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ASX Announcement
27/07/2022

JUNE 2022 QUARTERLY REPORT

Develop makes significant progress with twin strategy of future-facing metals and underground mining services

Highlights of the Quarter

- **Completed the A$30m upfront acquisition of the Woodlawn zinc-copper mine in NSW**
- **Preparations well advanced for the excavation of underground drilling platforms at Woodlawn to enable an extensive drilling program to commence in the Dec quarter**
- **Updated Woodlawn JORC Resource is imminent**
- **Strong infill, resource and exploration drilling results at Sulphur Springs copper-zinc project in WA**
- **Sulphur Springs Resource update set for the September quarter**
- **Updated Sulphur Springs Resource will be followed by optimised mine plan and project cost estimates**
- **Develop's Mining Services division was awarded the A$400m underground mining agreement with Bellevue Gold and commenced activities in the quarter**
- **Record development rates achieved at the Bellevue contract in the first month**

Develop is pleased to report on what was a highly productive June quarter which saw the Company make significant progress at its two future-facing metals projects while also securing the underground mining services agreement at Bellevue Gold (ASX: BGL).

Develop Managing Director Bill Beament said the Company's strategy to create substantial value by investing in exploration and development of future-facing metals while utilising its highly-regarded underground mining expertise was proceeding exceptionally well.

"We are very focused, deliberate and clear about how we are creating value," Mr Beament said. "We have three core areas for generating superior returns and we will maintain a disciplined approach to capital management as we unlock the huge opportunities we have created in just 12 months."

He said Develop was entering what would be an extremely active period on all three fronts.

"At Woodlawn, we have established an exceptional team and preparations for the development of underground drilling platforms is progressing well.

"The publication of the updated JORC Resource based on our extensive review of the drilling data we inherited as part of the acquisition is imminent.

"At Sulphur Springs, the strong drilling results we generated in the June quarter have paved the way for a resource update this quarter.

"This will be followed by a reserve update, optimised mine development plan, revised project costings and exploring funding options.

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"Our underground services division has also had an outstanding quarter. We secured the mining services agreement at Bellevue Gold, which is valued at $400 million over four years, and work is well underway.

"The world-class team of underground specialists we have put together for the contract, combined with Bellevue's highly experienced in-house team, posted a record-breaking underground development performance in the first month (June) of activities and they are running ahead of the contract schedule.

"We are set for strong news flow on each of these three fronts in the current quarter, which will demonstrate the value of our assets and their potential."

Woodlawn Zinc Copper Mine

The Company completed the A$30m upfront acquisition of the Woodlawn zinc-copper mine in NSW. The balance of the consideration that was associated with this acquisition is detailed in our release to ASX on 17 February 2022.

Initial focus has been on the assessment of the mines extensive infrastructure as well as beginning preparation work for the underground development of drill platforms.

These new drill platforms, coupled with existing cuddies will enable an extensive underground drilling campaign to commence in the December quarter. The drilling strategy is aimed at converting Inferred Resources to Indicated, extending the mineralised lenses at depth/along strike and drill-testing recently-identified EM conductors.

The June quarter saw the arrival of several key management staff as well as the mobilisation of the majority of the mining equipment required for this development work. Recruitment for mining and maintenance staff also took place with high levels of interest in the mine from experienced personnel.

Re-establishment of surface pumping, explosives storage and electrical infrastructure was commenced and continues to make progress with the aim of beginning works in the underground by late July 2022.

Sulphur Springs Copper Zinc Project

Develop's Sulphur Springs Project is located 112km south-east of Port Hedland in Western Australia and hosts a total Mineral Resource comprising 17.4 million tonnes grading 2.5%CuEq[2,3] (1.3% copper, 4.2% zinc and 17g/t silver).

The Definitive Feasibility Study (see ASX release 10 October 2018) delivered a Pre-Tax NPV[8%] of A$472 million based on a copper price of US$6300/tonne and zinc price of US$2650/tonne. Current prices are significantly higher for both metals.

Sulphur Springs Environment Approvals

Applications for two environmental approvals lodged with the Department of Water and Environmental Regulation and the Department of Mining, Industry Regulation and Safety in March 2022 remained under assessment by the Departments at the end of the June quarter. Completion of the assessment processes is expected in the September quarter. Receipt of these two approvals, in combination with the approvals currently held, will allow implementation of the project.

Sulphur Springs Major Drill Program

As previously announced (see ASX releases 8 December 2021, 10 February 2022 and 16 May 2022), a total of 68 drill holes were completed as part of the Company's de-risking and growth strategy at the Sulphur Springs copper-zinc-silver Project.

During the quarter, the Company received the final batch of exceptional infill, extension and exploration drilling results. These results will be incorporated into an updated Mineral Resource Estimate "MRE" that aims to convert a substantial proportion of the Inferred Resource to the Indicated category, this is expected to be completed in the September quarter. The updated MRE will further pave the way for an increased Reserve, optimised mine development plan, revised project costings and exploring numerous funding options.

Results from the exploration drilling have been exceptional, demonstrating mineralisation is significantly thicker than anticipated, with more mineralisation being intersected in the two major gaps while drilling

along strike and down-plunge. A new zinc-rich lens has also been identified within the hanging wall of the deposit. Additional drilling targets are currently being established for drilling in the September quarter.

Sulphur Springs Resource Infill – Underground

Infill resource drilling into the Eastern Lens intersected consistent zones of exceptionally thick, high-grade mineralisation, which exceed the current mineralisation interpretation and the Company's expectations.

Significant intersections from the East Lens include:

- **54m @ 3.1% CuEq[1]** (0.6% Cu, 7.3% Zn, 14.0g/t Ag & 0.2g/t Au) from 288m (SSD152; East Lens)
  - Including **14m @ 6.6% CuEq[1]** (0.2% Cu, 18.4% Zn, 27.6g/t Ag & 0.4g/t Au) from 288m
- **53m @ 1.9% CuEq[1]** (0.8% Cu, 3.3% Zn, 10.7g/t Ag & 0.3g/t Au) from 237m (SSD163; East lens)
  - Including **9m @ 3.1% CuEq[1]** (0.2% Cu, 8.0% Zn, 33.5g/t Ag & 0.9g/t Au) from 260m
- **50m @ 2.9% CuEq[1]** (0.7% Cu, 6.0% Zn, 17.1g/t Ag & 0.1g/t Au) from 284m (SSD156; East Lens)

Infill resource drilling into the Western Lens intersected consistent zones of mineralisation, with widths as expected. A new zone of thick, high-grade hanging wall-hosted zinc-silver mineralisation was also intersected within SSD169, this remains open down plunge/dip.

Significant intersections from the Western Lens include:

- **28m @ 2.7% CuEq[1]** (1.6% Cu, 3.3% Zn**,** 12.2g/t Ag & 0.1g/t Au) from 195m (SSD126; West Lens)
- **25m @ 3.7% CuEq[1]** (0.2% Cu, 8.9% Zn, 39.6g/t Ag & 0.3g/t Au) from 294m (SSD169; HW Zn)
- **23m @ 5.2% CuEq[1]** (0.3% Cu, 12.6% Zn, 32.3g/t Ag & 0.2g/t Au) from 244m (SSD137; West Lens)

Resource Infill – Open Pit

Assay results from the diamond drillhole tails targeting high-grade copper within the Inferred Resources of the proposed open pit were also received.

Significant intersections within the proposed Open Pit include:

- **65.1m @ 3.5% CuEq[1]** (2.1% Cu, 4.3% Zn, 9.9g/t Ag & 0.1g/t Au) from 135.9m (SSD130; West Lens)
- **27.8m @ 6.7% CuEq[1]** (0.2%Cu, 17.2% Zn, 56.8g/t Ag & 0.4g/t Au) from 139.2m (SSD122; West Lens)
  - And **11m @ 2.5% CuEq[1]** (0.2% Cu, 6.2% Zn, 6.2g/t Ag & 0.1g/t Au) from 182.2m
- **38.6m @ 3.8% CuEq[1]** (1.4% Cu, 6.5 % Zn, 25.4g/t Ag & 0.2g/t Au) from 89.4m (SSD178; West Lens)
- **48.1m @ 2.2% Cu** from 154m (SSD131; West Lens)
  - And **11.7m @ 26.7% Zn** from 92.0m
- **31.5m @ 2.9% CuEq[1]** (0.5% Cu, 6.2% Zn, 24.2g/t Ag & 0.3g/t Au) from 84.0m (SSD112; West Lens)
- **30.7m @ 2.5% CuEq[1]** (1.5% Cu, 3.1% Zn, 10.6g/t Ag & 0.1g/t Au) from 83.3m (SSD121; West Lens)
  - And **6.1m @ 3.5% Cu** from 122m.

Exploration

Exploration drilling returned exceptionally thick zones of high-grade mineralisation at the Main Fault and Trouser Leg targets. Both zones remain open down plunge and represent an outstanding prospect for additional copper-rich mineralisation at depth Significant exploration intersections include:

- **49m @ 2.6% CuEq[1]** (0.8% Cu, 6.0% Zn, 16.1g/t Ag & 0.4g/t Au) from 232m (SSD132; West Lens)
  - Including **9.0m @ 6.1% CuEq[1]** (0.7% Cu, 17.7% Zn, 10.3g/t Ag & 0.2g/t Au) from 247m
- **43m @ 1.8% CuEq[1]** (0.1% Cu, 4.7% Zn, 21.3g/t Ag & 0.2g/t Au) from 360m (SSD174)
  - Including **5m @ 5.0% CuEq[1]** (0.4% Cu, 13.5% Zn, 13.5g/t Ag & 0.1g/t Au) from 395m
- **40m @ 1.5% CuEq[1]** (4.0% Zn, 26.0g/t Ag & 0.2g/t Au) from 366m (SSD168; Exploration)
  - Including **4m @ 5.8% CuEq[1]** (16.2% Zn, 84.4/t Ag & 0.5g/t Au) from 366m
- **23m @ 2.6% Cu** from 295m (SSD167; Main Fault Target)
  - Including **3m @ 11.8% Cu** from 295m

Exploration results from the new Hanging Wall Zinc mineralisation include:

- **20m @ 7.5% Zn,** 0.4% Cu, 36.5g/t Ag & 0.2g/t Au (2.8% CuEq[1]) from 208m (SSD134).
- **20m @ 7.2% Zn,** 0.3% Cu, 26.4g/t Ag & 0.2g/t Au (2.6% CuEq[1]) from 236m (SSD144).
- **8m @ 5.5% Zn,** 0.1% Cu, 30.1g/t Ag & 0.3g/t Au (1.8% CuEq[1]) from 236m (SSD133).

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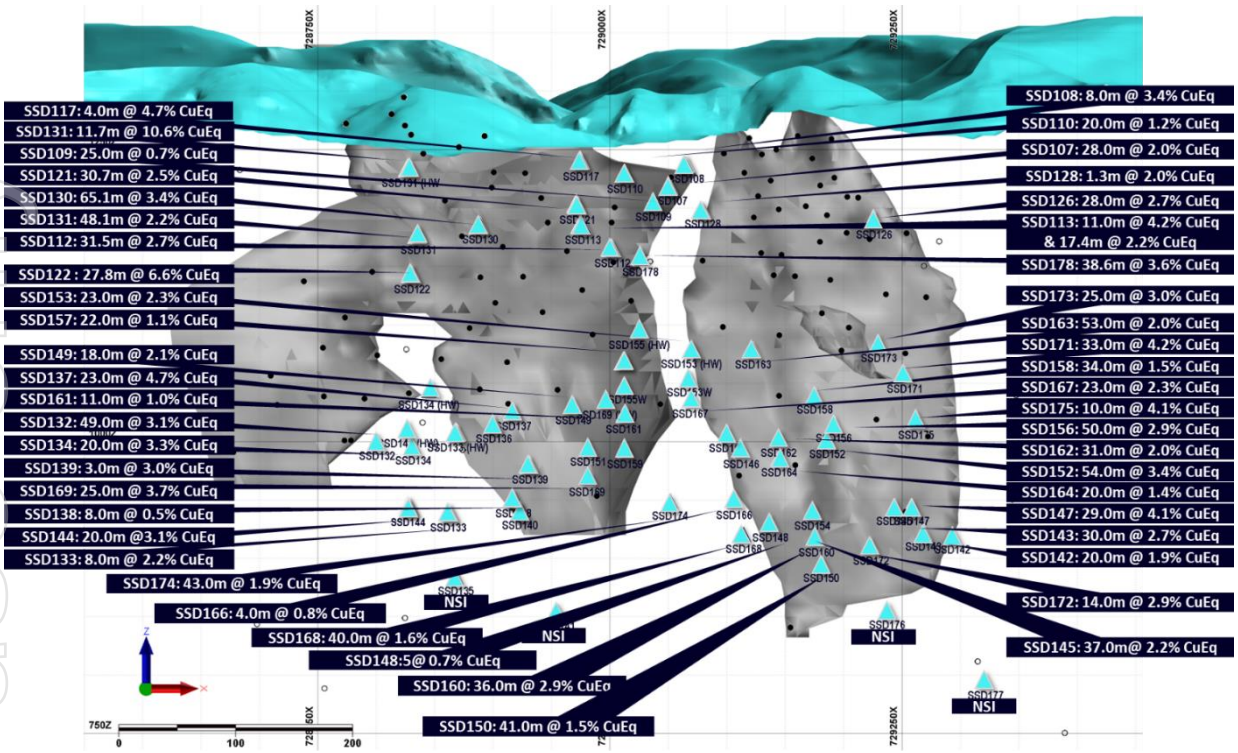


Figure 1. Sulphur Springs 2021 drilling long-section.

1. **Copper Equivalent (%) =** Cu grade% * Cu recovery + ((Pb grade % * Pb recovery % * (Pb price $/t/Cu price$/t)) + (Zn grade % * Zn recovery % * (Zn price $/t/Cu price $/t)) + (Ag grade g/t /31.103 * Ag recovery % * (Ag price $/oz/Cu price $/t))

Develop Underground Services Division

During the quarter, Develop continued to implement its growth strategy by establishing the Company's Underground Services division with the award of the ~$A400 million Bellevue Gold mining agreement (see ASX release dated April 14, 2022). The agreement covers a period of almost four years for the construction, development and production activities at the underground mine.

Work under the agreement commenced at Bellevue Gold's Mine in Western Australia on the 24 May 2022. From this period the underground division completed 404 meters of underground development, which is ahead of the contract schedule. The first full month of development in June was a site record.

Develop also confirmed that it has entered into a binding letter of intent (LOI) pursuant to which it has agreed to acquire Premium Mining & Civil Pty Ltd and Premium Mining Personnel Pty Ltd (together, the Premium Group (see ASX release dated May 25, 2022).

The Premium Group is a well-established provider of specialist mining personnel and equipment to the underground mining industry. This acquisition bolsters Develop's capabilities in providing underground expertise and equipment, both of which are in extremely high demand and will play critical roles in helping Develop achieve its goals as a mine owner/developer and mining services business partner.

Whim Creek Join Venture (20% free carried)

Develop has a 20% free carried interest in the Whim Creek Base Metal project. During the quarter project partner Anax Metal Limited (ASX: ANX) released results from near mine drilling Whim Creek along with several exploration updates (refer ASX 8 March, 7 April, 12 April 2022). Highlights include:

- Metallurgical and Geotechnical drilling completed at Salt Creek, Mons Cupri and Evelyn Deposits.
- Massive sulphide mineralisation over true widths up to 15 m at the Evelyn Deposit and massive to semi-massive sulphides at the Salt Creek Deposit.
- Continuous XRF analysis underway on Evelyn drillholes.
- Metallurgical ore sorting, comminution and flotation test work to commence on representative. samples from Evelyn and Salt Creek shortly.
- Numerous gold and PGE targets identified in soil sampling programmes.

The company will continue to update shareholders as further results are released.

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Evelyn Project [E47/1209]

Field investigations completed for an exploration drilling programme scheduled to commence at the Evelyn Prospect in July 2022. The planned programme is designed to test several FLEM targets north of Anax Metals Evelyn Resource (see ANX Metals announcement 17 January 2022).

Corporate

Develop successfully completed the acquisition of the Woodlawn zinc-copper mine in NSW (see ASX release dated 20 May 2022 and 17 February 2022 for further details).

Following execution of the Formal Agreement to confirm the LOI, the Notice of Meeting in respect to the acquisition of the Premium Group will set out further details and will be sent to Develop shareholders in coming weeks.

Securities Information

The Company's issued capital at the date of this announcement is:

Security Class	Issued Capital
DVP Fully Paid Ordinary Shares	161,097,317
Unlisted Performance Rights	1,127,267
Unlisted Options (various expiry dates and exercise prices)	49,436,843

Financial Information

The Company's net cash position on 30 June 2022 was $43 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Information as disclosed in the Cash Flow Report:

- Exploration and Evaluation during the quarter was $446,000.
- There were no mining production and development activities during the quarter.
- Payments to related parties of the Company and their associates during the quarter was $146,000. The Company advises that this relates to executive directors' salaries, non-executive directors' fees, and superannuation.

This announcement is authorised for release by Bill Beament, Managing Director.

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About Develop

Develop (ASX: DVP) has a twin-pronged strategy for creating value. The first of these centres on the exploration and production of future-facing metals. As part of this, the Company owns the Sulphur Springs copper-zinc-silver project in WA's Pilbara region. This project is currently the focus of ongoing exploration to grow the inventory and various development studies. Develop also owns the Woodlawn zinc-copper project in NSW. Woodlawn, which is on care and maintenance, comprises an underground mine and a new processing plant. The second plank of Develop's strategy centres on the provision of underground mining services. As part of this, Develop has an agreement with Bellevue Gold (ASX: BGL) to provide underground mining services at its Bellevue Gold Project in

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Interests in Mining Tenements

AREA OF INTEREST	TENEMENTS	GROUP INTEREST	EXPIRY
Sulphur Springs	M45/494	100%	21/10/2032
	M45/587	100%	6/09/2032
	M45/653	100%	28/09/2037
	M45/1001	100%	21/01/2029
	E45/4811	100%	27/03/2023
	E45/4993	100%	10/04/2023
	E 45/6033	100%	Application
	E 45/6034	100%	Application
	L45/166	100%	30/04/2030
	L45/170	100%	19/09/2030
	L45/173	100%	24/08/2033
	L45/179	100%	31/03/2032
	L45/188	100%	19/11/2030
	L45/189	100%	19/11/2030
	L45/287	100%	27/09/2033
	M45/1254	100%	10/10/2038
	M45/1265	100%	Application
Evelyn	E47/1209*	100%	26/09/2021
Whim Creek Anax JV	M47/236	20%	26/07/2032
	E47/3495	20%	31/07/2022
	M47/237	20%	26/07/2032
	M47/238	20%	26/072032
	M47/443	20%	1/06/2040
	L47/36	20%	18/01/2023
	M47/323	20%	3/062035
	M47/324	20%	3/06/2035
	M47/1455	20%	3/04/2033
Woodlawn	S(C&PL) L20	100%	16/11/2029
	EL7257	100%	14/11/2026
	EL8325	100%	2/12/2023
	EL8353	100%	17/03/2024
	EL8623	100%	17/07/2023
	EL8712	100%	5/03/2024
	EL8796	100%	25/09/2024
	EL8797	100%	25/09/2024
	El8945	100%	19/02/2023
	EL8318	20%	3/11/2023
	EL5878	20%	24/07/2023
Alchemy JV	EL7941	20%	23/05/2022
	EL8267	20%	12/05/2023
	EL8356	20%	12/05/2023
	EL8192	20%	30/10/2021
	EL8631	20%	26/07/2025
	EL8711	20%	5/03/2023
	EL7954	20%	19/06/2022
	EL8400	20%	20/10/2024
SKY Metal JV	EL8573	20%	23/05/2023
	EL8400	20%	20/10/2024
	EL8573	20%	23/05/2023

Note: #80% interest in tenement transferred to Anax Metals Limited under the terms of the Whim Creek earn in and joint venture agreement.

*The company has made an application for a 12-month extension of term on E47/1209 to DMIRS.

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Table 3. Sulphur Springs Mineral Resources Table

MINERAL RESOURCES						
Location	**JORC Classification**	**Tonnes ('000t)**	**Cu %**	**Zn %**	**Pb %**	**Ag g/t**
Sulphur Springs	Measured	-	-	-	-	-
	Indicated	9,400	1.5	3.8	0.2	17.0
	Inferred	4,400	1.4	3.7	0.2	18.0
	Sub-total	**13,800**	**1.5**	**3.8**	**0.2**	**17.0**
Kangaroo Caves	Measured	-	-	-	-	-
	Indicated	2,300	0.9	5.7	0.3	13.6
	Inferred	1,300	0.5	6.5	0.4	18.0
	Sub-total	**3,600**	**0.8**	**6.0**	**0.3**	**15.0**
	Project total	**17,400**	**1.3**	**4.2**	**0.2**	**17.0**

Note. Totals may not balance due to rounding. The resource is reported at a cut-off grade of 0.4% copper and then less than 0.4% copper and greater than or equal to 2% zinc (see ASX release 21 March 2018 & 22 September 2015).

Notes.

1. *Reported intercepts are determined using averages of length weighted contiguous mineralisation downhole. The lower cut-offs for are 0.5% for copper and 1.0% for zinc. Significant intercepts may include samples below the cut-off values if the interval is less than or equal to 2m or two sample intervals down hole. Totals may not balance due to rounding.*
2. *The copper equivalent grades (Cu Eq) are based on copper, silver, lead and zinc prices of US$9340/t Copper, US$21.6/oz Silver, US$2118/t Lead and US$3668/t Zinc with overall recoveries of 86.8%, 46.0%, 0.0% and 93.6% respectively (price deck based on 3-month LME as 12/05/22, recoveries based on 2018 DFS (see ASX release 10 October 2018).*
3. *The copper equivalent calculation is as follows: Cu Eq = Cu grade% * Cu recovery + ((Pb grade % * Pb recovery % * (Pb price $/t/Cu price$/t)) + (Zn grade % * Zn recovery % * (Zn price $/t/Cu price $/t)) + (Ag grade g/t /31.103 * Ag recovery % * (Ag price $/oz/Cu price $/t))*
4. *Reported on 100% Basis.*
5. *It is the opinion of Develop Global and the Competent Person that all elements and products included in the metal equivalent formula have a reasonable potential to be recovered and sold.*

Competent Person Statement

The information in this announcement that relates to Exploration Results at the Sulphur Springs Project is based on information by Mr Luke Gibson who is an employee of the Company. Mr Gibson is a member of the Australian Institute of Geoscientists and Mr Gibson has sufficient experience with the style of mineralisation and the type of deposit under consideration. Mr Gibson consents to the inclusion in the report of the results reported here and the form and context in which it appears.

The information contained in this announcement relating to the Kangaroo Caves Resources was previously released in announcements issued 22 September 2015, based on information compiled or reviewed by Mr David Milton, Hardrock Mining Consultants Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Milton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources".

The information contained in this announcement relating to the Sulphur Springs Resources was previously released in announcements issued 21 March 2018, based on information compiled or reviewed by Mr David Milton of Mil Min Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Milton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources".

The information contained in this announcement relating to the Sulphur Springs Reserves was previously released in ASX announcement dated 10th October 2018 based on information compiled or reviewed by Mr Daniel Donald, of Entech Pty Ltd who is a member of the Australasian Institute of Mining and Metallurgy. Mr Donald has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to quality as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Reserves".

The Company confirms that: a) The form and context of the material in this announcement has not been materially modified from the above previous announcements; b) It is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimate in DFS announcement issued 10 October 2018 continue to apply and have not materially changed; and c) It is uncertain that following further exploration and evaluation that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC 2012 Code.