



Half Year Report  
31 December 2020

DevEx Resources Limited

ABN 74 009 799 553

For personal use only



# DevEx Resources Limited

## Contents

CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	8
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

# DevEx Resources Limited

## Corporate Directory

For the half-year ended 31 December 2020

### 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 3, 1292 Hay Street  
WEST PERTH Western Australia 6005  
Tel: (+61 8) 6186 9490  
Fax: (+61 8) 6186 9495  
Web: [www.devexresources.com.au](http://www.devexresources.com.au)  
Email: [info@devexresources.com.au](mailto: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 2020

The directors present their report together with the condensed financial report for the half-year ended 31 December 2020 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. Sovereign Nickel-Copper-PGE Project, WA (Earn-In and 100%)

*The Sovereign Project is located in the highly prospective Julimar region of Western Australia. The Project is centred on the Sovereign Magnetic Complex and located between the Gonneville Ni-Cu-PGE discovery to the south, owned by Chalice Mining Limited (ASX: CHN), and the Yarawindah Brook Ni-Cu-PGE Project (Caspin Resources Limited, ASX: CPN), to the north.*

Preparations for a maiden air-core drilling program were finalised during the reporting period, with drilling commencing subsequent to period-end in February 2021. Drilling is designed to test several targets within the 6km x 7km Sovereign Magnetic Complex, where previous assaying of shallow bauxite and rock chip sampling drilling returned multiple areas of anomalous nickel, copper, chromium and PGE results.

Several areas – including the Kingsley, Hudson and Mackenzie anomalies – include multiple anomalous zones with coincident Cu and Pd+Pt plus supporting Ni and Chromium (Cr) results.

Air-core drilling targeting these high priority anomalies is currently scheduled to commence in Q3 FY21. In addition to the drilling program, a partially completed ground-based moving loop electromagnetic (MLEM) survey is also scheduled to commence.

The current drill program will take place over the western half of the Sovereign Magnetic Complex, under an earn-in agreement with Australian Silica Quartz Group Ltd. During the half year, DevEx secured the remaining eastern half of the Sovereign Magnetic Complex following the grant of Exploration Licence E70/5365 (100%). No prior surface exploration has taken place within this newly-granted area; accordingly, the Company will continue to progress ground-based exploration with the objective of defining future drill targets.

#### 2. Wilga Downs Gold-Base Metals Project, NSW (Earn In and 100% tenement applications)

*The Wilga Downs Project is an exciting exploration opportunity within the well-endowed Cobar Basin, part of the greater Lachlan Fold Belt region and a key asset in DevEx's broader copper-gold exploration strategy underway in NSW. Targets at Wilga exhibits several similarities with other nearby major, gold-polymetallic deposits in the Cobar region, including the CSA Copper Mine and the Peak and Great Cobar Copper-Gold Mines.*

During the period, the Company drilled one diamond hole at the Wilga Downs Project. The diamond hole, which was completed to a depth of 630m, was designed to test a strong magnetic high.

The target was modelled by DevEx to lie beneath anomalous base metal intercepts from historical drilling (1970s) and proximal to the prospective fault contact between the outcropping Cobar Supergroup (Devonian) and the Girilambone Group (Ordovician).

Subsequent to period-end, DevEx received encouraging results from this first hole (20WD001), warranting further exploration of this significant massive copper-gold sulphide target. Drilling encountered a 13-metre zone of vein to disseminated pyrrhotite mineralisation (a magnetic iron sulphide) with minor copper sulphides (chalcopyrite), close to the centre of the modelled magnetic high. Of most interest was a narrow intercept of semi-massive pyrrhotite grading 1m @ 0.7% Cu and 0.7g/t Au from 551.6m.

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2020

Importantly, down-hole magnetic susceptibility readings of the diamond core (20WD001), including of the copper- and gold-bearing pyrrhotite zone, are not considered to be extensive enough to explain the source of the modelled magnetic anomaly. This suggests that there is excellent potential for a body of magnetic, copper-bearing massive sulphide (pyrrhotite) mineralisation close by which may be significantly larger than that encountered in hole 20WD001.

Considering the scale of the magnetic anomaly at the Wilga Downs Prospect and the close association of gold and copper with the pyrrhotite mineralisation, the potential for the discovery of a significant Cobar-style massive sulphide copper gold deposit remains strong.

DevEx is now preparing for follow-up exploration with a Down-hole Electromagnetic (DHEM) survey of the drill hole, designed to further investigate the potential for a significant copper-gold massive sulphide target and to identify future targets for drill testing.

During the year, DevEx also lodged its own Exploration Licences for tenements surrounding the Wilga Project and within the highly prospective North Cobar Mineral Allocation Area. At the time of reporting, land access preparations continue to progress in advance of a planned Reverse Circulation/Diamond drill program to test this additional prospect over the coming months.

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

*The Junee Project is located in the highly endowed copper-gold province of the Macquarie Arc. DevEx initially embarked on an exploration strategy based on assessment by the Geological Survey of New South Wales ('GSNSW1') concluded that rocks within the Junee Project are considered to be the southern extension of the Junee-Narromine Volcanic Belt, and therefore highly prospective for porphyry copper-gold mineralisation.*

Reconnaissance soil sampling conducted during the period on the northern margin of the Nangus Road magnetic anomaly identified a broad coincident copper-gold in soil anomaly up to 1 kilometre long, which remains open to the south and west. This copper-gold soil anomaly is also supported by other pathfinder elements consistent with major porphyry copper-gold systems, including molybdenum, bismuth and tellurium.

The Company is encouraged by these results following the completion of a diamond drill hole (JNDD003) during the half year, which confirmed that an altered monzonite is the likely source of the Nangus Road magnetic anomaly. Hole JNDD003 passed through approximately 100m of young, transported cover before intersecting a hornblende, magnetite and biotite-bearing monzonite intrusion with intense propylitic alteration. Geochemistry indicates that the rock is a porphyry-fertile, high-potassium intrusion.

Mineralogical examinations of the most intense alteration zones indicate an assemblage of actinolite-albite-epidote in association with the very fine copper minerals chalcopyrite and bornite. Although, copper sulphides did not occur in significant concentrations to warrant reporting of copper intercepts, this assemblage of minerals suggests that at least part of the hole passed through rocks that might be considered to lie within the inner propylitic zone of a mineralised porphyry copper-gold system.

The Nangus Road magnetic anomaly extends for 2km in a northerly direction, is approximately 2km wide and lies beneath variable transported cover. It displays similar size and magnetic amplitude to the Ordovician aged Cooba Cu-Au bearing Monzonite to the north of the Project.

The soil geochemistry program is now being expanded further to the south and west. The Company is mindful that the thickness of overburden is likely to increase to the south-west which is likely to compromise the effectiveness of the soil samples in seeing beneath the cover. Accordingly, DevEx plans further detailed evaluation of this prospective intrusion using a combination of geophysics and air-core or RAB drilling to test the bedrock in the coming months.

### 4. Basin Creek Gold Project, NSW (100%)

*The Basin Creek Project is located within Silurian volcanic and sedimentary rocks of the Lachlan Fold Belt, a major metalliferous province which hosts world-class copper-gold deposits such as Cadia Ridgeway (Newcrest Mining) and Northparkes (China Molybdenum Co Ltd), as well as several large-scale Silurian age gold deposits including the McPhillamys Gold Project (Regis Resources Limited), a +2Moz gold deposit.*

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2020

A reconnaissance 14-hole Reverse Circulation (RC) drilling program (2,800m) at the Main Ridge Prospect, located within the Basin Creek Project, was completed during the period. Drilling was designed to test for the primary controls to the gold mineralisation beneath the extensive +3.5km long gold system mapped by surface geochemistry and alteration mapping. Broad-spaced drilling results have highlighted the presence of gold mineralisation proximal to the western margin of an extensive zone of silica-sericite-pyrite alteration in the centre of the Main Ridge Prospect, with assays including 4m @ 2.1g/t Au from 174m and 1m @ 6.2g/t Au from 12m in a quartz stock work veined/breccia.

This western margin, interpreted to be a gold-bearing structure, has only been tested on broad drillhole spacings, and remains open to the south for +400m.

Subsequent to period-end, planning continues for an expanded drill programme at the Main Ridge Prospect to test this western margin and beneath the peak gold-in-soil anomalies.

### 5. Nabarlek Project, NT (100%)

*The 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>.*

Recent increases in the spot price and a growing supply gap has resulted in an improved uranium market – a development that continues to bode well for DevEx's Nabarlek Project. Accordingly, during the half-year DevEx has ramped-up a project-wide technical review of the Company's extensive exploration data. This work continues at pace to ensure DevEx remains well placed to benefit from future market conditions and to best determine the next steps.

### 6. Other Projects

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

### 7. Corporate

In July 2020, The Company signed a new office space lease commencing 1 September 2020. The lease has a three year term with another three year option.

During the half year, the Company completed the following two capital raisings:

A \$5.56 million capital raising, comprising:

- A \$4.75m placement to sophisticated and professional investors (Tranche 1 Placement); and
- A \$0.81m placement to Directors (Tranche 2 Placement).

The first tranche of the placement was completed on 16 July 2020, with the issue of 47,590,767 fully paid ordinary shares to professional and sophisticated investors at an issue price of \$0.10 per share to raise \$4.75 million.

Tranche 2 was approved by shareholders at a general meeting of shareholders held on 3 September 2020 and a total of 8,100,000 fully paid ordinary shares were issued to the Directors of the Company or their nominees at an issue price of \$0.10 per share on 7 September 2020.

The second raising, completed in December 2020, was a \$8.4 million placement, issuing 36,600,000 fully-paid ordinary shares at an issue price of \$0.23 per share to sophisticated and professional investors.

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2020

### 8. Finance

At 31 December 2020 the Group had net assets of \$12,413,295 (30 June 2020: \$2,469,490) and a working capital surplus of \$11,399,290 (30 June 2020: \$1,744,577). At 31 December 2020 cash at bank totalled \$11,902,080 (30 June 2020: \$2,216,866)

The Group reported a net loss for the period of \$3,296,261 (31 December 2019 loss: \$2,025,207).

#### 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 2020.

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 10<sup>th</sup> March 2021



Brendan Bradley  
Managing Director

#### Competent Person's Statement

The Information in this report that relates to Exploration Results for the Sovereign Project is extracted from the ASX announcements titled "Exploration Update – WA and NSW Projects" released on 4th December 2020, "Multiple "late-time" conductors, up to 1km long, identified at the Sovereign Nickel-Copper-PGE Project, WA" released on 8<sup>th</sup> October 2020, "New geochemistry results outline Ni-Cu-PGE targets at the Sovereign Project – Julimar region, WA" released on 19<sup>th</sup> August 2020, and "DevEx expands position in Julimar Nickel-Copper-PGE region with strategic farm-in agreement" released on 1<sup>st</sup> June 2020 all 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 Wilga Downs Project is extracted from ASX announcements titled "Encouraging initial drill results at wilga Downs Project" released on 4<sup>th</sup> February 2021 and "DevEx expands NSW portfolio with farm-in on highly prospective gold-base metal project in Cobar Basin" released on 16<sup>th</sup> September 2020 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 Junee Copper-Gold Project is extracted from the ASX announcements titled "Extensive copper-gold soil anomaly strengthens potential for large-scale porphyry copper-gold system at Junee" released on 9<sup>th</sup> February 2021, "Quarterly Activities and Cashflow Report - December 2020" released on 28th January 2021, "NSW Exploration Update – Basin Creek Gold Project and Junee Copper-Gold Project" released on 6th November 2020, "Preliminary drilling at Basin Creek nearing completion with drilling continuing at nearby Junee Project" released on 7<sup>th</sup> October 2020, "Geophysics upgrades priority drill targets at Junee Copper-Gold Project, NSW, as new drill programme commences" released on 3<sup>rd</sup> March 2020; "New copper and gold mineralisation supports potential for large-scale porphyry system at Junee, NSW" released on 11<sup>th</sup> September 2019, "DevEx Further Expands Potential of Junee Copper-Gold Project, NSW with Identification of Additional Porphyry targets" released on 5th March 2019, and "Porphyry Copper-Gold Targets Identified at Junee Project, Lachlan Fold Belt, NSW" released on 24th January 2018, all of which are available on [www.devexresources.com.au](http://www.devexresources.com.au).

# DevEx Resources Limited

## Directors' Report

For the half-year ended 31 December 2020

The Information in this report that relates to Exploration Results for the Basin Creek Gold-Copper Project is extracted from the ASX announcements titled "NSW Exploration Update – Basin Creek Gold Project and Junee Copper-Gold Project" released on 6<sup>th</sup> November 2020, "Preliminary drilling at Basin Creek nearing completion with drilling continuing at nearby Junee Project" released on 7<sup>th</sup> October 2020, "Major expansion of gold anomalies ahead of imminent drilling at the Basin Creek Project, NSW" released on 5<sup>th</sup> August 2020, "New strong gold anomalies prioritised for upcoming drill program at the Basin Creek Project, NSW" released on 23<sup>rd</sup> June 2020, "More strong gold rock chip results over a +4km strike length at the Basin Creek Copper-Gold Project, NSW" released on the 6<sup>th</sup> May 2020, and "Extensive zone of gold in rock chips identified at the Basin Creek Copper Gold Project, NSW" released on 14<sup>th</sup> April 2020 all of which are 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 2020, 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**  
**10 March 2021**

**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@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.

For personal use only

# DevEx Resources Limited

## Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Exploration and evaluation expenditure	2(a)	(2,803,094)	(1,572,289)
Business development costs		(36,638)	(3,075)
Corporate and administration expenses	2(b)	(492,823)	(590,898)
Government incentives received		37,500	-
Refund of relinquished tenement rents		2,580	94,378
Adjustment to rehabilitation provision		3,564	41,722
<b>Loss from operating activities</b>		<b>(3,288,911)</b>	<b>(2,030,162)</b>
Finance income		7,276	16,200
Finance costs		(14,626)	(11,245)
<b>Net Finance Income/(Expense)</b>		<b>(7,350)</b>	<b>4,955</b>
<b>Loss before income tax</b>		<b>(3,296,261)</b>	<b>(2,025,207)</b>
Income tax benefit		-	-
<b>Loss for the period attributable to owners of the parent</b>		<b>(3,296,261)</b>	<b>(2,025,207)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period attributable to owners of the parent</b>		<b>(3,296,261)</b>	<b>(2,025,207)</b>
<b>Basic loss per share attributable to ordinary equity holders (cents per share)</b>		<b>(1.35)</b>	<b>(1.29)</b>
<b>Diluted loss per share attributable to ordinary equity holders (cents per share)</b>		<b>(1.31)</b>	<b>(1.29)</b>

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 2020

	Note	31 Dec 2020 \$	30 Jun 2020 \$
<b>Current assets</b>			
Cash and cash equivalents		11,902,080	2,216,866
Trade and other receivables		245,796	63,140
<b>Total current assets</b>		<b>12,147,876</b>	<b>2,280,006</b>
<b>Non-current assets</b>			
Restricted cash	3	1,567,244	1,378,978
Financial assets		255,453	255,453
Property, plant and equipment		97,569	16,753
Right-of-use assets	4	525,565	-
<b>Total non-current assets</b>		<b>2,445,831</b>	<b>1,651,184</b>
<b>Total assets</b>		<b>14,593,707</b>	<b>3,931,190</b>
<b>Current liabilities</b>			
Trade and other payables		369,430	211,397
Provisions		165,000	215,000
Employee benefits		131,989	109,032
Lease liabilities	4	82,167	-
<b>Total current liabilities</b>		<b>748,586</b>	<b>535,429</b>
<b>Non-current liabilities</b>			
Provisions		954,048	926,271
Lease liabilities	4	477,778	-
<b>Total non-current liabilities</b>		<b>1,431,826</b>	<b>926,271</b>
<b>Total liabilities</b>		<b>2,180,412</b>	<b>1,461,700</b>
<b>Net assets</b>		<b>12,413,295</b>	<b>2,469,490</b>
<b>Equity</b>			
Issued capital	5	72,157,564	58,981,664
Reserves	6	525,959	461,793
Accumulated losses		(60,270,228)	(56,973,967)
<b>Total equity</b>		<b>12,413,295</b>	<b>2,469,490</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 2020

	Issued capital	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	54,648,634	197,971	(53,500,004)	1,346,601
Loss for the period	-	-	(2,025,207)	(2,025,207)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(2,025,207)</b>	<b>(2,025,207)</b>
<b>Transactions with Owners in their capacity as Owners:</b>				
Issue of shares (net of costs)	4,333,030	-	-	4,333,030
Share-based payments	-	213,807	-	213,807
<b>Balance at 31 December 2019</b>	<b>58,981,664</b>	<b>411,778</b>	<b>(55,525,211)</b>	<b>3,868,231</b>
<b>Balance at 1 July 2020</b>	58,981,664	461,793	(56,973,967)	2,469,490
Loss for the period	-	-	(3,296,261)	(3,296,261)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(3,296,261)</b>	<b>(3,296,261)</b>
<b>Transactions with Owners in their capacity as Owners:</b>				
Issue of shares (net of costs)	13,175,900	-	-	13,175,900
Share-based payments	-	64,166	-	64,166
<b>Balance at 31 December 2020</b>	<b>72,157,564</b>	<b>525,959</b>	<b>(60,270,228)</b>	<b>12,413,295</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 2020

	31 Dec 2020 \$	31 Dec 2019 \$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(514,672)	(463,017)
Payments for mining exploration, evaluation and rehabilitation	(2,754,125)	(1,820,720)
Interest received	8,388	14,037
Interest paid on lease liabilities	(11,388)	-
Government grants and incentives	50,000	-
<b>Net cash used in operating activities</b>	<b>(3,221,797)</b>	<b>(2,269,700)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(88,242)	(3,047)
<b>Net cash used in investing activities</b>	<b>(88,242)</b>	<b>(3,047)</b>
<b>Net cash used in financing activities</b>		
Net proceeds from issue of shares	13,209,523	4,333,030
Repayment of lease liabilities	(26,004)	-
Movement in restricted cash	(188,266)	345,515
<b>Net cash provided by financing activities</b>	<b>12,995,253</b>	<b>4,678,545</b>
Net increase in cash and cash equivalents	9,685,214	2,405,798
Cash and cash equivalents at 1 July	2,216,866	1,157,164
<b>Cash and cash equivalents at 31 December</b>	<b>11,902,080</b>	<b>3,562,962</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 2020

### Significant accounting policies

#### (a) Statement of compliance

The financial report was approved by the Board of Directors on 9<sup>th</sup> March 2021.

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 'Interim Financial reporting' and the Corporations Act 2001.

The half-year financial report does not include all the notes of the type normally included in the 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.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 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 half-year financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2020. These accounting policies are consistent with Australian Accounting Standards and with Australian Equivalents to International Financial Reporting Standards (AIFRS).

#### (b) Basis of preparation

The half-year financial 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.

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

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

The preparation of half-year financial report 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 half-year financial 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 2020.

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

##### *Standards and Interpretations applicable to 31 December 2020*

In the period ended 31 December 2020, 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 half-year reporting period. As a result of this review, the Directors have determined that there is not material impact of the new and revised 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 current half-year reporting period. 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.

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2020

### 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 2020 \$	6 months to 31 Dec 2019 \$
Nabarlek	124,688	435,210
Junee	635,956	153,517
Bogong	49,674	937,502
Basin Creek	1,347,847	-
Cobar and Wilga Downs	303,492	-
Sovereign	314,336	-
Julimar Complex	17,518	-
Other	9,583	92,149
50% Government Co-Funding	-	(46,089)
	<b>2,803,094</b>	<b>1,572,289</b>

#### (b) Corporate and administration expenses

	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Depreciation and amortisation	17,466	4,639
Office costs	61,278	78,525
Personnel expenses	289,299	360,847
Regulatory and compliance	80,539	62,898
Other	115,519	83,989
Reallocation to exploration and evaluation expenditure	(71,278)	-
	<b>492,823</b>	<b>590,898</b>

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2020

### 3. Restricted cash

	31 Dec 2020	30 Jun 2020
	\$	\$
Bank guarantees in relation to rehabilitation obligations	1,517,213	1,353,978
Bank guarantee in relation to business credit cards	50,031	25,000
	<b>1,567,244</b>	<b>1,378,978</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 (\$1,158,362), the Northern Land Council and DME on the Nabarlek tenements held (totalling \$94,851) and the New South Wales Department of Planning and Environment – Resources & Energy on the New South Wales tenements (\$264,000).

### 4. Right-of-use assets and Lease liabilities

	31 Dec 19	30 Jun 19
	\$	\$
<b>Lease liabilities</b>		
Current	82,167	-
Non-current	477,778	-
	<b>559,945</b>	-
<b>Right-of-use assets</b>		
Right-of-use assets – Office Leases	556,561	-
Accumulated depreciation	(30,996)	-
	<b>525,565</b>	-

During the period the Group entered into lease contracts for commercial office space in West Perth and office equipment.

#### Accounting policy, judgements, and estimates

With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Where a lease has an extension option the Group has used its judgement to determine whether or not an option would be reasonably certain to be exercised. The Group considers all facts and circumstances including any significant improvements, current stage of projects, location, and their past practice to help them determine the lease term. The Group have included all current extension options in determining the lease term.

These leases have an average term of between 5 and 6 years.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at commencement date of the lease.

The weighted average incremental borrowing rate applied to lease liabilities was 6.95%.

In the consolidated statement of cash flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.



# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2020

### 5. Issued capital

	31 Dec 2020		30 Jun 2020	
	No.		No.	
Issued and fully paid ordinary shares	282,653,840		190,363,073	
	6 months to 31 Dec 2020		Year to 30 Jun 2020	
	No.	\$	No.	\$
Balance at 1 July	190,363,073	58,981,664	133,050,573	54,648,634
Placement @ \$0.08 (completed October 2019)	-	-	57,312,500	4,585,000
Placement @ \$0.10 (completed September 2020)	55,690,767	5,569,077	-	-
Placement @ \$0.23 (completed December 2020)	36,600,000	8,418,000	-	-
Less share issue costs	-	(811,177)	-	(251,970)
Balance at end of period	<b>282,653,840</b>	<b>72,157,564</b>	<b>190,363,073</b>	<b>58,981,664</b>

### 6. Reserves

	31 Dec 2020		30 Jun 2020	
	No.		No.	
<b>Share options</b>				
Unlisted options over ordinary shares on issue	15,533,336		14,883,336	
	6 months to 31 Dec 2020		Year to 30 Jun 2020	
	No.	\$	No.	\$
Balance at 1 July	14,883,336	461,793	6,833,336	197,971
Options lapsed/expired	-	-	-	-
Options granted - consultant	650,000	-	8,050,000	-
Options vested - share based payments expensed	-	64,166	-	263,822
Balance at end of period	<b>15,533,336</b>	<b>525,959</b>	<b>14,883,336</b>	<b>461,793</b>

# DevEx Resources Limited

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2020

	Options Issued Dec 2020
Share price at grant date (weighted average)	\$0.155
Exercise price (weighted average)	\$0.23
Expected volatility (expressed as weighted average used in the modelling under Black Scholes option pricing model)	119%
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)	0.29%
Number	650,000

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.

### 7. Events after balance date

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

### 8. 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 20 \$
Within 1 year	583,420
Within 2 – 5 years	2,184,502
Later than 5 years	321,293
	<b>3,089,215</b>

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.

### 9. Contingent liabilities

The Group has no contingent liabilities.

### 10. 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

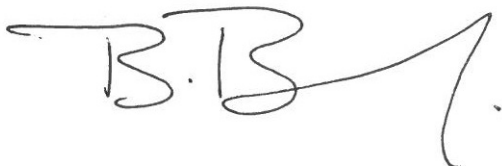
## Directors' Declaration

For the half-year ended 31 December 2020

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 2020 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:



Brendan Bradley  
Managing Director

Dated at Perth on 10th March 2021.

## 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 2020, 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 information, and the directors' declaration, for the consolidated entity 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 does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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*.

#### *Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Responsibility of the directors for the 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 for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 consolidated entity's financial position as at 31 December 2020 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*.

**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**  
**10 March 2021**

**M R Ohm**  
**Partner**

For personal use only