



ASX ANNOUNCEMENT

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DevEx Sharpens Exploration Focus with Agreement to Sell NSW Copper-Gold Portfolio for \$7.5M

Divestment of Junee, Basin Creek and North Cobar Projects to ASX-listed Lachlan Star will allow DevEx to focus on its exciting uranium and rare earths assets

- DevEx enters into share sale agreement to sell 100% of its NSW copper-gold exploration portfolio to ASX-listed explorer Lachlan Star Limited (ASX: LSA).
- DevEx to receive fully paid ordinary shares in Lachlan Star with a value of \$7.5 million plus a 2% Net Smelter Royalty.
- Following completion, DevEx will hold 36.46% of Lachlan Star and will appoint two directors to the LSA Board.
- The transaction will streamline DevEx's Australian exploration portfolio, allowing it to focus its resources and management time on its Nabarlek Uranium Project in the Northern Territory, the Kennedy Rare Earth Element (REE) Project in Queensland and several emerging projects in Western Australia.
- DevEx has major drilling programs currently underway at Nabarlek (high-grade uranium focus) and the Kennedy Project (recent significant ionic adsorption clay REE discovery).
- Through its 36.46% shareholding in LSA, DevEx will retain significant exposure to the future upside potential of the Junee and North Cobar Projects, which will become the flagship asset and key exploration focus of Lachlan Star.

DevEx Resources Limited (ASX: DEV; "DevEx" or "the Company") is pleased to advise that it has reached agreement to sell its portfolio of copper-gold exploration assets in the Lachlan Fold Belt of NSW to ASX-listed explorer Lachlan Star Limited (ASX: LSA; "LSA").

The Company has entered into a share sale agreement (**Agreement**) with LSA for the conditional sale of TRK Resources Pty Ltd, the entity that holds its exploration tenements in NSW, for a consideration of \$7.5 million in LSA shares plus a 2% Net Smelter Royalty.

The Agreement covers 11 tenements which comprise the Junee, North Cobar and Basin Creek Projects. The portfolio covers a total area of 1,956km² and includes a number of exploration targets, including the advanced Nangus Road prospect.

While the NSW projects offer considerable potential for a major porphyry copper-gold discovery as well as other mineralisation styles, the DevEx Board has determined that a simplification of its portfolio will allow it to focus its resources and management time on the high-potential Nabarlek Uranium

www.devexresources.com.au

T: +61 (0) 8 6186 9490
F: +61 (0) 8 6186 9495
E: info@devexresources.com.au

DevEx Resources Limited
Level 3, 1292 Hay Street, West Perth WA 6005, Australia
PO Box 434 West Perth WA 6872

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Project in the Northern Territory and the recent ionic clay-hosted REE discovery at the Kennedy Project in Queensland.

The transaction is subject to LSA shareholder approval with such meeting expected to be held in late September. The LSA general meeting will also include a resolution seeking to consolidate the share capital on a 1 for 10 basis.

Consideration under the Agreement is comprised as follows:

1. Within 5 business days following the satisfaction of the conditions to completion, the issue of:
 - a) 756,727,200 ordinary shares in LSA at a deemed issue price of \$0.01 (on a pre-consolidation basis); or
 - b) 75,672,720 ordinary shares in LSA at a deemed issue price of \$0.10 (on a post consolidation basis),for consideration of \$7.5 million; and
2. An 2% Net Smelter Royalty from any mineral production within the Tenements.

Following completion, the Company will hold 36.46% of the ordinary share capital of LSA and will appoint two directors to the LSA board.

The Agreement contains additional conditions precedent, warranties and indemnities that are typical for an agreement of this nature.

Management Comment

Commenting on the transaction, DevEx Managing Director Mr Brendan Bradley said:

“DevEx has been a first mover in several of Australia’s exploration hot-spots, where we have secured dominant strategic positions in the heart of a number of Tier-1 mineral provinces. Our NSW portfolio includes the Junee Project located in Australia’s copper-gold porphyry heartland and the North Cobar Project, located along strike from the world-class Cobar mining centre.

“The NSW projects have delivered exciting early-stage results – however the reality is that these assets require sustained and focused exploration effort to unlock their full potential.

“In light of the success we have been enjoying at our Nabarlek Uranium Project – where we have an exceptional opportunity to discover and delineate high-grade uranium resources at a very favourable time in the uranium cycle – and the immense potential of our Kennedy Ionic Clay-hosted REE Project, we believe it is in shareholders’ best interest to focus on these outstanding opportunities.

“This transaction will see the NSW assets transferred into a well-backed exploration company where they will become the key focus. DevEx shareholders will retain exposure to the upside as LSA’s major shareholder, and we expect to have considerable input into ongoing exploration strategy through representation at board level. This is a great result for DevEx!”

This announcement has been authorised for release by the Board.

Brendan Bradley
Managing Director

For further information, please contact:

Brendan Bradley, Managing Director
DevEx Resources Limited
Telephone +61 8 6186 9490
Email: info@devexresources.com.au

For media inquiries, please contact:

Nicholas Read
Read Corporate
Telephone: +61 8 9388 1474
Email: info@readcorporate.com.au

FORWARD LOOKING STATEMENT

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

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