of \$0.08. On 4 October 2019, the Group completed the first tranche, issuing 19,957,985 shares raising \$1.6 million. The second tranche ("Tranche 2") of the placement was completed after shareholder approval was received at a general meeting of shareholders held on 15 November 2019. Tranche 2 resulted in the issue of 37,354,515 shares raising \$3.0 million.

6. Finance

At 31 December 2019 the Group had net assets of \$3,868,231 (30 June 2019: \$1,346,601) and a working capital surplus of \$3,140,670 (30 June 2019: \$907,975). At 31 December 2019 cash at bank totalled \$3,562,964 (30 June 2019: \$1,157,164)

The Group reported a net loss for the period of \$2,025,207 (31 December 2018 loss: \$1,070,329).

DevEx Resources Limited

Directors' Report

For the half-year ended 31 December 2019

EVENTS SUBSEQUENT TO THE REPORTING DATE

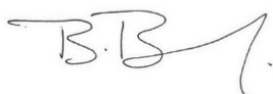
There are no significant events after the balance date that require disclosure in this financial report.

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 7 and forms part of this directors' report for the half-year ended 31 December 2019.

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 11th March 2020



Brendan Bradley
Managing Director

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 "Geophysics upgrades priority drill targets at Junee Copper-Gold Project, NSW, as new drill programme commences" released on 3rd March 2020, which is available on 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 "Maiden diamond drilling programme defines copper sulphide zone over +400m strike at Bogong Porphyry Copper-Gold Project, NSW" and "Diamond drilling programme commences at Bogong Porphyry Copper-Gold Project, NSW" released on 30th January 2020 and 23rd October 2019 respectively which are available on 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 2019, 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
11 March 2020



M R Ohm
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

DevEx Resources Limited

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2019

	Note	31 Dec 19 \$	31 Dec 18 \$
Total Revenue		-	-
Exploration and evaluation expenditure	2(a)	(1,572,289)	(683,013)
Business development costs		(3,075)	-
Corporate and administration expenses	2(b)	(590,898)	(381,252)
Refund of relinquished tenement rents		94,378	-
Adjustment to rehabilitation provision		41,722	-
Impairment of PhosEnergy Loan		-	(12,324)
Loss on disposal of fixed assets		-	(964)
Loss from operating activities		(2,030,162)	(1,077,553)
Finance income		16,200	28,651
Finance costs		(11,245)	(21,427)
Net Finance Income		4,955	7,224
Loss before income tax		(2,025,207)	(1,070,329)
Income tax benefit		-	-
Loss for the period attributable to owners of the parent		(2,025,207)	(1,070,329)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to owners of the parent		(2,025,207)	(1,070,329)
Earnings per share			
Basic loss per share attributable to ordinary equity holders (cents per share)		(1.29)	(1.16)
Diluted loss per share attributable to ordinary equity holders (cents per share)		(1.29)	(1.16)

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 2019

	Note	31 Dec 19 \$	30 Jun 19 \$
Current assets			
Cash and cash equivalents		3,562,964	1,157,164
Trade and other receivables		224,237	466,190
Total current assets		3,787,201	1,623,354
Non-current assets			
Restricted cash	3	1,368,978	1,338,978
Financial assets	4	255,453	255,453
Property, plant and equipment		21,560	23,152
Total non-current assets		1,645,991	1,617,583
Total assets		5,433,192	3,240,937
Current liabilities			
Trade and other payables		377,852	605,866
Provisions	5	233,992	83,365
Employee benefits		34,687	26,148
Total current liabilities		646,531	715,379
Non-current liabilities			
Provisions	5	918,430	1,178,957
Total non-current liabilities		918,430	1,178,957
Total liabilities		1,564,961	1,894,336
Net assets		3,868,231	1,346,601
Equity			
Issued capital	6	58,981,664	54,648,634
Reserves		411,778	197,971
Accumulated losses		(55,525,211)	(53,500,004)
Total equity		3,868,231	1,346,601

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 2019

	Issued capital	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 18	53,098,959	102,709	(52,086,093)	1,115,575
Loss for the period	-	-	(1,070,329)	(1,070,329)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,070,329)	(1,070,329)
Transactions with Owners in their capacity as Owners:				
Share-based payments	-	103,979	-	103,979
Balance at 31 December 18	53,098,959	206,688	(53,156,422)	149,225
Balance at 1 July 19	54,648,634	197,971	(53,500,004)	1,346,601
Loss for the period	-	-	(2,025,207)	(2,025,207)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,025,207)	(2,025,207)
Transactions with Owners in their capacity as Owners:				
Issue of shares (net of costs)	4,333,030	-	-	4,333,030
Share-based payments	-	213,807	-	213,807
Balance at 31 December 19	58,981,664	411,778	(55,525,211)	3,868,231

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 2019

	31 Dec 19 \$	31 Dec 18 \$
Cash flows from operating activities		
Cash paid to suppliers and employees	(463,017)	(281,805)
Payments for mining exploration, evaluation and rehabilitation	(1,817,645)	(738,627)
Payments for business development costs	(3,075)	-
Interest received	14,037	35,858
Net cash used in operating activities	(2,269,700)	(984,574)
Cash flows from investing activities		
Acquisition of property, plant & equipment	(3,047)	(3,736)
Loans to related parties	-	(10,000)
Net cash used in investing activities	(3,047)	(13,736)
Net cash used in financing activities		
Net proceeds from issue of shares	4,333,030	(14,240)
Movement in restricted cash	345,515	(15,000)
Net cash from/(used in) financing activities	4,678,545	(29,240)
Net increase/(decrease) in cash and cash equivalents	(2,405,798)	(1,027,550)
Cash and cash equivalents at 1 July	1,157,164	1,474,206
Cash and cash equivalents at 31 December	3,562,962	446,656

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

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2019

Significant accounting policies

(a) Statement of compliance

The financial report was approved by the Board of Directors on 11th March 2020.

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 2019 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 2019. 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 fair 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 2019, 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 2019

In the period ended 31 December 2019, 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 16 Leases from 1 July 2019, however there is no material impact on the Group.

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 2019.

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 change is necessary to Group accounting policies.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2019

(e) Going concern

The Group currently has a working capital surplus of \$3,140,670 and recorded a loss of \$2,025,207 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 and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

1. Segment reporting

For management purposes, the Group is organised into one main business and geographic segment, which involves exploration for mineral deposits in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statement of the Group as a whole.

2. Income and expenses

(a) Exploration and evaluation expenditure by Project

	6 months to 31 Dec 19 \$	6 months to 31 Dec 18 \$
Nabarlek	435,210	432,126
June	153,517	151,008
Bogong	937,502	9,248
Dundas	51,552	28,356
Oscar and Mt Hann	24,737	67,507
Other	15,860	(5,232)
50% Government Co-Funding	(46,089)	-
	1,572,289	683,013

(b) Corporate and administration expenses

	6 months to 31 Dec 19 \$	6 months to 31 Dec 18 \$
Depreciation and amortisation	4,639	2,201
Insurance	4,370	81
Legal fees	104	4,985
Office costs	78,525	36,000
Personnel expenses	360,847	256,012
Regulatory and compliance	62,898	49,968
Other	79,515	32,005
	590,898	381,252

DevEx Resources Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2019

3. Restricted cash

	31 Dec 19	30 Jun 19
	\$	\$
Bank guarantees in relation to rehabilitation obligations	1,343,978	1,313,978
Bank guarantee in relation to business credit cards	25,000	25,000
	1,368,978	1,338,978

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 (\$1,158,362), the Northern Land Council and DME on the Nabarlek tenements held (totalling \$105,616) and the New South Wales Department of Planning and Environment – Resources & Energy on the New South Wales tenements (\$80,000).

4. Financial Assets

	31 Dec 19	30 Jun 19
	\$	\$
Equity investments at fair value through profit and loss – Shares in PhosEnergy Limited	255,453	255,453
	255,453	255,453

The investment in PhosEnergy Limited which is an unlisted public company, has been fair valued entirely under Level 3, of the AASB 13 Fair Value Hierarchy.

5. Provisions

	31 Dec 19	30 Jun 19
	\$	\$
Current		
Rehabilitation ¹	233,992	83,365
	233,992	83,365
Non-current		
Rehabilitation ¹	918,430	1,178,957
	918,430	1,178,957

¹The 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 2019

6. Issued capital

	31 Dec 19		30 Jun 19	
	No.		No.	
Issued and fully paid ordinary shares	190,363,073		133,050,573	

	6 months to 31 Dec 19		Year to 30 Jun 19	
	No.	\$	No.	\$
Balance at 1 July	133,050,573	54,648,634	1,103,276,188	53,098,959
Share consolidation	-	-	(1,011,336,037)	-
Rights issues and placements	57,312,500	4,585,000	40,110,422	1,604,417
Issue of shares in lieu of consulting fees	-	-	1,000,000	48,000
Less share issue costs	-	(251,970)	-	(102,742)
Balance at end of period	190,363,073	58,981,664	133,050,573	54,648,634

During the half-year the Group completed a \$4.6 million equity raising by way of a two-tranche placement with an issue price of \$0.08. On 4 October 2019, the Group completed the first tranche, issuing 19,957,985 shares raising \$1.6 million. The second tranche ("Tranche 2") of the placement was completed after shareholder approval was received at a general meeting of shareholders held on 15 November 2019. Tranche 2 resulted in the issue of 37,354,515 shares raising \$3.0 million.

7. Share options

	6 months to 31 Dec 19	Year to 30 Jun 19
	No.	No.
Movements in unlisted options over ordinary shares on issue:		
At 1 July	6,833,336	2,483,336
Options lapsed/expired	-	(833,334)
Options granted	8,050,000	5,183,334
Total share options on issue	14,883,336	6,833,336

The comparative has been adjusted to reflect the 12 for 1 share consolidation completed by the Company in December 2018.

DevEx Resources Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2019

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 19
Share price at grant date (weighted average)	\$0.076
Exercise price (weighted average)	\$0.135
Expected volatility (weighted average)	99%
Expected life (expressed as weighted average used in the modelling under Black Scholes option pricing model)	3 years
Expected dividends	-
Vesting period (weighted average)	0.56 years
Risk-free interest rate (weighted average)	0.66%
Fair value at grant date (weighted average)	\$0.037
Expiry date	28 November 2022

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 19 \$	6 months to 31 Dec 18 \$
Short-term employee benefits	154,243	152,423
Post-employment benefits	13,711	13,711
Equity-settled transactions	170,226	78,033
	338,180	244,167

As a cash conservation measure the Board agreed to accrue rather than pay the majority of non-executive director fees from 1 October 2019 until further notice. At 31 December 2019, the balance of non-executive directors' fees owing was \$9,098 (30 June 2019: \$6,066).

Loans made to key management personnel and related parties

There were no loans issued during the six months ended 31 December 2019.

Other related party 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 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 \$78,000 (six months ended 31 December 2018: \$30,000). An amount of \$13,000 was outstanding and payable at the end of December 2019 (30 June 2019: \$39,000).

9. Events after balance date

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

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2019

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 19
	\$
Within 1 year	447,772
Within 2 – 5 years	1,015,081
Later than 5 years	271,010
	1,733,863

To the extent that expenditure commitments are not met, tenement areas may be reduced, and other arrangements made in negotiation with the relevant state and territory government departments on renewal of tenements to defer expenditure commitments or partially exempt the Company.

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 2019

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 2019 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.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'B. Bradley', with a long horizontal stroke extending to the left and a vertical stroke extending downwards from the end.

Brendan Bradley
Managing Director

Dated at Perth on 11th March 2020.

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 2019, 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 2019 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*.

Material uncertainty related to going concern

We draw attention to Note 1(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity'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 company 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 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 2019 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
11 March 2020



M R Ohm
Partner