

A\$1.75M Junior Minerals Exploration Incentive tax credits for eligible DevEx Shareholders

Highlights

- DevEx Resources has been successful in its application for tax credits under the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme.
- DevEx has received an allocation of up to A\$1.75M, which may be distributed to Eligible Shareholders as a tax offset or franking credit for the 2020/2021 financial year.
- Shareholders who participate in any DevEx capital raising activities between 1 July 2020 and before 30 June 2021 may be eligible, including those who participated in the recent July 2020 tranche 1 placement capital raising.
- This capital raising secured A\$4.75 million in proceeds which will be used to fast track drilling later this month in the Lachlan Fold Belt, NSW, alongside accelerated exploration in the Julimar region, WA.

DevEx Resources (**ASX: DEV** or “the Company”) is pleased to announce that it has successfully applied to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2020/2021 financial year, receiving an allocation of up to \$1.75 million in tax credits.

“Eligible Shareholders” must be Australian residents who apply for and are issued shares in DevEx's capital raising activities between 1 July 2020 and 30 June 2021. JMEI credits will be distributed to all Eligible Shareholders on a pro-rata basis. Only new shares issued by DevEx within the current financial year are eligible for JMEI credits.

Shareholders who participated in the Company's recent \$4.75 million tranche 1 placement capital raising in July 2020 may also be eligible, with proceeds to fund upcoming exploration programs at two exciting projects in the Lachlan Fold Belt in NSW and the Julimar Region in WA (see ASX Announcement – 8th July 2020).

Drilling is scheduled to commence in NSW at the end of this month, targeting several extensive gold anomalies at the Basin Creek Gold Project and testing several porphyry copper gold targets at the nearby Junee Copper Gold Project. Funds from this capital raise will also be used to advance exploration at the Sovereign Nickel-Copper-PGE Project in the prospective Julimar Region.

The JMEI scheme encourages investment in small mineral exploration companies that carry out “Greenfields” mineral exploration in Australia, by allowing such companies to generate a tax incentive by choosing to give up a portion of their tax losses from “Greenfields” mineral exploration expenditure for distribution to investors.

The exploration credit that can be issued to an investor is limited to the amount paid by the investor to acquire the new shares multiplied by the corporate tax rate.

Eligible Shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders should obtain independent tax advice specific to their personal circumstances.

DevEx’s participation in the scheme

The Company has received an allocation of up to \$1,750,000 in tax credits which can be distributed to Eligible Shareholders. Only those shareholders (Eligible Shareholders) who are issued new DevEx shares between 1 July 2020 and 30 June 2021 are entitled to receive JMEI credits.

DevEx has not determined the timing of any future equity raising (if any). Investors should be aware that DevEx cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available as the actual number of JMEI credits received by each Eligible Shareholder for the 2020/21 income year will be dependent on a number of factors including:

- the actual amount of allowable exploration incurred by DevEx in the 2020/21 financial year;
- the total number of DevEx shares issued between 1 July 2020 and 30 June 2021;
- The Company’s tax losses for the 2020/21 financial year, and
- each shareholder’s individual financial circumstance

Eligible Shareholders are expected to be notified by the Company of their JMEI credit entitlement (if any) in the approved form once DevEx has lodged its 2020/21 tax return. These JMEI credits will apply to their income tax assessment for the year ended 30 June 2021.

For further information about the JMEI please refer to the ATO website at:
<https://www.ato.gov.au/general/new-legislation/in-detail/direct-taxes/income-tax-for-businesses/junior-minerals-exploration-incentive/>



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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.