

# Develop Global Limited

ACN 122 180 205

## Retail Entitlement Offer Information Booklet

Details of a fully underwritten 1 for 18.6 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares in Develop Global Limited at an offer price of \$3.30 per New Share.

The offer closes at 5.00pm (Sydney time) on Monday, 7 March 2022 (unless otherwise extended).

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form. Both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the Entitlement Offer Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period, or go to <https://events.miracle.com/dvp-offer>.

Not for release to US wire services or distribution in the United States

## IMPORTANT NOTICES

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide whether to participate in the Retail Entitlement Offer. In particular, the Investor Presentation reproduced in section 3 of this Information Booklet details important factors and risks that could affect the financial and operating performance of Develop Global Limited (ACN 122 180 205) (Develop or the Company). Please refer to the "Key Risks" section of the Investor Presentation for details. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues.

### NOT A PROSPECTUS, NOT INVESTMENT ADVICE OR FINANCIAL PRODUCT ADVICE

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the ASIC Instruments). All references in this Information Booklet to the Corporations Act are references to the Corporations Act as modified by the ASIC Instruments.

The information in this Information Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Information Booklet does not contain all the information which a prospective investor may require to make an informed decision in relation to the application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with Develop's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Develop is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC nor ASX takes responsibility for the contents of this Information Booklet.

### FUTURE PERFORMANCE

This Information Booklet contains certain forward looking statements and comments about future events, including Develop's expectations about the performance of its business and operations, and the effect of the proceeds raised under the Equity Raising on its business and operations. Forward looking statements can generally be identified by the use of forward looking words such as, "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely",

"intend", "should", "could", "may", "target", "guidance", "plan", and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Retail Entitlement Offer. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements and include statements in this Information Booklet regarding the conduct and outcome of the Equity Raising and the use of proceeds.

You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Develop, its directors and management. A number of important factors could cause Develop's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors set out in the "Key Risks" sections of the Investor Presentation. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. Subject to any continuing obligations under applicable law or any relevant Listing Rules, Develop disclaims any intent or obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise.

### PAST PERFORMANCE

Investors should note that any reference to Develop's past performance in this Information Booklet is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Develop's future financial position, operating or financial performance, or share price performance. The historical information (including any pro forma historical financial information) is not represented as being indicative of Develop's views on its future financial condition and/or performance.

### DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Develop, or its related bodies

corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Develop, or any other person, warrants or guarantees the future performance of Develop or any return on any investment made in connection with this Information Booklet.

#### FOREIGN JURISDICTIONS

This Information Booklet, including any accompanying ASX announcements, the Investor Presentation reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the New Shares or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia unless otherwise specified.

The distribution of this Information Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of the information in this Information Booklet, you should observe such restrictions.

This Information Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or elsewhere outside the Permitted Jurisdictions. None of this Information Booklet, any accompanying ASX announcements, the Investor Presentation reproduced in it or the Entitlement and Acceptance Form may be distributed to or released in the United States or elsewhere outside the Permitted Jurisdictions. See section 4.9 for further information on foreign offer restrictions.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may only be offered and sold in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. In particular, the New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions", as defined and in compliance with Regulation S under the U.S. Securities Act.

#### LEAD MANAGER

The Lead Manager has acted as lead manager to, and underwriter of, the Entitlement Offer (including the Retail Entitlement Offer). Neither the Lead Manager, nor any of its affiliates or related bodies corporate (as that term is defined in the Corporations Act), nor any of its directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries (together the Lead Manager Parties), nor the advisers to the Company or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this

Information Booklet (or any other materials released by the Company) and, except to the extent expressly referred to in this Information Booklet, none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by any of them.

The Lead Manager Parties take no responsibility for any part of this Information Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, the Lead Manager excludes and disclaims all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Information Booklet or otherwise arising in connection with it.

The Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and, by returning your personalised Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on your personalised Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The Lead Manager is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

The Lead Manager is acting for and providing services to the Company in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders or potential investors. The Lead Manager has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Lead Manager is not intended to create any fiduciary obligations, agency or other relationship between the Lead Manager and the Company, Shareholders or potential investors.

The Lead Manager will receive fees and expenses for acting as sole lead manager and underwriter to the Entitlement Offer. The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from the Company and may in the future be lenders to the Company or its affiliates.

#### DEFINITIONS, TIME AND CURRENCY

Defined terms used in this Information Booklet are contained in section 5. All references to time are to Sydney time unless otherwise indicated.

All references to dollars (\$) or cents (¢) in this Information Booklet are to Australian currency unless otherwise indicated.

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## CHAIRMAN'S LETTER

Thursday, 24 February 2022

Dear Shareholder,

On behalf of the directors of Develop Global Limited (Develop or the Company), I am pleased to invite you to participate in a 1 for 18.6 accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares in Develop (New Shares) at an offer price of \$3.30 (Offer Price) per New Share (Entitlement Offer).

On 17 February 2022, Develop announced the proposed acquisition of all of the shares in Heron Resources Limited (Administrators Appointed) (including the Woodlawn Zinc-Copper Project) under a Deed of Company Arrangement (Proposed Acquisition) and its intention to raise approximately \$50 million in total under the Entitlement Offer and a placement to institutional shareholders (Placement). Develop intends to raise approximately \$25 million under the Entitlement Offer and \$25 million under the Placement.

Together, the Entitlement Offer and Placement are the Equity Raising or the Offer.

In addition to the Equity Raising, Develop intends to issue up to A\$1 million worth of New Shares to certain directors of Develop (subject to shareholder approval).

### The Equity Raising

The Entitlement Offer will be conducted in two stages:

- an accelerated non-renounceable institutional entitlement offer of New Shares to eligible institutional shareholders (Institutional Entitlement Offer), which is already complete and which was conducted in conjunction with the Placement; and
- a non-renounceable retail entitlement offer of New Shares to eligible retail shareholders (Retail Entitlement Offer), which will be conducted in accordance with the Key Dates for the Entitlement Offer set out below.

This information booklet relates to the Retail Entitlement Offer (Information Booklet). Under the Retail Entitlement Offer, eligible retail shareholders are entitled to subscribe for 1 New Share for every 18.6 existing fully paid ordinary shares in Develop (Shares) held at 7:00pm (Sydney time) on Monday, 21 February 2022 (Record Date), at the Offer Price of \$3.30 per New Share (Entitlement). This is the same price that was offered to institutional investors who participated in the Institutional Entitlement Offer and the Placement. The Offer Price represents:

- 4.1% premium to the last traded price of Develop shares on ASX of A\$3.17 on Wednesday, 16 February 2022; and
- 5.2% premium to the 5-day volume average weighted price (VWAP) for the period ending on Wednesday, 16 February 2022.

New Shares will be issued on a fully paid basis and will, from their date of issue, rank equally with existing Shares then on issue.

The Retail Entitlement Offer closes at 5.00 (Sydney time) on Monday, 7 March 2022 (unless extended).

The Equity Raising is lead managed and fully underwritten by Canaccord Genuity (Australia) Limited (Canaccord) (the Lead Manager). A summary of the key terms of the underwriting agreement is provided in the investor presentation released by Develop in connection with the Equity Raising (Investor Presentation) on Thursday, 17 February 2022 and incorporated in section 3 of this Information Booklet.

In addition to the Placement and Entitlement Offer, Develop intends to issue up to A\$1 million worth of New Shares to Develop directors (Director Placement). The Director Placement is not underwritten and will be undertaken at the same issue price as the Equity Raising. The Director Placement is subject to shareholder approval.

#### Use of proceeds

The Equity Raising seeks to raise at least \$50 million in gross proceeds, which will be used by the Company to fund:

- upfront cash consideration amount of A\$15 million payable on Effectuation of the Deed of Company Arrangement for the Proposed Acquisition;
- exploration costs and care & maintenance costs for the Woodlawn Zinc-Copper Project; and
- working capital including transaction costs incurred in connection with the Proposed Acquisition and Equity Raising\*.

Details about the use of proceeds from, and the conditions and risks associated with, the Equity Raising as well as further information about the Proposed Acquisition, are set out in the Investor Presentation (a copy of which is incorporated in section 3 of this Information Booklet).

#### Information Booklet

This Information Booklet is important and requires your immediate attention. It is accompanied by your personalised Entitlement and Acceptance Form, which contains details of your Entitlement, as includes important information, such as:

- key dates for the Entitlement Offer;
- instructions on how to apply, setting out how to accept all or part of your Entitlement in the Retail Entitlement Offer if you choose to do so; and
- the ASX Offer Announcements in respect of the Equity Raising.

The Retail Entitlement Offer closes at 5:00 pm (Sydney time) on Monday, 7 March 2022 (unless extended).

To participate, you need to ensure that you have completed your application by:

- paying Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form so that your payment via BPAY® has been received by Develop by 5:00 pm (Sydney time) on Monday, 7 March 2022, or by accessing your payment details at the offer website – <https://events.miracle.com/dvp-offer>; or
- lodging your Entitlement and Acceptance Form, together with payment of Application Monies, by cheque, bank draft or money order so that it is received by Develop (care of Link Market Services Limited) by 5:00 pm (Sydney time) on Monday, 7 March 2022.

Develop encourages eligible retail shareholders to submit their application online through the offer website (<https://events.miracle.com/dvp-offer>), as there can be no guarantee that an application lodged by post will be received by Develop before the close of the Retail Entitlement Offer (5.00 pm (Sydney time) on Monday, 7 March 2022).

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\* Develop reserves the right to change its intentions in relation to the use of funds. If completion of the Proposed Acquisition does not occur, Develop will consider alternative uses for, or ways to return the proceeds of, any subscriptions raised under the Offer. In these circumstances, certain transaction costs such as underwriting and advisory fees will still be payable by Develop.

Please refer to the instructions in section 2 of this Information Booklet for further information.

#### No Entitlements trading

Your Entitlement cannot be traded on ASX or any other exchange or privately transferred. If you do not take up some or all of your Entitlement, your rights will lapse. Please see section 1.5 for more information.

#### Additional information

Further information on the Entitlement Offer is detailed in this Information Booklet. You should read the entirety of this Information Booklet carefully (including the "Key Risks" sections of the Investor Presentation) before deciding whether to participate in the Entitlement Offer.

If you have any further questions, you should seek advice from your stockbroker, accountant or other independent professional adviser.

On behalf of the board of directors of Develop, I thank you for your ongoing support.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long, sweeping horizontal line that ends in a small arrowhead.

Michael Blakiston  
Chairman  
Develop Global Limited

## KEY DATES FOR THE ENTITLEMENT OFFER

| EVENT                                                                                                       | DATE                       |
|-------------------------------------------------------------------------------------------------------------|----------------------------|
| Placement and Entitlement Offer announced and Institutional Entitlement Offer opens                         | Thursday, 17 February 2022 |
| Institutional Entitlement Offer closes                                                                      | Friday, 18 February 2022   |
| Record Date to determine eligibility for Entitlement Offer (7.00pm Sydney time)                             | Monday, 21 February 2022   |
| Retail Entitlement Offer opens and Information Booklet despatched                                           | Thursday, 24 February 2022 |
| Settlement of the Institutional Entitlement Offer                                                           | Friday, 25 February 2022   |
| Allotment and commencement of trading of New Shares under the Institutional Entitlement Offer and Placement | Monday, 28 February 2022   |
| Retail Entitlement Offer closes (5.00pm Sydney time)                                                        | Monday, 7 March 2022       |
| Settlement of the Retail Entitlement Offer                                                                  | Friday, 11 March 2022      |
| Allotment and issue of New Shares under the Retail Entitlement Offer                                        | Monday, 14 March 2022      |
| Commencement of trading of New Shares issued under the Retail Entitlement Offer                             | Tuesday, 15 March 2022     |
| Holding statements despatched                                                                               | Wednesday 16 March 2022    |

Note: The timetable above is indicative only and subject to change. Develop, with the consent of the Lead Manager, reserves the right to amend any or all of these events, dates and times (at all times subject to the Corporations Act, the Listing Rules and other applicable laws).

In particular, Develop reserves the right to extend the closing date of the Entitlement Offer, to accept late applications (either generally or in particular cases) or to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

### Enquiries

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the Entitlement Offer Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period, or go to <https://events.miracle.com/dvp-offer>

## 1. OVERVIEW OF THE ENTITLEMENT OFFER

### 1.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 7.6 million New Shares at the Offer Price of \$3.30 per New Share. Under the Entitlement Offer, all Eligible Institutional Shareholders and all Eligible Retail Shareholders are entitled to subscribe for 1 New Share for every 18.6 Shares held at 7:00 pm (Sydney time) on the Record Date.

The Entitlement Offer comprises two parts, being:

- the Institutional Entitlement Offer: Eligible Institutional Shareholders were invited to take up their Entitlements. The Institutional Entitlement Offer closed on Friday, 18 February 2022; and
- the Retail Entitlement Offer: Eligible Retail Shareholders are now being invited to take up all or part of their Entitlements. The Retail Entitlement Offer closes at 5:00 pm (Sydney time) on Monday, 7 March 2022 (unless otherwise extended).

The Entitlement Offer is non-renounceable, which means that Entitlements are personal to you and non-transferable and cannot be sold or traded on ASX or any other securities exchange, or assigned or otherwise dealt with.

New Shares issued under the Entitlement Offer will, from their date of issue, rank equally with existing Shares then on issue.

### 1.2 Underwriting

The Entitlement Offer is lead managed and fully underwritten by Canaccord. A summary of the key terms of the underwriting agreement is provided in Appendix D of the Investor Presentation incorporated at section 3 of this Information Booklet.

### 1.3 Who is eligible to participate in the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 18.6 Shares held at the Record Time (7:00 pm (Sydney time) on Monday, 21 February 2022), at the Offer Price of \$3.30 per New Share.

Eligible Retail Shareholders are those Shareholders who:

- (a) are registered as a holder of a Share at the Record Time, being 7:00 pm (Sydney time) on Monday, 21 February 2022;
- (b) as at the Record Time have a registered address in Australia or New Zealand as recorded on Develop's share register;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
- (d) are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Develop may (in its absolute sole discretion) extend the Retail Entitlement Offer to any institutional shareholder who was eligible to participate in the Institutional Entitlement Offer

but was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Entitlement Offer, (subject to compliance with applicable laws).

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Develop and the Lead Manager. To the maximum extent permitted by law, each of Develop and the Lead Manager and each of their respective affiliates disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion.

#### 1.4 What is your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 18.6 Shares you held at the Record Time, being 7:00 pm (Sydney time) on Monday, 21 February 2022. If the result is not a whole number your Entitlement will be rounded up to the nearest whole number. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see definition of Eligible Retail Shareholders in section 1.3 of this Information Booklet).

#### 1.5 Can you trade your Entitlement

The Entitlement Offer is non-renounceable, which means that your Entitlement is personal to you, is non-transferable, and cannot be sold or traded on ASX (or any other securities exchange), or assigned or otherwise dealt with. If you do not take up your Entitlements by 5:00 pm (Sydney time) on Monday, 7 March 2022, your Entitlement will lapse.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares you would have acquired had you taken up your Entitlement, and you will not receive any value for your Entitlement. Your percentage shareholding in Develop will also be diluted to the extent that New Shares are issued under the Entitlement Offer.

#### 1.6 Reconciliation

The Entitlement Offer is a complex structure and in some instances Shareholders may believe that they will own more Shares in Develop than they actually do on the Record Date. This results in a need for reconciliation.

If reconciliation is required, it is possible that Develop may need to issue a small quantity of additional New Shares (Top Up Shares) to ensure all Eligible Shareholders receive their full Entitlement. Any Top Up Shares will be issued at the Offer Price.

#### 1.7 ASX quotation

Subject to approval being granted, quotation of the New Shares is expected to commence on:

- Monday, 28 February 2022, for New Shares issued under the Institutional Entitlement Offer (on a normal settlement basis); and

- Tuesday, 15 March 2022, for New Shares issued under the Retail Entitlement Offer (on a normal settlement basis).

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk.

Develop and the Lead Manager disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Develop, the Lead Manager, the Registry or otherwise.

## 1.8 Ineligible Retail Shareholders

All Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders are Ineligible Retail Shareholders. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

Develop has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to:

- the number of Shares held by Ineligible Retail Shareholders in each applicable jurisdiction;
- the number and value of New Shares that Ineligible Retail Shareholders in each applicable jurisdiction would be offered; and
- the cost of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in each of those places.

## 1.9 Fractional Entitlements

No fractions of New Shares will be issued. Any fractional Entitlements have been rounded up to the nearest whole number.

## 1.10 Rights of Develop and the Lead Manager

### (a) Adjusting Entitlements

Develop reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

### (b) Acknowledgement

By taking up or exercising an Entitlement, Eligible Shareholders irrevocably acknowledge and agree that Develop and the Lead Manager may do anything contemplated by paragraph 1.10(a) above or otherwise in this Information Booklet. Shareholders also acknowledge that:

- there is no time limit on the ability of Develop and the Lead Manager to require any of the actions set out above; and
- where Develop and the Lead Manager exercise their right to correct a Shareholder's Entitlement, the Shareholder is treated as continuing to accept or not take up any remaining Entitlement (as the case may be).

## 2. HOW TO APPLY

### 2.1 What you may do – choices available

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser. You should also read this Information Booklet in full, including the "Key Risks" section of the Investor Presentation.

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form, or by accessing the offer website at <https://events.miracle.com/dvp-offer> (you will need your SRN or HIN and your postcode). If you are an Eligible Retail Shareholder, you may do any one of the following.

- (1) Take up all of your Entitlement (see section 2.2 of this Information Booklet).
- (2) Take up part of your Entitlement and let the balance lapse (see section 2.3 of this Information Booklet).
- (3) Do nothing and let your Entitlement lapse (see section 2.4 of this Information Booklet).

You should bear in mind that if you do not take up all of your Entitlement, your percentage shareholding in Develop will be diluted.<sup>†</sup>

Develop reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. The directors of Develop reserve the right to issue any shortfall (including any excess shortfall) under the Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Lead Manager or to third party investors as directed by the Lead Manager.

### 2.2 If you wish to take up all of your Entitlement

(BPAY®<sup>‡</sup>): If you decide to take up all of your Entitlement and you wish to pay by BPAY® you should:

- make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are applying for, which must not exceed an aggregate total of 100% of your Entitlement) so that it is received by 5:00 pm (Sydney time) on Monday, 7 March 2022; and
- note that if you choose to pay by BPAY®, you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

(Cheque, bank draft or money order): If you wish to take up all of your Entitlement and you wish to pay by cheque, bank draft or money order you should:

- complete the personalised Entitlement and Acceptance Form by following the instructions set out on the personalised Entitlement and Acceptance Form or access the offer website at <https://events.miracle.com/dvp-offer> (you will need your SRN or HIN and postcode);

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<sup>†</sup> Please note that all retail shareholders of Develop, including Eligible Retail Shareholders who take up all of their Entitlement under the Retail Entitlement Offer, will have their percentage shareholding in Develop diluted as a result of the issue of new shares under the Placement.

<sup>‡</sup> BPAY® is a bill payment service. For further information, please see <http://www.bpay.com.au/>.

- attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are applying for, comprising your Entitlement) to the form; and
- return the Entitlement and Acceptance Form together with payment to the Registry so that it is received by 5:00 pm (Sydney time) on Monday 7 March 2022.

Application Monies received by Develop in excess of the amount in respect of your Entitlement will be refunded without interest.

If you take up and pay for your Entitlement so that payment is received by 5:00 pm (Sydney time) on Monday, 7 March 2022, you will be allotted your New Shares on Monday, 14 March 2022. Develop's decision on the number of New Shares allotted to you will be final.

### 2.3 If you wish to take up part of your Entitlement

(BPAY®): If you wish to take up part of your Entitlement and reject the balance and you wish to pay by BPAY® you should:

- make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself), so that it is received by 5:00 pm (Sydney time) on Monday, 7 March 2022; and
- note that if you choose to pay by BPAY®, you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

(Cheque, bank draft, money order): If you wish to take up part of your Entitlement and reject the balance and you wish to pay by cheque, bank draft or money order you should:

- complete the personalised Entitlement and Acceptance Form by following the instructions set out on the personalised Entitlement and Acceptance Form indicating the number of New Shares you wish to take up (this will be less than your Entitlement as specified on the Entitlement and Acceptance Form);
- attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) to the form; and
- return the Entitlement and Acceptance Form to the Registry so that it is received by 5:00 pm (Sydney time) on Monday, 7 March 2022.

If you take up and pay for part of your Entitlement so that payment is received by 5:00 pm (Sydney time) on Monday, 7 March 2022, you will be allotted your New Shares on Monday, 14 March 2022. Develop's decision on the number of New Shares allotted to you will be final.

### 2.4 If you do not wish to take up your Entitlement

If you do not wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares you would have acquired had you taken up your Entitlement and you will not receive any

value for your Entitlement. Your percentage shareholding in Develop will also be diluted to the extent that New Shares are issued under the Entitlement Offer.<sup>s</sup>

## 2.5 Payment

### (a) General

The Offer Price of \$3.30 per New Share accepted is payable on acceptance of your Entitlement. Payment must be received by 5.00 pm (Sydney time) on Monday, 7 March 2022, and must be in Australian currency.

You can pay by:

- BPAY®; or
- cheque, bank draft or money order.

Develop encourages eligible retail shareholders to submit their application through the offer website (<https://events.miracle.com/dvp-offer>), as there can be no guarantee that an application made by post will be received by Develop before the close of the Retail Entitlement Offer (5.00 pm (Sydney time) on Monday, 7 March 2022).

Cash payments will not be accepted. Receipts for payment will not be issued.

Application Monies received from Eligible Retail Shareholders will be held on trust by Develop for applicants until the New Shares are allotted.

Develop reserves the right to withdraw or cancel the Entitlement Offer at any time prior to the allocation of New Shares under the Institutional Entitlement Offer. If the Entitlement Offer is withdrawn or cancelled, all Application Monies will be refunded without interest. To the fullest extent permitted by law, each Eligible Retail Shareholder agrees that any Application Monies paid by them to Develop will not entitle them to any interest against Develop, and that any interest earned in respect of Application Monies will belong to Develop. This will be the case, whether or not all or none (if the Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

Develop will treat you as applying for as many New Shares as your payment will pay for in full, up to your Entitlement.

### (b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Entitlement and Acceptance Form. If you have multiple holdings and receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, please only use the Customer Reference Number specific to the Entitlement on that form. If you do not use the correct Customer Reference Number specific to that holding,

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<sup>s</sup> Please note that all retail shareholders of Develop, including Eligible Retail Shareholders who take up all of their Entitlement under the Retail Entitlement Offer, will have their percentage shareholding in Develop diluted as a result of the issue of new shares under the Placement.

your application will not be recognised as valid. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied for only your Entitlement to which that Customer Reference Number applies, and any excess amount will be refunded.

Please bear in mind that, should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form, but are taken to have made the statements on that personalised Entitlement and Acceptance Form; and
- if you pay for less than your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5:00 pm (Sydney time) on Monday, 7 March 2022.

You should be aware that your Australian financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

(c) Payment by cheque, bank draft or money order

Your cheque, bank draft or money order must be:

- for an amount equal to \$3.30 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution; and
- payable to "Develop Global Limited – Entitlement Offer" and crossed "Not Negotiable".

If you wish to pay by cheque, bank draft or money order, you must also complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it to the Registry address below accompanied by a cheque, bank draft or money order prior to 5:00 pm (Sydney time) on Monday, 7 March. You should consider postal and cheque clearance timeframes in order to meet this deadline.

Develop Global Limited  
c/o Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001  
Australia

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies, as your cheque, bank draft or money order (as applicable) will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which the cheque, bank draft or money order clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and you will be taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

## 2.6 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. Develop's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Entitlement Offer, you:

- (a) declare that:
  - (i) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
  - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer and your personalised Entitlement and Acceptance Form; and
  - (iii) you were the registered holder(s) at the Record Time of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Time;
- (b) acknowledge that:
  - (i) once Develop receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
  - (ii) you have read and understood this Information Booklet and the personalised Entitlement and Acceptance Form;
  - (iii) the information contained in this Information Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial circumstances or particular needs;
  - (iv) this Information Booklet is not a prospectus, product disclosure statement or offer document, does not contain all of the information you may require in order to assess an investment in Develop and is given in the context of Develop's past and ongoing continuous disclosure announcements to ASX;
  - (v) the eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Develop and the Lead Manager;
  - (vi) to the maximum extent permitted by law, each of Develop and the Lead Manager disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion; and
  - (vii) neither Develop nor the Lead Manager guarantee the performance of the New Shares or the performance of Develop nor do they guarantee the repayment of capital from Develop;

- (c) agree to:
  - (i) apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$3.30 per New Share; and
  - (ii) be bound by the terms of the Retail Entitlement Offer, this Information Booklet, and the provisions of Develop's constitution;
- (d) authorise Develop to:
  - (i) register you as the holder of any New Shares you are allotted and authorise Develop, the Lead Manager and each of their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form; and
  - (ii) correct any errors in your personalised Entitlement and Acceptance Form or other form provided to you;
- (e) represent and warrant that:
  - (i) the law of any place does not prohibit you from:
    - (A) being given this Information Booklet (or the personalised Entitlement and Acceptance Form); or
    - (B) accessing the offer website at <https://events.miracle.com/dvp-offer>; or
    - (C) making an application for New Shares; and
  - (ii) subject to 2.6(g)(vi), you are an Eligible Retail Shareholder.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer you will also be treated as:

- (f) having represented and warranted that you are not engaged in the business of distributing securities;
- (g) acknowledging on your own behalf and on behalf of each person on whose account you are acting that:
  - (i) you are not in the United States and you are not acting for the account or benefit of a person in the United States;
  - (ii) the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States;
  - (iii) the New Shares in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions", as defined and in compliance with Regulation S under the U.S. Securities Act;
  - (iv) if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in a standard brokered transaction on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;

- (v) you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand (except nominees and custodians who may distribute such materials to Institutional Investors in Permitted Jurisdictions); and
- (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is:
  - (A) resident in Australia or New Zealand or is an Institutional Investor in another Permitted Jurisdiction;
  - (B) not in the United States and not acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States); and
  - (C) is not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

### 3. ASX OFFER ANNOUNCEMENTS

ASX Announcement  
17 February 2022

*Not for release to US wire services or distribution in the United States*

# Develop agrees to acquire Woodlawn zinc-copper project in NSW for A\$30M

Acquisition includes an underground mine, new processing plant, significant JORC Reserve and Resource, all established at a cost of ~A\$340m; Initial emphasis will be on growing inventory by extending known high-grade lenses

## Key Points

- Develop has agreed to buy the Woodlawn zinc-copper mine in NSW and the extensive tenement package for A\$30m upfront and success-driven milestone payments; Acquisition comes via purchase of Heron Resources Limited (administrators appointed) pursuant to the terms of a DOCA.
- Acquisition comes with zero debt or creditor obligations
- Heron completed a substantial re-development of Woodlawn, including construction of a new box-cut, significant underground development and infrastructure to ~300m below surface and a 1.0Mtpa processing plant
- Woodlawn was put on care and maintenance in 2020 due to ramp-up issues, difficulties stemming from COVID and a corporate strategy which was not suited to this operation
- Woodlawn has a JORC-compliant Resource of 18.2Mt at 9.8% ZnEq<sup>1</sup>, which includes a high-grade underground Resource of 7.4Mt at 15.2% ZnEq<sup>1</sup>
- Woodlawn has a JORC-compliant Reserve of 12.4Mt at 7.8% ZnEq<sup>1</sup>, which includes a high-grade underground Reserve of 3.1Mt at 13.1% ZnEq<sup>1</sup>
- The mine had a profitable 20-year operating record, producing 13.8Mt at 19.7% ZnEq<sup>2</sup>
- The mineralisation is hosted in a VMS geological system with numerous lenses which all remain open at depth
- Develop's initial focus will be on growing the mineral inventory by extending the known lenses at depth; It will also undertake infill drilling to upgrade the Inferred Resource and target EM conductors identified by leading consultants NewExco during due diligence

<sup>1</sup> See Heron Resources Limited's ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019. Develop will complete a review of Heron's previously stated ore reserves and mineral resources (using its own economic assumptions and modifying factors), and will release an updated ore reserve and mineral resource to the market in due course.

<sup>2</sup> Data relates to the operational period of the Woodlawn project between 1978 and 1998, and is based on publicly available information reported by Heron. Develop has not independently verified this information. Zn equivalent calculation based on formula applied by Heron in its ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019.

- This accelerated growth strategy will involve the immediate construction of 1000m of underground development to enable drilling to be conducted from underground, increasing the speed and reducing the cost of growing the inventory
- Woodlawn acquisition meets all Develop's strategic and key investment criteria:
  - Future-facing metals (copper and zinc) in a Tier-1 location
  - World-class geology: Volcanogenic Massive Sulphide (VMS) system, strong and profitable historic production, significant potential to grow the inventory
  - Outstanding value for money: Purchase price is <10% of the previously invested capital
- Combination of the Woodlawn acquisition and Develop's rapidly emerging Sulphur Springs copper-zinc-silver project in the Pilbara will transform the Company into a major base metals group centred on future-facing metals in tier-one locations
- Develop will be able to leverage its people, particularly its underground mining expertise, across both projects, providing attractive career opportunities in the process

#### Acquisition Terms and Funding

- Develop will acquire Woodlawn for A\$15m cash and A\$15m worth of Develop shares in an upfront consideration. Acquisition comes via purchase of Heron Resources Limited (administrators appointed) pursuant to the terms of a DOCA. DOCA extinguishes historical claims of Heron, enables Develop to acquire Woodlawn unencumbered
- Develop will also make success-driven milestone payments of up to A\$70m in cash or shares (or a combination thereof) at the Company's election
- Develop will undertake a fully underwritten A\$50m equity raising via a A\$25m share placement at A\$3.30 per share and an accelerated non renounceable entitlement offer to raise a further A\$25m at the same price
- The offer price under the equity raising is a 5% premium to the five-day VWAP for the period ending on 16 February 2022, reflecting the strong support of existing shareholders
- Major shareholders Bill Beament (16%) and Mineral Resources (15%) will take up their full entitlements, totalling ~A\$8m
- In addition, Develop intends to issue up to A\$1m of additional Develop shares to Develop directors at the same issue price as under the placement and the entitlement offer, subject to shareholder approval

#### Presentation by Managing Director

- Develop Managing Director Bill Beament will deliver a presentation on the Woodlawn transaction today at 11am (AEDT) / 8am (AWST). To view the presentation, click on the link below. A recording will also be available shortly after completion of the presentation.

[https://webcast1.boardroom.media/watch\\_broadcast.php?id=620c9a0e1c785](https://webcast1.boardroom.media/watch_broadcast.php?id=620c9a0e1c785)

Develop (ASX:DVP) is pleased to announce that it has agreed to acquire the Woodlawn zinc-copper project in NSW for an upfront consideration of A\$30 million and success-driven milestone-related payments of up to A\$70 million.

The Woodlawn underground mine and processing plant was developed by Heron Resources Limited (Heron), which invested ~A\$340 million in the project before it was put on care and maintenance in 2020, and Heron was placed in administration in July 2021.

Develop's strategy will centre on growing the inventory through an aggressive underground drilling program which will target extensions to the mineralised lenses. These remain open at depth. It will also infill drill the Inferred Resource to improve the geological confidence and target EM conductors identified by leading consultants NewExco during due diligence.

Develop Managing Director Bill Beament said Woodlawn was an exceptional acquisition opportunity.

"Such outstanding acquisition opportunities are extremely rare," Mr Beament said. "Woodlawn hosts future-facing metals in a tier-one location and meets all our criteria for creating shareholder value.

"It is a substantially-developed project with extensive underground infrastructure and a new processing plant. The previous owners invested ~A\$340m to re-establish the operation.

"The geology is first-class, with a VMS system which is under-explored and open in a number of areas. We are very confident that we will be able to grow the inventory rapidly by extending the key lenses using underground drilling.

"The potential to create value for our shareholders through inventory growth is enormous.

"Woodlawn also provides us with a valuable opportunity to further leverage Develop's team of underground mining specialists, which is a key plank of our growth strategy."

Woodlawn has a strong and profitable history, producing 13.8Mt at 19.7% ZnEq<sup>3</sup> (Zinc Equivalent) from 1978-1998<sup>2</sup>, when it was closed due to depressed commodity prices and insufficient drilling to extend known mineralisation.

Heron began redeveloping Woodlawn in 2017, investing \$340m in Resource/Reserve definition, underground infrastructure and a 1.0Mtpa processing plant. However, the Company encountered ramp-up challenges and COVID-related issues in 2020, coupled with a corporate strategy that was not suited to this type of operation. As a result of these factors, the project was placed on care and maintenance in 2020.

## **Acquisition Terms**

Develop has entered into binding Co-Operation Deeds with Orion, Nomad and Castllake who, together, hold in aggregate more than 50% of the value of the total claims against Heron, pursuant to which those creditors have agreed to vote in favour of the deed of company arrangement proposed by Develop (**DOCA**) pursuant to which Develop will acquire Heron (which owns Woodlawn).

<sup>3</sup> Data relates to the operational period of the Woodlawn project between 1978 and 1998, and is based on publicly available information reported by Heron. Develop has not independently verified this information. Zn equivalent calculation based on formula applied by Heron in its ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019.

The DOCA extinguishes historical claims against Heron, to enable Develop to acquire Woodlawn unencumbered.

**The consideration payable by Develop comprises:**

- Upfront consideration of A\$30 million payable to Heron secured and unsecured creditors on effectuation of the DOCA, comprised of:
  - o A\$15m payable in cash; and
  - o A\$15m payable by the issue of new fully paid ordinary shares in Develop at an issue price of \$3.14 per share (being the 5 trading day VWAP before the date of the agreements with Heron's secured creditors)
- Aggregate contingent consideration of up to A\$70 million (in cash or Develop shares, at the Company's election) payable to Orion subject to certain milestones being met as follows:
  - o A\$12.5m payable on definition of 550,000 tonnes ZnEq underground JORC Reserves
  - o A\$7.5m payable on definition of 680,000 tonnes ZnEq underground JORC Reserves
  - o A\$20.0m payable on a positive Final Investment Decision (FID) in respect of Woodlawn
  - o A\$30.0m payable on 18 months of continuous commercial production from Woodlawn

Develop can elect to satisfy the contingent consideration in cash, Develop fully paid ordinary shares or a combination of both. Any issue of shares under the contingent consideration is subject to Develop shareholder approval and will be at the deemed issue prices based on the 5 trading day VWAP prior to the relevant milestone.

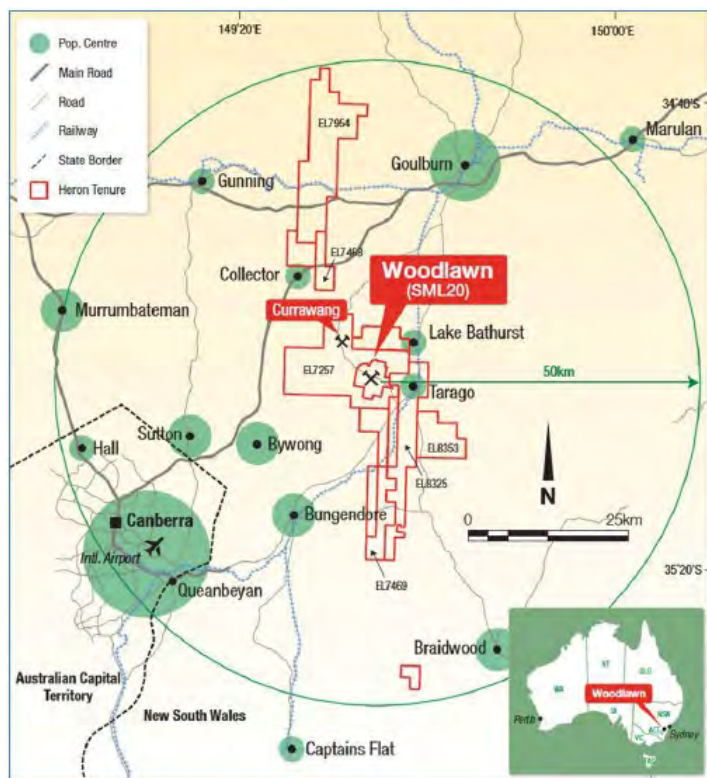
The existing Nomad stream arrangement in respect of Woodlawn will remain in place, subject to the following changes:

- The aggregate amount of silver to be delivered to Nomad will be capped at A\$27 million
- A secondary stream will be introduced in respect of tailings, under which Tarago Operations Pty Ltd (at the hands of Develop) will pay A\$1.0 million for every 1Mt of tailings ore processed at a certain tenement at Woodlawn, capped at A\$10 million

**Completion of the Acquisition is subject to:**

- Approval of the Develop DOCA by the requisite majority of Heron creditors at the Second Creditors' Meeting for Heron
- Effectuation of the DOCA occurring which is subject to the following conditions precedent:
  - o court approval of the transfer of the Heron shares to Develop pursuant to section 444GA of the Corporations Act;
  - o ASIC relief for the purposes of section 606 of the Corporations Act;
  - o ministerial approval for the change of control relating to Heron's tenements;
  - o payment by Develop of A\$8.5m to the Administrators, to form part of the trust fund used to provide a distribution to the unsecured creditors of Heron and to pay the Administrators remuneration and expenses; and
  - o execution of any documents necessary to release the securities held by Orion, Nomad and Castlake.

The Second Creditors Meeting for Heron to approve the DOCA is anticipated to be held in late February 2022. Subject to satisfaction of the conditions precedent, completion of the Acquisition is anticipated to occur in April 2022.



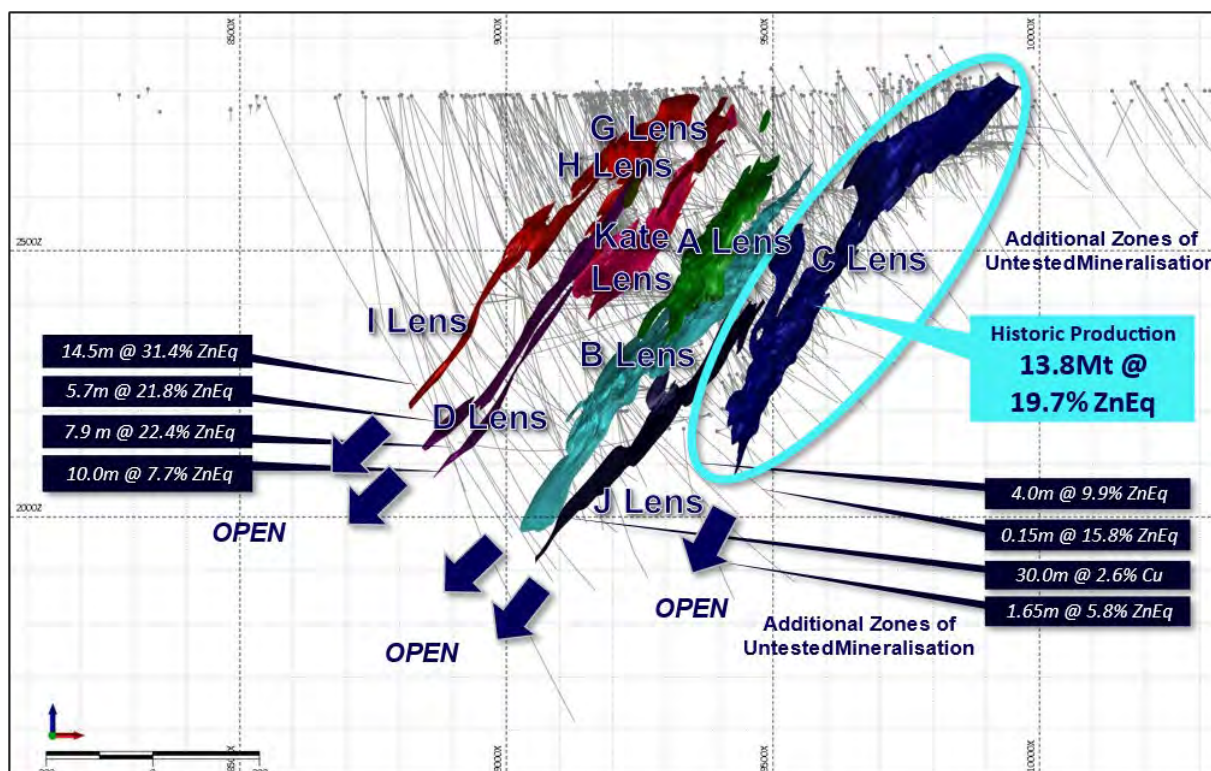
## Woodlawn Overview and Develop Strategy

Woodlawn is a high-grade VMS base metal system in the world class Lachlan Fold belt in NSW, 250km south-west of Sydney and 40km south of Goulburn.

Historically, the Woodlawn Mine operated from 1978 to 1998 and processed 13.8Mt of ore from the Woodlawn open pit, underground and satellite deposits grading 9.1% Zn, 1.6% Cu, 3.6% Pb, 0.5g/t Au and 74g/t Ag<sup>2</sup>.

Woodlawn has existing high grade Underground Reserves of 3.1Mt @ 13.1% ZnEq and existing Underground Resources of 7.4Mt @ 15.2% ZnEq. Including tailings, Woodlawn would have a total Reserve of 12.4Mt @ 7.8% ZnEq and total Resource of 18.2Mt @ 9.8% ZnEq<sup>1</sup>.

Develop believes that Woodlawn has significant growth potential, having historically been under-explored and untested at depth. In particular, the Company believes that Woodlawn has strong potential for extensions of existing lenses which are open at depth and along strike, and for the discovery of additional lenses, with logical structural positions untested.



Develop's growth strategy for Woodlawn is to aggressively grow the underground mining inventory over the ~24 to 36 months by investing in ~1,000m of underground development to establish multiple drilling platforms and to subsequently complete a ~33,000m underground diamond drilling program targeting lens extensions, untested EM conductors and additional mineralised horizons. Develop is ultimately aiming to define a robust high-grade 7 to 10 year underground mining inventory, ahead of a potential restart of operations.

## **Equity Raising Overview**

Develop is undertaking a fully underwritten A\$50 million equity raising ("**Equity Raising**") comprising:

- an institutional placement of approximately 7.6 million new fully paid ordinary shares in Develop ("**New Shares**") to raise A\$25.0 million ("**Placement**"); and
- a 1-for-18.6 pro-rata accelerated non-renounceable entitlement offer of approximately 7.6 million New Shares to raise approximately A\$25.0 million ("**Entitlement Offer**").

Key highlights include:

- The Equity Raising price is at a 5% premium to the 5 day VWAP for the period ending on 16 February 2022 reflecting the strong support of existing shareholders
- Major shareholders Bill Beament (16%) and Mineral Resources (15%) will take up their full entitlements, totalling ~A\$8m

In addition to the Placement and the Entitlement Offer, Develop intends to issue up to A\$1 million of New Shares to Develop directors ("**Director Placement**").

The Director Placement is not underwritten, does not form part of the Equity Raising and is subject to shareholder approval.

Provided shareholder approval is obtained, the Director Placement will be conducted at an issue price of A\$3.30 per New Share, being the same price as under the Placement and the Entitlement Offer.

Develop intends to use the funds raised from the Equity Raising as follows:

| <b>Use of Funds</b>                                                                            | <b>A\$m</b> |
|------------------------------------------------------------------------------------------------|-------------|
| Upfront cash consideration payable under the Acquisition                                       | 15.0        |
| Woodlawn exploration and care and maintenance costs                                            | 30.0        |
| Working capital including transaction costs associated with the Acquisition and Equity Raising | 5.0         |
| <b>Total</b>                                                                                   | <b>50.0</b> |

All New Shares under the Equity Raising will be issued at a price of A\$3.30 per New Share, which represents a:

- 4.1% premium to the last traded price of Develop shares on ASX of A\$3.17 on Wednesday, 16 February 2022; and
- 5.2% premium to the 5-day volume average weighted price (VWAP) for the period ending on Wednesday, 16 February 2022

The Entitlement Offer provides eligible shareholders with the opportunity to subscribe for 1 New Share for every 18.6 existing shares held as at 7.00pm Sydney Time on Monday, 21 February 2022 (“**Record Date**”).

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”), which opens today, Thursday 17 February 2022. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional shareholders, and entitlements that would otherwise have been offered to ineligible shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Concurrently with the Institutional Entitlement Offer, Develop will undertake the Placement to both existing and new institutional investors.

The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Thursday 24 February 2021 to eligible retail shareholders in Australia and New Zealand, as at 7:00pm (Sydney time) on the Record Date and is expected to close at 5.00pm (Sydney time) on Monday 7 March 2022.

Develop Managing Director Bill Beament and major shareholder Mineral Resources Limited have indicated their intention to take up their full entitlements in the Entitlement Offer.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

Each New Share issued under the Equity Raising will rank equally with existing fully paid ordinary shares in Develop then on issue.

The Equity Raising is fully underwritten by Canaccord Genuity (Australia) Limited. A summary of the key terms of the underwriting agreement is set out in the Investor Presentation released to ASX today.

## **Indicative Timetable**

An indicative Timeline with respect to the Equity Raising is detailed below:

| <b>Event</b>                                                                                                                                                                              | <b>Time / Date</b>                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>Announcement of the Equity Raising and Placement and Institutional Entitlement Offer open</b>                                                                                          | Thursday, 17 February 2022                        |
| <b>Announcement of completion of the Placement and Institutional Entitlement Offer</b>                                                                                                    | Monday, 21 February 2022                          |
| <b>Trading halt is lifted and existing Develop shares resume trading on ex-entitlement basis</b>                                                                                          | Monday, 21 February 2022                          |
| <b>Record date for determining entitlement for the Entitlement Offer</b>                                                                                                                  | 7.00 pm (Sydney time) on Monday, 21 February 2022 |
| <b>Retail Entitlement Offer Booklet and Entitlement &amp; Acceptance Form dispatched and Retail Entitlement Offer opens</b>                                                               | Thursday, 24 February 2022                        |
| <b>Settlement of Placement and Institutional Entitlement Offer</b>                                                                                                                        | Friday, 25 February 2022                          |
| <b>Allotment and issue of New Shares under Placement and Institutional Entitlement Offer, normal trading of New Shares issued under the Placement and Institutional Entitlement Offer</b> | Monday, 28 February 2022                          |
| <b>Retail Entitlement Offer closing date</b>                                                                                                                                              | 5.00 pm (Sydney time), Monday, 7 March 2022       |
| <b>Settlement of Retail Entitlement Offer</b>                                                                                                                                             | Friday, 11 March 2022                             |
| <b>Allotment of New Shares under the Retail Entitlement Offer</b>                                                                                                                         | Monday, 14 March 2022                             |
| <b>Normal trading of New Shares issued under the Retail Entitlement Offer</b>                                                                                                             | Tuesday, 15 March 2022                            |

\* The above timetable is indicative only and subject to change without notice. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Develop, with the consent of the Underwriter (if required), reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice.

## **Further information**

For further information on the transaction, Develop shareholders should read Develop's investor presentation entitled "Woodlawn Zinc-Copper Project Acquisition" which has been lodged with the ASX today.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate advice before making any investment.

## **Advisers**

Sternship Advisers is acting as corporate adviser and Ashurst is acting as legal adviser to Develop.

Canaccord Genuity is acting as Lead Manager and Underwriter on the Equity Raising.

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

## About Develop

Develop (ASX: DVP) is committed to playing an important role in the decarbonisation process. It aims to achieve this by exploring, acquiring, developing and helping others to develop operations which produce future-facing metals in tier-one locations. The Company's strategy involves leveraging its core assets of people, particularly those with underground mining expertise, and access to capital. Develop is utilising these strengths to advance its Sulphur Springs copper-zinc-silver project in the Pilbara region of Western Australia. Drilling is ongoing to grow and upgrade the JORC Resource at Sulphur Springs. This is taking place in parallel with a range of mining and economic studies on the project. Develop has also agreed to acquire the Woodlawn base metals project in NSW.

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## Woodlawn Mineral Resources and Reserves

### Underground - Mineral Resources and Reserves 2019

(7% ZnEq cut-off grade for Polymetallic and 1% Cu cut-off grade for Copper)

| Measured & Indicated Resource |                   |             |      |      |      |        |        |
|-------------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type                     | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic                  | M + I             | 2.8         | 10.1 | 1.5  | 3.8  | 0.6    | 79     |
| Copper                        | M + I             | 1.8         | 0.7  | 2.7  | 0.1  | 0.2    | 7      |
| Combined                      | M + I             | 4.5         | 6.5  | 2    | 2.4  | 0.5    | 51     |

| Inferred     |                   |             |      |      |      |        |        |
|--------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type    | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic | Inferred          | 2           | 7.1  | 1.5  | 2.8  | 0.7    | 55     |
| Copper       | Inferred          | 0.9         | 0.8  | 2.4  | 0.2  | 0.2    | 8      |
| Combined     | Inferred          | 2.9         | 5.2  | 1.8  | 2    | 0.5    | 40     |

| Total Mineral Resource |                   |             |      |      |      |        |        |
|------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type              | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic           | M + I + I         | 4.8         | 8.8  | 1.5  | 3.4  | 0.7    | 69     |
| Copper                 | M + I + I         | 2.6         | 0.8  | 2.6  | 0.2  | 0.2    | 7      |
| Combined               | M + I + I         | 7.4         | 6    | 1.9  | 2.2  | 0.5    | 48     |

| Reserves         |          |     |     |     |     |     |
|------------------|----------|-----|-----|-----|-----|-----|
| Reserve Category | Quantity | Zn  | Cu  | Pb  | Au  | Ag  |
|                  | Mt       | %   | %   | %   | g/t | g/t |
| Proven           | -        | -   | -   | -   | -   | -   |
| Probable         | 3.1      | 5.2 | 1.6 | 1.8 | 0.4 | 38  |
| Combined         | 3.1      | 5.2 | 1.6 | 1.8 | 0.4 | 38  |

### Tailings - Mineral Resources and Reserves 2019

(7% ZnEq cut-off grade for Polymetallic and 1% Cu cut-off grade for Copper)

| Measured & Indicated Resource |                   |             |      |      |      |        |        |
|-------------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type                     | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam                     | M + I             | 3.2         | 2.5  | 0.5  | 1.2  | 0.3    | 27     |
| North Dam                     | M + I             | 2.7         | 2.4  | 0.4  | 1.3  | 0.3    | 34     |
| West Dam                      | M + I             | 3.9         | 2    | 0.6  | 1.4  | 0.4    | 35     |
| Total                         | M + I             | 9.8         | 2.2  | 0.5  | 1.3  | 0.3    | 32     |

| Inferred  |                   |             |      |      |      |        |        |
|-----------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam | Inferred          | 0.9         | 2.3  | 0.5  | 1.2  | 0.3    | 24     |
| North Dam | Inferred          | 0.2         | 2.4  | 0.4  | 1.4  | 0.3    | 36     |
| West Dam  | Inferred          | 0           | 0    | 0    | 0    | 0      | 0      |
| Total     | Inferred          | 1.1         | 2.3  | 0.5  | 1.2  | 0.3    | 27     |

| Total Mineral Resource |                   |             |      |      |      |        |        |
|------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type              | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam              | M + I + I         | 4           | 2.4  | 0.5  | 1.2  | 0.3    | 26     |
| North Dam              | M + I + I         | 2.9         | 2.4  | 0.4  | 1.3  | 0.3    | 34     |
| West Dam               | M + I + I         | 3.8         | 2    | 0.5  | 1.3  | 0.4    | 31     |
| Total                  | M + I + I         | 10.8        | 2.2  | 0.5  | 1.3  | 0.3    | 31     |

| Reserves         |          |     |     |     |     |     |
|------------------|----------|-----|-----|-----|-----|-----|
| Reserve Category | Quantity | Zn  | Cu  | Pb  | Au  | Ag  |
|                  | Mt       | %   | %   | %   | g/t | g/t |
| Proven           | 6.2      | 2.2 | 0.5 | 1.3 | 0.3 | 31  |
| Probable         | 3.1      | 2.1 | 0.5 | 1.3 | 0.3 | 32  |
| Combined         | 9.3      | 2.2 | 0.5 | 1.3 | 0.3 | 31  |

## IMPORTANT INFORMATION

### Information regarding Woodlawn

The information in this announcement regarding Woodlawn, including information relating to production, recoveries, mineral resources and reserves estimates, life of mine plans, DFS results and historic financial information (including historical expenditure) has been sourced using publicly available information and has not been independently verified by DEVELOP. DEVELOP has undertaken only limited due diligence in relation to Woodlawn and may not be aware of all the material information, assumptions, facts and circumstances. Accordingly, DEVELOP does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

While DEVELOP has conducted certain due diligence in connection with Woodlawn, DEVELOP is unable to verify the accuracy or completeness of the information provided, and there is no assurance that this due diligence was conclusive and that all material issues and risks in relation to Woodlawn have been identified. Receipt of new, additional or updated information, assumptions or modifying factors may change production targets, recoveries, mineral resource and reserves estimates, life of mine plans, DFS results and other forward-looking statements concerning Woodlawn in this announcement. To the extent that this information is incomplete, incorrect, inaccurate or misleading, there is a risk that the profitability and future results of the operations of DEVELOP following the acquisition of Woodlawn may differ (including in a materially adverse way) from the Company's expectations as reflected in this announcement, or that additional liabilities may emerge.

Refer to the Risk Factors (including the Risk Factors entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity" and "Re-start and ramp-up of the Woodlawn Project") in Appendix A to the accompanying Investor Presentation released to ASX today (**Investor Presentation**).

Please also refer to slide for further information regarding the calculation of zinc equivalent figures in respect of Woodlawn included in the Investor Presentation.

### Forward-looking statements

This announcement contains certain "forward-looking statements". Forward looking statements can often, but not always, be identified by the use of forward looking words such as "forecast", "estimate", "likely", "anticipate", "believe", "expect", "future", "project", "opinion", "opportunity", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "propose", "to be", "foresee", "aim", "will" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this announcement include statements regarding the conduct, approximate size and outcome of the Equity Raising, statements regarding DEVELOP's intent, belief, expectations, plans, strategies and objectives of management, the use of proceeds raised under the Offer, expected timetables in connection with DEVELOP's projects, future acquisitions, expected costs, capital expenditure or production outputs for DEVELOP (based on, among other things, estimates of production for the periods specifically mentioned in this announcement), future demand for copper or zinc, the future operation of DEVELOP and the impact and duration of the COVID-19 pandemic. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You are strongly cautioned not to place undue reliance on forward-looking statements and neither DEVELOP nor any of its directors, officers, employees, servants, advisers or agents assumes any obligation to update such information.

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# Woodlawn Zinc-Copper Project Acquisition

## An exceptional opportunity for shareholders

- On strategy; ownership of clean future-facing metals in a Tier 1 location
- Significant near-term growth potential
- Highly attractive purchase price

February 2022

Not for release to US wire services or distribution in the United States

## IMPORTANT INFORMATION AND DISCLAIMER

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### Future performance and projected financial information

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## Disclosure

The Lead Manager, together with its respective affiliates and related bodies corporate, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The Lead Manager (and/or its respective affiliates and related bodies corporate) has performed, and may perform, other financial or advisory services for Develop, and/or may have other interests in relationships with Develop and its related entities or other entities mentioned in this Presentation for which they have received or may receive customary fees and expenses.

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## Mineral Resources and Ore Reserves Reporting

It is a requirement of the ASX Listing Rules that the reporting of mineral resources and ore reserves in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), whereas mining companies in other countries may be required to report their ore reserves and/or mineral resources in accordance with other guidelines. Investors should note that while Develop's mineral resources and ore reserves estimates comply with the JORC Code (such JORC Code-compliant mineral resources and ore reserves being "Mineral Resources" and "Ore Reserves"), they may not comply with the relevant guidelines in other countries, and in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or United States securities laws.

This Presentation contains estimates of Mineral Resources and Ore Reserves, and Production Targets, at Develop's existing projects, as well as for the Woodlawn Project.

## Develop Mineral Resources and Ore Reserves – Competency Statement

The information in this Presentation that relates to:

- exploration results for the Sulphur Springs Project has been extracted from the ASX Announcement titled "Strong infill and exploration drilling results" dated 8 December 2021 and ASX Announcement titled "More Strong Drilling Results at Sulphur Springs" dated 10 February 2022;
- mineral resources for the Sulphur Springs Project has been extracted from the ASX Announcement titled "Sulphur Springs Resource Upgrade" dated 21 March 2018;
- ore reserves for the Sulphur Springs Project has been extracted from the ASX Announcement titled "Sulphur Springs DFS Results and Reserve Upgrade" dated 10 October 2018; and
- mineral resources for the Kangaroo Caves Project has been extracted from the ASX Announcement titled "Kangaroo Caves Resource Upgrade" dated 22 September 2015.

A copy of the announcements referred to above are available on the Company's website at <https://Develop.com.au/investor-centre/> or ASX's website at [www.asx.com.au](http://www.asx.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information in the announcements referred to above, and, in the case of the estimates of Develop's mineral resources and ore reserves, all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented in this presentation have not been materially modified from the original market announcement.

The information in this Presentation that relates to mineral resources for the Whim Creek Project has been extracted from the ASX Announcement titled "Updated Whim Creek Scoping Study – Evelyn and New Study Work Add Exceptional Value" released by Anax Metals Limited dated 17 January 2022. A copy of this announcement is available on the Company's website at <https://Develop.com.au/investor-centre/> or ASX's website at [www.asx.com.au](http://www.asx.com.au).

## Information Regarding the Woodlawn Project

The information in this Presentation regarding the Woodlawn Project, including information relating to production, recoveries, mineral resources and reserves estimates, life of mine plans, DFS results and historic financial information (including historical expenditure) has been sourced using publicly available information and has not been independently verified by the Company. The Company has undertaken only limited due diligence in relation to the Woodlawn Project and may not be aware of all the material information, assumptions, facts and circumstances. Accordingly, the Company does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. While the Company has conducted certain due diligence in connection with the Woodlawn Project, the Company is unable to verify the accuracy or completeness of the information provided, and there is no assurance that this due diligence was conclusive and that all material issues and risks in relation to the Woodlawn Project have been identified. Receipt of new, additional or updated information, assumptions or modifying factors may change production targets, recoveries, mineral resource and reserves estimates, life of mine plans, DFS results and other forward-looking statements concerning the Woodlawn Project in this Presentation. To the extent that this information is incomplete, incorrect, inaccurate or misleading, there is a risk that the profitability and future results of the operations of the Company following the acquisition of the Woodlawn Project may differ (including in a materially adverse way) from the Company's expectations as reflected in this Presentation, or that additional liabilities may emerge.

Please refer to Slide 28 (including the risks entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity" and "Re-start and ramp-up of the Woodlawn Project") in Appendix A.

# IMPORTANT INFORMATION AND DISCLAIMER

## Production Targets

The information in this Presentation that relates to production targets for the Sulphur Springs Project has been extracted from the ASX Announcement titled "Sulphur Springs DFS Results and Reserve Upgrade" dated 10 October 2018. A copy of that announcement is available on the Company's website at <https://Develop.com.au/investor-centre/> or ASX's website at [www.asx.com.au](http://www.asx.com.au).

The Company confirms that all material assumptions underpinning the production targets, and the forecast financial information derived from such production targets, continue to apply and have not materially changed.

A proportion of the production targets for the Sulphur Springs Project is based on an inferred mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in determination of indicated mineral resources or that the production target itself will be realised.

## Acknowledgement and agreement

By accepting, accessing or reviewing this Presentation, potential investors and all other recipients acknowledge and agree to the terms set out in this "Disclaimer" section of this Presentation and in the "Foreign selling restrictions" section of this Presentation.

# WOODLAWN: A COMPELLING ACQUISITION

ACQUISITION INCLUDES AN UNDERGROUND MINE, NEW PROCESSING PLANT, SIGNIFICANT JORC RESERVE AND RESOURCE, ALL ESTABLISHED AT A COST OF ~A\$340M

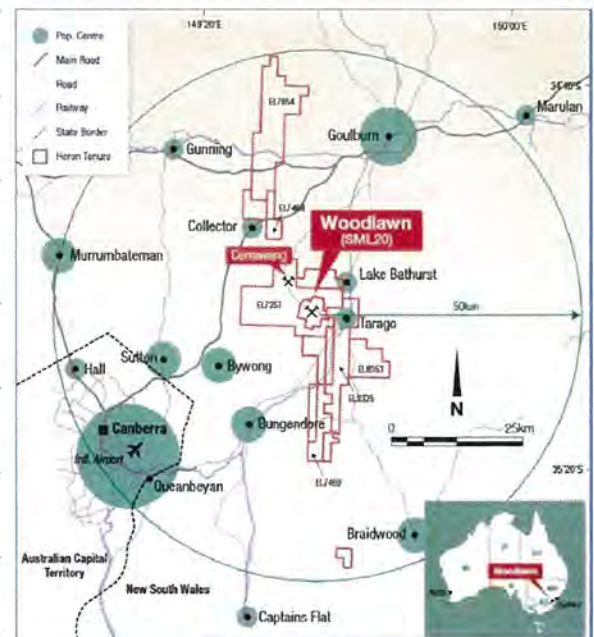
- Develop has agreed to buy the Woodlawn zinc-copper mine in NSW and the extensive tenement package for \$30m upfront plus success-driven milestone payments
- Prior owners invested ~A\$340m in the significant re-development of the operation; including constructing a new box-cut, establishing underground Development and infrastructure to ~300m below surface and a 1.0Mtpa processing plant
- Woodlawn acquisition meets all Develop's strategic and key investment criteria:
  - ✓ Future-facing metals (copper and zinc) in a Tier-1 location
  - ✓ World-class geology: VMS system, strong and profitable historic production, significant potential to grow the inventory
  - ✓ Outstanding value for money: Purchase price upfront is <10% of the previously invested capital
- The mine had a profitable 20-year production record, producing 13.8Mt at 19.7% ZnEq (8.9% Zn, 1.6% Cu, 3.6% Pb, 0.5g/t Au, 74g/t Ag)<sup>1</sup>
- Quality VMS geological endowment yet historically underexplored;
  - Existing U/G Reserve of 3.1Mt @ 13.1% ZnEq<sup>2</sup> and Resource of 7.4Mt @ 15.2% ZnEq<sup>2</sup>
  - Mineralisation hosted in VMS geological system with numerous lenses which all remain open at depth
- Develop initial emphasis will be on growing inventory by extending known high-grade lenses – immediate construction of 1,000m underground development planned to enable drilling from underground
- Combination with rapidly emerging Sulphur Springs copper-zinc-silver project will transform the Company into a major base metals group centered on future-facing metals in tier-one locations
- Develop to raise A\$50 million via A\$25m placement and A\$25m accelerated non-renounceable entitlement offer (ANREO) at a 5% premium to 5-day VWAP, plus a Director Placement to raise up to an additional A\$1 million

1. Data relates to the operational period of the Woodlawn project between 1978 and 1998, and is based on publicly available information reported by Heron. Develop has not independently verified this information. Zn equivalent calculation based on formula applied by Heron in its ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019.
2. See Heron Resources Limited's ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019. Develop will complete a review of Heron's previously stated ore reserves and mineral resources (using its own economic assumptions and modifying factors), and will release an updated ore reserve and mineral resource to the market in due course.
3. Completion of the Proposed Acquisition is subject to a number of conditions precedent, and the successful commencement and Development of the Woodlawn Project is subject to a number of risks and uncertainties. Refer to Appendix C for further details regarding the terms of the Proposed Acquisition, including the conditions precedent, and to the "Key Investment Risks (including the risks entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity" and "Re-start and ramp-up of the Woodlawn Project") in Appendix A.
4. Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project.

## OVERVIEW OF WOODLAWN PROJECT

WOODLAWN IS A HIGH-GRADE VMS BASE METAL SYSTEM IN THE WORLD-CLASS LACHLAN FOLD BELT

|                                             |                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Location</b>                             | <ul style="list-style-type: none"> <li>• 250km south-west of Sydney in NSW, Australia</li> <li>• 75km north-east of Canberra</li> <li>• 50km south of Goulburn</li> </ul>                                                                                                                                                                                    |
| <b>Stage</b>                                | <ul style="list-style-type: none"> <li>• Under Care &amp; Maintenance since March 2020</li> </ul>                                                                                                                                                                                                                                                            |
| <b>Infrastructure</b>                       | <ul style="list-style-type: none"> <li>• ~A\$340m invested to date</li> <li>• 1.0Mtpa processing plant in place</li> <li>• New processing &amp; paste fill plants in place</li> <li>• Substantial infrastructure in place: power, water, workshops, offices, etc</li> <li>• New decline to 300m below surface, within 25m of high grade Kate Lens</li> </ul> |
| <b>Underground Reserves &amp; Resources</b> | <ul style="list-style-type: none"> <li>• U/G Reserve 2019: 3.1Mt @ 13.1% ZnEq<sup>1</sup> (1.6% Cu, 5.2% Zn, 1.8% Pb)</li> <li>• U/G Resource 2019: 7.4Mt @ 15.2% ZnEq<sup>1</sup> (1.9% Cu, 6.0% Zn, 2.2% Pb)</li> </ul>                                                                                                                                    |
| <b>Total R&amp;R (including Tailings)</b>   | <ul style="list-style-type: none"> <li>• Total Reserve 2019: 12.4Mt @ 7.8% ZnEq<sup>1</sup> (0.8% Cu, 3.0% Zn, 1.4% Pb)</li> <li>• Total Resource 2019: 18.2Mt @ 9.8% ZnEq<sup>1</sup> (1.1% Cu, 3.7% Zn, 1.7% Pb)</li> </ul>                                                                                                                                |
| <b>Historical Production</b>                | <ul style="list-style-type: none"> <li>• 20 year track record of historical and profitable production at high grades – 13.8Mt @ 19.7% ZnEq (9.1% Zn, 1.6% Cu, 3.6% Pb, 0.5g/t Au, 74g/t Ag)<sup>2</sup></li> </ul>                                                                                                                                           |
| <b>Exploration Potential</b>                | <ul style="list-style-type: none"> <li>• Large VMS system with multiple lenses on multiple zones</li> <li>• Significantly under-explored historically and untested at depth</li> </ul>                                                                                                                                                                       |



1. See Heron Resources Limited's ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019. Develop will complete a review of Heron's previously stated ore reserves and mineral resources (using its own economic assumptions and modifying factors), and will release an updated ore reserve and mineral resource to the market in due course.
2. Data relates to the operational period of the Woodlawn project between 1978 and 1998, and is based on publicly available information reported by Heron. Develop has not independently verified this information. Zn equivalent calculation based on formula applied by Heron in its ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019.
3. Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project.

# KEY TRANSACTION TERMS

AS\$30 MILLION UPFRONT CONSIDERATION WITH CONTINGENT PAYMENTS STRUCTURED TO ALIGN WITH SUCCESS



|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acquisition              | <ul style="list-style-type: none"> <li>Develop proposes to acquire 100% of the shares in Heron Resources Limited (administrators appointed) (<b>Heron</b>), which owns the Woodlawn Project.</li> <li>Develop proposes to undertake this acquisition by way of a deed of company arrangement (DOCA) and pursuant to an application to transfer all of the shares in Heron under section 444GA of the Corporations Act 2001 (Cth) (<b>Corporations Act</b>).</li> <li>The key terms of the DOCA are outlined on slide 38.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Upfront consideration    | <ul style="list-style-type: none"> <li>Upfront consideration of AS\$30 million payable to Heron secured and unsecured creditors on effectuation of the DOCA, comprised of:                             <ul style="list-style-type: none"> <li>AS\$15 million payable in cash; and</li> <li>AS\$15 million payable by the issue of approximately 4.78 million new fully paid ordinary shares in Develop, at an issue price of \$3.1362 per share (being the 5 trading day VWAP before the date of the agreements with Heron's secured creditors).</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Contingent consideration | <ul style="list-style-type: none"> <li>Aggregate contingent consideration of up to AS\$70 million payable to Orion as follows (subject to certain milestones being met):                             <ul style="list-style-type: none"> <li>AS\$12.5 million cash / scrip payable upon definition of 550kt of Zn eqv underground JORC reserves</li> <li>AS\$7.5 million cash / scrip payable upon definition of 680kt of Zn eqv underground JORC reserves</li> <li>AS\$20.0 million cash / scrip payable upon a positive final investment decision in respect of the Woodlawn Project</li> <li>AS\$30.0 million cash / scrip payable upon 18 months of continuous commercial production at the Woodlawn Project</li> </ul> </li> <li>Develop can elect to satisfy the contingent consideration in cash, Develop fully paid ordinary shares or a combination of both. Any issue of shares under the contingent consideration is subject to Develop shareholder approval, and will be at deemed issue prices based on the 5 trading day VWAP prior to the relevant milestone being met.</li> </ul> |
| Secured Creditor Support | <ul style="list-style-type: none"> <li>Orion, Nomad and Castlake (who, together, hold in aggregate more than 50% of the value of the total claims against Heron) have each executed binding Co-operation Deeds with Develop pursuant to which those creditors have agreed to vote in favour of the DOCA proposed by Develop.</li> <li>The key terms of each of these Co-operation Deeds are outlined on slide 39.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Indicative Timing        | <ul style="list-style-type: none"> <li>Heron Second Creditors' Meeting to approve Transaction – <b>Late February</b></li> <li>Signing of DOCA – <b>Immediately following Second Creditors' Meeting</b></li> <li>Anticipated satisfaction of all Conditions Precedent – <b>April 2022</b></li> <li>Completion of Acquisition – <b>April 2022</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Advisors                 | <ul style="list-style-type: none"> <li>Sternship Advisers is acting as corporate advisor and Ashurst is acting as legal advisor to Develop</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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# STRATEGIC RATIONALE

ACQUISITION CONSISTENT WITH DECARBONISATION VISION AND LEVERAGES DEVELOP'S UNIQUE CAPABILITIES



|   |                                                                                                                     |
|---|---------------------------------------------------------------------------------------------------------------------|
| ✓ | Consistent with Develop's strategy of future facing metals (Cu & Zn) in a Tier 1 jurisdiction                       |
| ✓ | World class geology – VMS system with significant potential for inventory growth (lenses remain open)               |
| ✓ | Long profitable 20 year history of high-grade production (13.8Mt @ 19.7% ZnEq) <sup>1</sup>                         |
| ✓ | Substantial existing infrastructure already in place with ~AS\$340m invested by Heron                               |
| ✓ | Outstanding value for money – upfront purchase price is <10% of previously invested capital                         |
| ✓ | Ability to leverage Develop's underground mining team and expertise                                                 |
| ✓ | Different operational strategy with historical issues well understood and able to be addressed by Develop           |
| ✓ | Combination with Sulphur Springs transforms Develop into a major base metals group centered on future facing metals |

1. Data relates to the operational period of the Woodlawn project between 1978 and 1998, and is based on publicly available information reported by Heron. Develop has not independently verified this information. Zn equivalent calculation based on formula applied by Heron in its ASX announcement "Woodlawn Mineral Resource and Ore Reserve statement 2019" dated 30 October 2019.
2. Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project.
3. Completion of the Proposed Acquisition is subject to a number of conditions precedent, and the successful recommencement and development of the Woodlawn Project is subject to a number of risks and uncertainties. Refer to slide 9 and Appendix C for further details regarding the terms of the Proposed Acquisition, including the conditions precedent, and to the Key Investment Risks (including the risks entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity" and "Re-start and ramp-up of the Woodlawn Project") in Appendix A.

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# HISTORY OF WOODLAWN

LONG PROFITABLE HISTORY OF HIGH GRADE OPERATIONS UNDER SIGNIFICANTLY LOWER COMMODITY PRICES



Total production over 20 yrs: 13.8Mt @ 19.7% ZnEq (9.1%Zn, 1.6% Cu, 3.6%Pb)

Avg Cu price in 1998 of ~A\$1,055/t vs current spot of >A\$13,900/t

Avg Zn price in 1998 of ~A\$660/t vs current spot of >A\$5,000/t



Source: Heron and Denehurst announcements, Bloomberg, GeoRes Woodlawn Technical Report October 2009. Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the Woodlawn Project.

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## SUBSTANTIAL INFRASTRUCTURE IN PLACE

~\$340M INVESTED TO DATE – CONSTRUCTION COMPLETED IN 2019



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# HISTORICAL LEARNINGS

LEARNINGS FROM WOODLAWN'S HISTORICAL ISSUES TO BE ADDRESSED BY DEVELOP



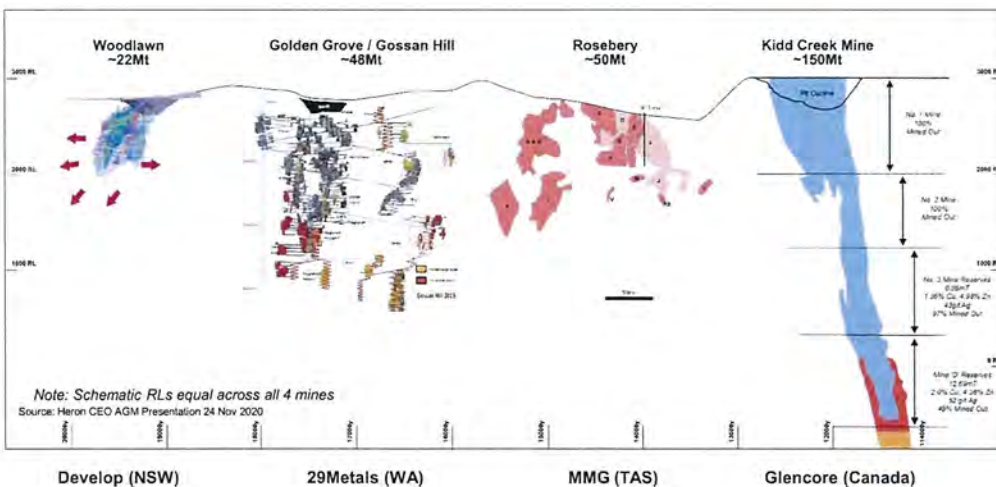
| # | Heron Historical Key Issues                                                                                  | Develop Strategy / Learnings                                                                                                                                                                                                                                |
|---|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Significant cost overrun and delays on construction of project                                               | <ul style="list-style-type: none"> <li>✓ Project now constructed and infrastructure already in place</li> <li>✓ Development only 25m away from the high-grade Kate Lens</li> </ul>                                                                          |
| 2 | Heron's mine plan relied heavily on reprocessing tailings – encountered recoverability issues during ramp-up | <ul style="list-style-type: none"> <li>✓ Focussed on defining a robust underground only mine plan, where metallurgy is well known given historical production</li> <li>✓ Tailings to potentially add additional value once operations are stable</li> </ul> |
| 3 | Underground mining productivity issues during ramp-up – did not reach main Kate Lens prior to C&M            | <ul style="list-style-type: none"> <li>✓ Develop able to leverage its underground mining team and expertise to significantly improve productivity</li> </ul>                                                                                                |
| 4 | Insufficient working capital buffer to resolve ramp-up issues                                                | <ul style="list-style-type: none"> <li>✓ Develop's scale allows it to be well capitalised ahead of production restart</li> <li>✓ To ensure sufficient buffer to work through plant commissioning</li> </ul>                                                 |
| 5 | Onset of COVID pandemic exacerbated issues above                                                             | <ul style="list-style-type: none"> <li>✓ Develop's strategy in the near-term is to focus on defining a robust underground mining inventory – significantly reduced impact from COVID relative to being in production</li> </ul>                             |

1. Develop's ability to successfully recommence and Develop the Woodlawn Project is subject to a number of risks and uncertainties. Refer to the Key Investment Risks (including the risks entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity", "Restart and ramp-up of the Woodlawn Project" and "Development of projects") in Appendix A.

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# EXPLORATION POTENTIAL

POTENTIAL TO BECOME A LARGE MINERAL SYSTEM AKIN TO GOLDEN GROVE AND ROSEBERY



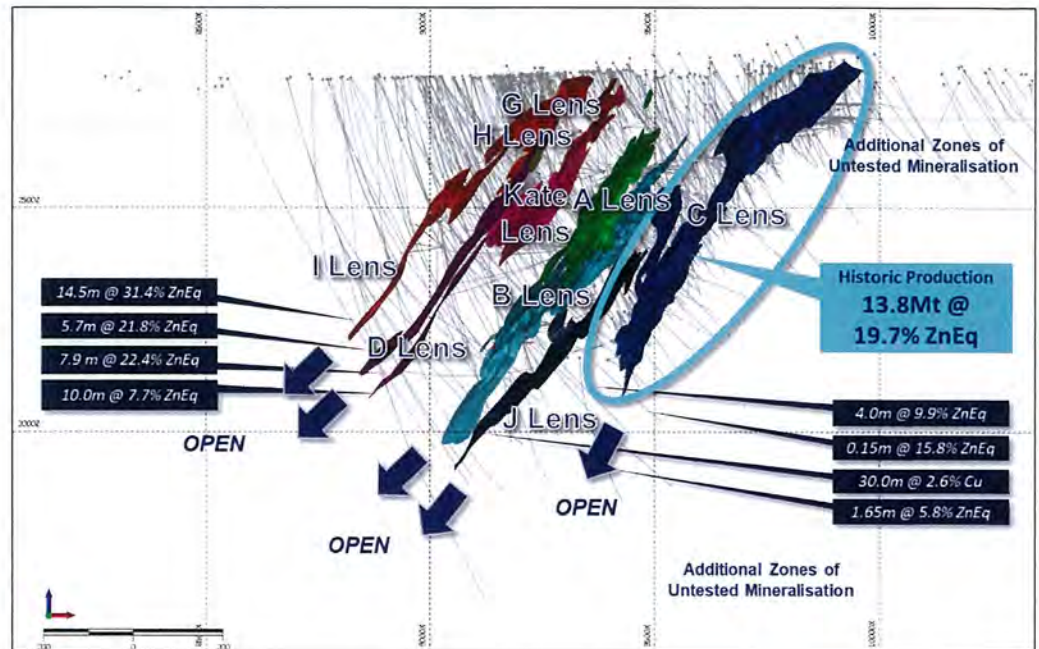
- Large mineral system; multiple lenses on multiple zones – open at depth and along strike
- Potential akin to Golden Grove and Rosebery
- Untested compared with other VMS mines
- Multiple lenses totally open at depth
- Numerous exploration targets identified

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# IN-MINE GROWTH POTENTIAL

SIGNIFICANT POTENTIAL WITH VARIOUS UNTESTED CONDUCTORS AND OPEN LENSES

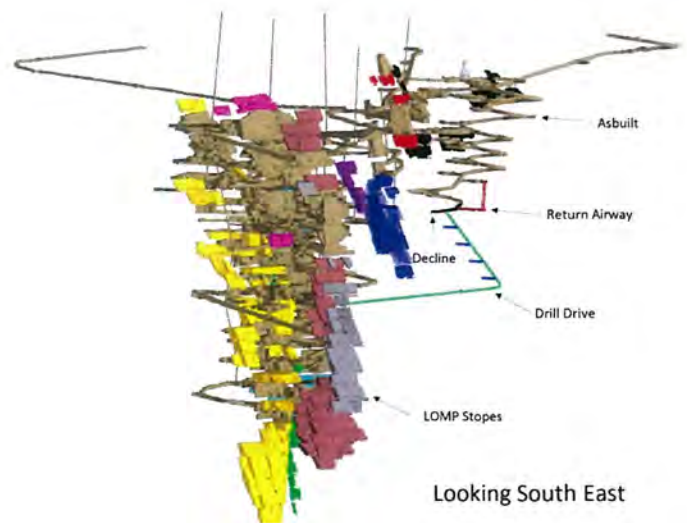
- Potential for extension of known lenses and for discovery of additional lenses
- Very limited step-out drilling historically
- Known high-grade lenses remain open
- DHEM data confirms untested conductors at depth
- Leading consultants NewExco identified numerous exploration targets in the due diligence



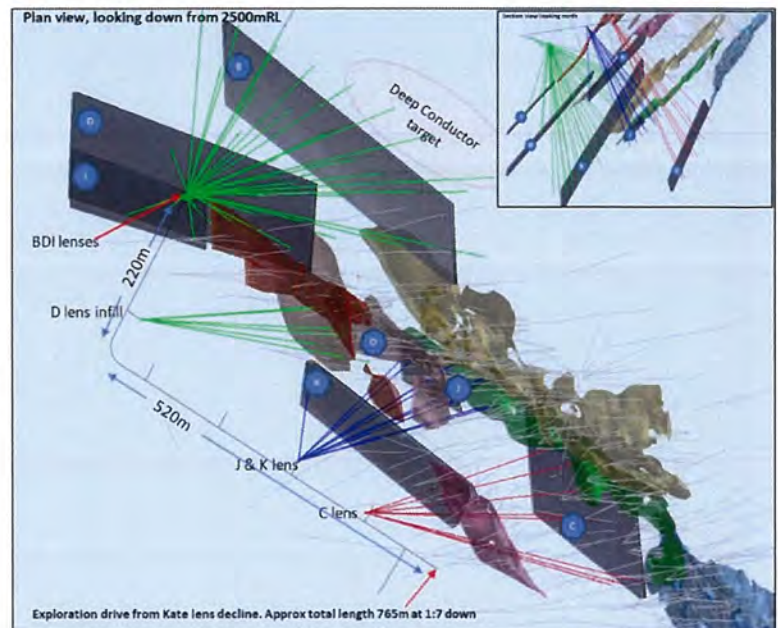
# WOODLAWN GROWTH STRATEGY

DEVELOP TO SPEND ~A\$30M OVER 24 MONTHS, FOCUSSED ON GROWING UNDERGROUND INVENTORY

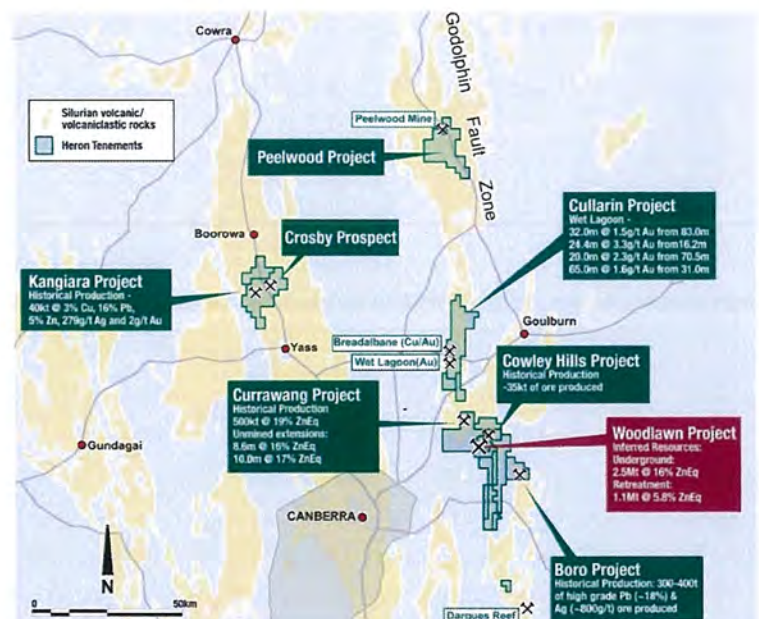
- Extensions of deposit is historically under-drilled - Kate lens was only discovered in 2013, c.40yrs post initial discovery
- Develop to spend ~A\$30m over 24 months on inventory growth and C&M
  - ~1,000m underground Development to establish multiple drilling platforms
  - ~33km of underground diamond drilling to build inventory, targeting:
    - ✓ Extensions of known high-grade lenses (open in a number of areas)
    - ✓ Untested EM conductors
    - ✓ Additional mineralized horizons



- Proposed drill drive take-off dewatered, powered, ventilated and ready for development
- Allows Develop to drill year round and effectively conduct DHEM (given interference of surface infrastructure without UG platform)
- Extension of C lens (main source of historical production) historically untested – will form key focus of Develop
- Targeting Underground mining inventory to underpin a 7-10 year initial mine life



- Extensive 1,372km<sup>2</sup> position over prospective stratigraphy in the highly regarded Lachlan Fold Geological Belt
- Proven prospectivity with several historic mining centres
  - Currawang (10km from Woodlawn) – historical prod 0.5Mt @ 13%Zn, 1.6%Cu, 2.2%Pb
  - Cowley Hills (2km from Woodlawn)
- Limited systematic exploration for >30 years



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# DEVELOP POST ACQUISITION

THREE ADVANCED STAGE HIGH GRADE BASE METAL PROJECTS IN A TIER 1 JURISDICTION



- ✓ Acquisition transforms Develop into a major base metals group centered on future-facing metals in Tier 1 locations
- ✓ Three advanced high-grade base metal projects in Tier 1 jurisdictions
- ✓ World class geology with significant growth potential
- ✓ Potential to be a multi-asset producer with associated diversification benefits
- ✓ Synergistic blending opportunity of concentrate offtakes between Woodlawn and Sulphur Springs concentrates
- ✓ Woodlawn & Sulphur Springs products fully unencumbered (no offtakes committed)

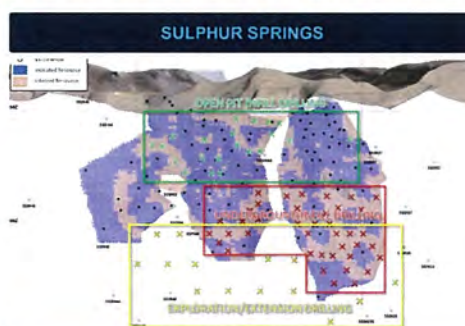


1. Completion of the Proposed Acquisition is subject to a number of conditions precedent, and the successful recommencement and Development of the Woodlawn Project is subject to a number of risks and uncertainties. Refer to slide 9 and Appendix C for further details regarding the terms of the Proposed Acquisition, including the conditions precedent, and to the Key Investment Risks (including the risks entitled "Proposed Acquisition", "Due Diligence risk", "Analysis of acquisition opportunity", "Re-start and ramp-up of the Woodlawn Project" and "Resource and reserve estimates") in Appendix A.
2. Refer to the section entitled "Mineral Resources and Ore Reserves Reporting" on slides 5 and 6 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project, Sulphur Springs Project, Whim Creek Project (as applicable).

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# DEVELOP POST ACQUISITION

THREE ADVANCED STAGE HIGH GRADE BASE METAL PROJECTS IN A TIER 1 JURISDICTION



| Project       | Woodlawn Cu-Zn-Pb                                                                                          |
|---------------|------------------------------------------------------------------------------------------------------------|
| Ownership     | 100%                                                                                                       |
| Location      | NSW                                                                                                        |
| Stage         | C&M - constructed & permitted<br>Focussing on exploration                                                  |
| Reserves      | U/G only: 3.1Mt @ 13.1%ZnEq (1.6%Cu, 5.2% Zn, 1.8%Pb)<br>Total: 12.4Mt @ 7.8%ZnEq (0.8%Cu, 3.0%Zn, 1.4%Pb) |
| Resources     | U/G only: 7.4Mt @ 15.2%ZnEq (1.9%Cu, 6.0% Zn, 2.2%Pb)<br>Total: 18.2Mt @ 9.8%ZnEq (1.1%Cu, 3.7%Zn, 1.7%Pb) |
| Spend to date | ~A\$340m                                                                                                   |

| Project       | Sulphur Springs Cu-Zn-Ag                                  |
|---------------|-----------------------------------------------------------|
| Ownership     | 100%                                                      |
| Location      | WA                                                        |
| Stage         | DFS                                                       |
| Reserves      | 8.5Mt @ 2.4%CuEq (1.4%Cu, 3.1%Zn, 14g/t Ag) <sup>1</sup>  |
| Resources     | 17.4Mt @ 2.7%CuEq (1.3%Cu, 4.2%Zn, 17g/t Ag) <sup>1</sup> |
| Spend to date | ~A\$55m                                                   |

| Project                | Whim Creek Zn-Cu-Pb                                                              |
|------------------------|----------------------------------------------------------------------------------|
| Ownership              | 20%                                                                              |
| Location               | WA                                                                               |
| Stage                  | Updated Scoping Study                                                            |
| Reserves               | n/a                                                                              |
| Resources (100% basis) | Cu Resources: 8.79Mt @ 1.1%Cu, 0.9%Zn<br>Zn Resources: 1.275Mt @ 6.6%Zn, 2.0% Pb |
| Spend to date          | n/a                                                                              |

1. Copper equivalent calculated based on Zn price of US\$3.635/l, Cu price of US\$9.557/l, Pb price of US\$2.274/l, Au price of US\$1,792/oz, and Ag price of US\$22.5/oz, applying metallurgical recoveries. Refer to slide 46 for further details. Refer to the section entitled "Mineral Resources and Ore Reserves Reporting" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project, Sulphur Springs Project and Whim Creek Project (as applicable).

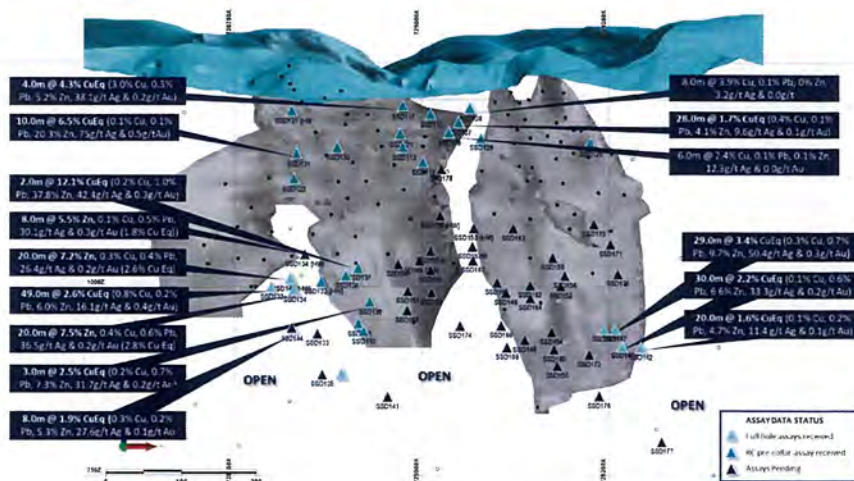
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## SULPHUR SPRINGS



## Project update – 8 December 2021

- This update included the assays from ~25% of the resource/exploration holes drilled in the campaign
- Outstanding infill drilling results point to a significant increase in the Indicated Resource. The Eastern lens is significantly thick than expected.
- It also identified a new zinc-rich mineralisation in the hanging wall of the main deposits, results;
  - 20m @ 7.5% Zn and 20m @ 7.2% Zn
- The first exploration drilling has confirmed significant extensions to the known mineralization, results;
  - 49.0m @ 2.6% CuEq
- Strength of results has prompted a review of the mine plan to consider the merits of establishing an underground operation ahead of the open pit
- Develop may establish an exploration decline in CY22 to accelerate drilling from underground, which would be funded from existing cash reserves



### PRODUCING POTENTIAL

DEVELOP

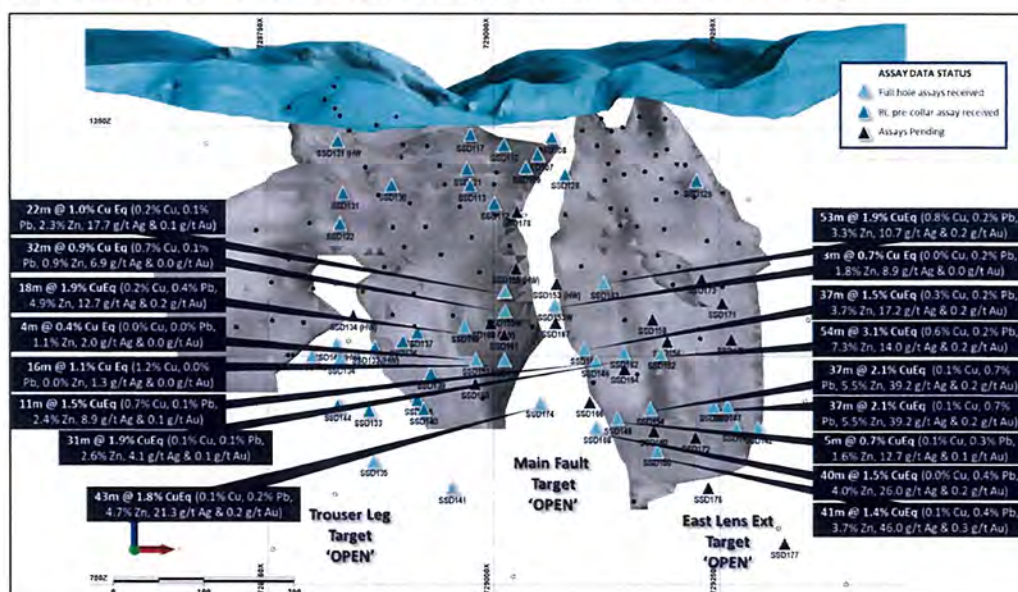
25

## SULPHUR SPRINGS



## Project update – 10 February 2022

- This update included the assays from ~60% of the resource/exploration holes drilled in the campaign



### PRODUCING POTENTIAL

DEVELOP

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# CAPITAL RAISING OVERVIEW

PRODUCING POTENTIAL

DEVELOP

## EQUITY RAISING OVERVIEW

DEVELOP IS UNDERTAKING A A\$50 MILLION EQUITY RAISING TO FUND THE ACQUISITION AND EXPLORATION AT WOODLAWN



|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview                        | <ul style="list-style-type: none"> <li>Fully underwritten A\$50 million equity raising ("<b>Equity Raise</b>") comprising: <ul style="list-style-type: none"> <li>A\$25m institutional placement ("<b>Placement</b>") under Develop's Listing Rule 7.1 placement capacity; and</li> <li>A\$25m 1 for 18.6 accelerated non-renounceable entitlement offer ("<b>ANREO</b>")</li> </ul> </li> <li>Approximately 15.2 million new fully paid ordinary shares ("<b>New Shares</b>") to be issued under the Equity Raise representing approximately 11% of existing Develop shares on issue</li> </ul> |
| Offer Price                     | <ul style="list-style-type: none"> <li>All New Shares under the Equity Raise will be issued at a price of A\$3.30 per New Share, representing a: <ul style="list-style-type: none"> <li>4.1% premium to last closing price of \$3.17 on Wednesday, 16 February 2022 (being the trading day immediately prior to the Placement)</li> <li>5.2% premium to the 5 day volume weighted average price (VWAP) to Wednesday, 16 February 2022 of \$3.1362</li> </ul> </li> </ul>                                                                                                                         |
| Use of Funds                    | <p>Funds to be used for:</p> <ul style="list-style-type: none"> <li>Upfront cash consideration payable under the Proposed Acquisition: A\$15m</li> <li>Woodlawn exploration &amp; care and maintenance costs: A\$30m</li> <li>Working capital, including transaction costs associated with the Proposed Acquisition and Equity Raising: A\$5m</li> </ul>                                                                                                                                                                                                                                         |
| Ranking                         | <ul style="list-style-type: none"> <li>New Shares will rank equally with existing fully paid ordinary Develop shares on issue</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Major Shareholder Participation | <ul style="list-style-type: none"> <li>Major shareholders Bill Beament (16%) and Mineral Resources (15%) will take up their full entitlements, totalling ~A\$8m</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Director Placement              | <ul style="list-style-type: none"> <li>In addition to the Placement and the ANREO, Develop intends to issue up to A\$1 million of New Shares to certain Develop directors ("<b>Director Placement</b>")</li> <li>The Director Placement is not underwritten, does not form part of the Equity Raise and is subject to shareholder approval</li> <li>Provided shareholder approval is obtained, the Director Placement will be conducted at an issue price of A\$3.30 per New Share, being the same price as under the Placement and the ANREO</li> </ul>                                         |
| Underwriting                    | <ul style="list-style-type: none"> <li>Fully underwritten by Canaccord Genuity (Australia) Limited, acting as Lead Manager, Underwriter and Bookrunner</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                |

Refer to slide 9 and Appendix C for further details regarding the terms of the Proposed Acquisition.  
Refer to Appendix D for a summary of the underwriting agreement between the Company and Canaccord Genuity (Australia) Limited, including the conditions precedent and termination events.

# INDICATIVE EQUITY RAISING TIMETABLE

INDICATIVE TIMETABLE FOR THE TRANSACTION IS AS FOLLOWS



|                                                                                                                                |                            |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Announcement of the Equity Raising and Placement and Institutional Entitlement Offer open                                      | Thursday, 17 February 2022 |
| Announce completion of the Placement and Institutional Entitlement Offer                                                       | Monday, 21 February 2022   |
| Trading halt is lifted and existing Develop shares resume trading on ex-entitlement basis                                      | Monday, 21 February 2022   |
| Record date for determining entitlement for the Entitlement Offer (7.00pm Sydney time)                                         | Monday, 21 February 2022   |
| Retail Entitlement Offer Booklet and Entitlement & Acceptance Form despatched and Retail Entitlement Offer opens               | Thursday, 24 February 2022 |
| Settlement of Placement and Institutional Entitlement Offer                                                                    | Friday, 25 February 2022   |
| Allotment and issue of New Shares, normal trading of New Shares issued under the Placement and Institutional Entitlement Offer | Monday, 28 February 2022   |
| Retail Entitlement Offer closing date (5.00pm Sydney time)                                                                     | Monday, 7 March 2022       |
| Settlement of Retail Entitlement Offer                                                                                         | Friday, 11 March 2022      |
| Allotment of New Shares under the Retail Entitlement Offer                                                                     | Monday, 14 March 2022      |
| Normal trading of New Shares issued under the Retail Entitlement Offer                                                         | Tuesday, 15 March 2022     |

All dates and times are indicative and Develop reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws

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## APPENDIX A – KEY INVESTMENT RISKS

# KEY INVESTMENT RISKS

There are a number of risks associated with an investment in New Shares or Develop generally, as with any securities market investment. This section summarises the following key risks:

- Risks specific to the business and operations of Develop, the Offer and investment in shares in Develop (including the New Shares).
- Risks relating to the mining industry generally, which are common to copper/zinc production, development and exploration, and/or are risks to which Develop would continue to be exposed regardless of the Offer.
- Risks relating to an investment in equity capital generally.

This section does not purport to list every risk that may be associated with an investment in Develop and the New Shares now or in the future, and the occurrence or consequences of some of the risks described in this section may be partially or completely outside the control of Develop, its directors and management.

The selection of risks in this section has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the directors as at the date of this Presentation, but there is no guarantee or assurance that the importance of risks will not change, or other risks will not emerge. While it may be possible to mitigate some risks, there remain a number of risks beyond the control of Develop. You should consider whether the Offer is a suitable investment having regard to the key investment risks set out in this section, as well as your own investment objectives, financial circumstances and taxation position. Develop recommends that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional advisor in relation to the Offer.

## SPECIFIC RISKS

### Additional requirements for capital

Develop's capital requirements depend on numerous factors. Depending on Develop's ability to generate income from its operations, Develop may require further financing in addition to amounts raised under the Offer.

Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. The terms on which debt financiers are willing to offer financing may vary from time to time depending on macro-economic conditions, the performance of Develop, and an assessment of the risk of the intended use of funds. There is no guarantee that Develop will be able to secure additional financing on terms favourable to Develop. Additionally, Develop is currently not a party to any binding offtake agreement and the ability to obtain debt financing may be tied to securing an appropriate offtake agreement in the future. Further, loan agreements and other financing arrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by Develop may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance Develop will be able to repay such loans in the event of an acceleration. Enforcement of any security granted by Develop or default under a finance lease could also result in the loss of assets.

If Develop is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

### Key personnel

Develop is dependent on the experience of its current directors and key management personnel. The future direction of Develop, including the plans proposed to be implemented by the board, are dependent on the continuation of Develop's managing director and key management personnel. Although Develop has sought, and will continue to ensure, that its current directors and key management personnel are appropriately incentivised, their continued services cannot be guaranteed. The loss of any of Develop's directors or key management personnel's services may have an adverse effect on the performance of Develop pending replacements being identified and retained or appointed by Develop.

### COVID-19

The global economic outlook is highly uncertain due to the current COVID-19 pandemic. The COVID-19 pandemic is having a significant impact on global capital markets and the operation of a wide variety of businesses, including those in the mining industry.

Develop's share price may be adversely affected by the ongoing economic uncertainty, capital markets volatility or specific impacts on Develop and its operations that may arise in response to or otherwise as a result of COVID-19. Further, any measures to limit the transmission of the virus implemented by national, state and local governments (such as travel bans and quarantining) in Australia, Western Australia, or any other place that Develop may conduct operations, or deemed necessary by Develop, may adversely impact Develop's financial position and operations, including as to the availability of appropriate workers required for Develop to progress its operations and activities.

Additionally, there is a risk that there may be a COVID-19 outbreak at one or more of Develop's operational sites which may adversely impact the health and wellbeing of Develop's staff and adversely impact its operations.

The long term impacts of COVID-19 on general economic and industry conditions and consumer spending are uncertain and may adversely impact the financial and operational performance of Develop. In light of this, investors should exercise particular caution when assessing the risks associated with the Offer and an investment in Develop.

# KEY INVESTMENT RISKS

## Proposed Acquisition

The Proposed Acquisition will be effected by way of a deed of company arrangement (DOCA), which must be approved by the requisite majorities of creditors of Heron in accordance with the Corporations Act 2001 (Cth). There is a risk that the DOCA will not be approved by the requisite majorities, that certain other conditions precedent to the effectuation of the deed of company arrangement will not be satisfied or waived (if applicable), or that there will be a delay in satisfaction of the conditions precedent, and that as a result, completion of the Proposed Acquisition may not occur or may be delayed, or the Proposed Acquisition may occur in a form different to that originally contemplated in this Presentation. A summary of the conditions precedent to completion of the Proposed Acquisition is set out in slide 9 and Appendix C.

If completion of the Proposed Acquisition does not occur, Develop will consider alternative uses for, or ways to return the proceeds of, any subscriptions raised under the Offer. In these circumstances, certain transaction costs such as underwriting and advisory fees will still be payable by Develop. Failure to complete the Proposed Acquisition, and/or any action required to be taken to return capital, may have an adverse impact on Develop's financial performance, financial position, and share price. In addition, the DOCA (if entered into) will release and discharge Heron from liability from unsecured "claims" against Heron, the circumstances giving rise to which occurred or arose before the time of the placement of Heron into voluntary administration.

The releases and discharges will only take effect on effectuation of the DOCA. As with all deeds of company arrangement, there is a small risk that a creditor may dispute that its claim is effectively extinguished by the DOCA. In addition, there is a residual risk that a creditor may seek to terminate or vary the DOCA once executed, however Develop is not currently aware of any basis on which a creditor would seek to do so.

## Due diligence risk

Develop conducted due diligence investigations in respect of the Proposed Acquisition, and Develop has relied upon information provided or disclosed by Heron in conducting its due diligence. The financial information, information on ore reserves and mineral resources and other information in relation to the Woodlawn Project included in this Presentation has been prepared by Develop (including any underlying assumptions to this information) in reliance on information provided or disclosed by Heron.

As with any due diligence investigation, if any information provided and relied upon by Develop in its due diligence investigations proves to be incorrect, incomplete or misleading, or if Develop was not provided with all relevant information or there were other failings in the due diligence performed by Develop, there is a risk that there could be historical or other issues in relation to the Woodlawn Project or the Proposed Acquisition which could affect the success of the Proposed Acquisition or otherwise impact on Develop's financial position and performance.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Proposed Acquisition have been, or will be, identified (including issues that are material to the decision to undertake the Proposed Acquisition) and avoided or managed appropriately. A material adverse issue that is not identified prior to undertaking the Proposed Acquisition could have an adverse impact on the financial performance or operations of Develop. There is a risk that issues and risks may arise which will also have a material impact on Develop (for example, Develop may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for Develop). This could adversely affect the operations, financial performance or position of Develop.

Further, the information reviewed by Develop in conducting its due diligence investigations includes forward looking information, which is inherently unreliable and based on assumptions that may change in the future. Therefore there is a risk that unforeseen issues and risks may arise which may also have a material impact on Develop.

## Analysis of acquisition opportunity

Develop has undertaken financial, tax, legal and commercial analysis on the Woodlawn Project, in order to determine its attractiveness to Develop and whether to acquire it. It is possible that despite such analysis and the best estimate assumptions made by Develop, the conclusions drawn are inaccurate or that synergies and benefits are not realised. Specifically, the Proposed Acquisition, and proposed development steps following it, carry risk, including potential delays and unforeseen costs, and difficulties in optimising various operations. To the extent that the actual results achieved by the Proposed Acquisition are different to those indicated by Develop's analysis, there is a risk that the profitability and future earnings of the operations of Develop may be materially different from the profitability and earnings expected.

## Underwriting risk

Develop has entered into an underwriting agreement with the Lead Manager, under which the Lead Manager has agreed to fully underwrite the Offer, subject to the certain terms and conditions summarised in Appendix C of this Presentation). If certain conditions contemplated by the underwriting agreement are not satisfied, or certain events occur, the Lead Manager may be entitled to terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on Develop's ability to raise the maximum amount of proceeds contemplated by the Offer, which in turn may impact on Develop's ability to complete the Proposed Acquisition or otherwise apply the proceeds of the Offer in the manner contemplated by this Presentation.

## Risks associated with not taking up New Shares under the Offer

On completion of the Offer, assuming that no convertible securities currently on issue are converted prior to the Record Date (for the Entitlement Offer), the total number of issued shares in Develop would increase from 140.9 to 156.3 (an increase of 11%). If eligible shareholders do not take up all of their entitlements under the Offer, then their percentage holding in Develop will be diluted.

# KEY INVESTMENT RISKS

## Regulatory risks

Develop's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.

Develop requires permits from regulatory authorities to authorise Develop's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining the necessary permits can be a time consuming process and there is a risk that Develop will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Develop from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of Develop's activities or forfeiture of one or more of its tenements.

## Development of projects

Develop's Sulphur Springs Project is at a pre-development stage, and potential investors should understand that development of mineral projects is a high-risk undertaking. The Woodlawn Project has been on care and maintenance since March 2020. There is no guarantee that Develop will achieve commercial viability through any of its projects, including the Sulphur Springs Project or the Woodlawn Project (assuming the Proposed Acquisition is completed).

Develop's future development activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond Develop's control.

Develop's success may also depend upon (amongst other things) Develop having access to sufficient development capital, being able to maintain title to its tenements, obtaining all required approvals for its activities and recruiting appropriately skilled personnel. Many of these risks are also beyond the control of Develop.

Develop's development costs are based on certain assumptions with respect to the method and timing of development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Develop's viability.

## Re-start and ramp-up of the Woodlawn Project

If the Proposed Acquisition completes, Develop will take ownership of the Woodlawn Project after the Woodlawn Project has been in care & maintenance for a period of approximately 23 months. All the risks associated with developing and operating a mine operation (as summarised in "Operating and project risks" below) are applicable during a production-ramp up and re-start phase. Additionally, the production ramp-up and re-start process may uncover failures or deficiencies in processes, systems, plant and equipment required for the Woodlawn Project, and addressing such failures or deficiencies may result in Develop incurring unexpected costs and production-ramp up delays. Any prolonged outage or shutdown due to technical problems or otherwise could substantially increase production costs or adversely impact Develop's financial performance.

## Copper / zinc price volatility

If Develop achieves success leading to copper/zinc production, Develop's financial performance will be sensitive to the spot copper/zinc price. Copper/zinc prices, like all commodity prices, are affected by numerous factors and events that are beyond Develop's control. These factors and events include general economic activity, world demand, forward selling activity, copper/zinc reserve movements at central banks, costs of production by other copper/zinc producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If copper/zinc prices should fall below or remain below Develop's costs of production for any sustained period due to these or other factors and events, Develop's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of Develop's projects may require Develop to write-down its copper/zinc reserves and may have a material adverse effect on Develop's production, earnings and financial position.

## Copper / Zinc operating and development risks

Develop's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of copper/zinc mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside Develop's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. Develop may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

No assurance can be given that during the exploration process mineral resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward. Further, the costs of Develop's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that Develop's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of Develop's shares. These risks also mean that there can be no assurances as to the future development of a mining operation in relation to any of Develop's projects or which Develop may acquire in the future.

# KEY INVESTMENT RISKS

## Potential merger and acquisition activity

As part of its current business strategy, Develop may make acquisitions or divestments of, or significant investments in, companies, products, technologies or assets. Develop may also be the subject of a change of control transaction in the future. Any such future merger and acquisition activity would be accompanied by the risks commonly encountered in making acquisitions or divestments.

## MINING INDUSTRY RISKS

### Exploration risk

Exploration is an inherently speculative and high-risk activity that requires significant amounts of expenditure over extended periods of time to present a reasonable probability of success. Develop's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, technical difficulties, lack of sufficient water or power sources, industrial and environmental accident, adverse changes in government policy or legislation, lack of access to sufficient infrastructure, risks associated with operating in remote areas and other similar considerations.

Conclusions drawn during mineral exploration are subject to all the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

No assurance can be given that during the exploration process mineral resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward.

Further, the costs of Develop's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that Develop's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of Develop's shares.

### Operating and project risks

Unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour force disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formations, pit failures, changes in the regulatory environment, contractual disputes with off-takers, removal of access rights to the property(s) and adverse weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

### Environmental

Develop's operations and activities are subject to the environmental laws and regulations of Australia (and Western Australia (in respect of the Sulphur Springs Project) and New South Wales (in respect of the Woodlawn Project)) and any other places Develop may conduct business. As with most mining and exploration projects, Develop's operations and activities are expected to have an impact on the environment, particularly if advanced development proceeds at any one of Develop's existing or potential future projects.

Develop attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to Develop's mining or environmental licences, or the occurrence of an environmental incident, may lead to penalties or revocation of licences, a delay to Develop's operations or an increase in operating costs, and significant liability could be imposed on Develop for damages, rehabilitation and clean-up costs or penalties in the event of certain environmental damage. This would require Develop to incur significant costs and may result in an adverse impact on Develop's cash flows, financial position and performance. Additionally, pursuant to the terms of its environmental licences, Develop may be required to pay bonds or guarantees to regulators and state or federal governments. Following closure of operations at any of Develop's mines Develop will incur costs for rehabilitation of the relevant mine site. The rehabilitation costs that are incurred following closure of a mine may exceed Develop's previous estimates of those rehabilitation costs.

Further, Develop is unable to predict the effect of additional or more onerous environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Develop's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Develop to incur significant expenses and undertake significant investments which could have a material adverse effect on Develop's operations, financial position and performance.

### Water management

Water is a scarce commodity in much of regional Australia, and particularly in the areas in which Develop has existing or potential future operations. Water is a significant input into mine development and processing activities and access to sufficient water to support current and future activities is critical. There can be no guarantee that the cost of ensuring sufficient access to water at Develop's operations will not substantially increase in future. Reduced access to water may result in the reduction or suspension of Develop's operations.

Additionally, having and managing large quantities of water required at Develop's operations poses potential health and safety risks, environmental risks, and the risk of damage to property, in the event of a spillage or other accident.

### Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

# KEY INVESTMENT RISKS

## Resource and reserve estimates

Mineral resource and mineral reserve estimates must comply with the JORC Code, 2012 Edition, and are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and other similar examinations.

In addition, JORC compliant mineral resource and mineral reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate or invalid due to the passage of time.

Should Develop encounter mineralisation or formations different from those predicted, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Develop's operations.

## Tenure and forfeiture

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Tenements are subject to the applicable mining acts and regulations of the relevant jurisdiction (including Western Australia and New South Wales). The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal or conversion conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising Develop's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Develop.

In Western Australia and New South Wales, tenements may also be forfeited or cancelled during the term pursuant to an application by any party, or by the Department. Irrespective of Develop's compliance with the conditions of the tenements, and applicable mining acts and regulations, there is no guarantee that applications for forfeiture or cancellation will not be made against the tenements. Further, any exemptions from tenement conditions (if available) are subject to the discretion of the Minister for Mines and objections by third parties.

If any application for forfeiture or objection to the grant of an exemption is lodged, Develop may be required to defend such applications or objections in the Warden's Court and incur significant costs.

## Access and Co-operation Arrangements

Tenements are often subject to third party interests which may require rights of access to be granted to Develop. Where Develop wishes to undertake further exploration or production works on a tenement, it may need to negotiate access over land which is the subject of a third-party interest. If access arrangements cannot be agreed, or are agreed on conditions which are unfavourable to Develop, this may adversely affect Develop's ability to explore and develop its tenements.

Develop may already have existing access arrangements, which may need to be renewed or renegotiated as access to and use of the tenements changes. Renegotiation of these agreements may be costly, or adversely affect Develop's ability to explore and develop its tenements.

Develop may be required to pay costs or provide guarantees to third parties under any access and/or co-operation arrangements that currently exist or are entered into in the future in respect of the Woodlawn Project. Any termination of or failure to renew existing access and/or co-operation arrangements, or renewal of existing arrangements on terms or conditions that are unfavourable to Develop, may adversely affect Develop's ability to explore and develop the Woodlawn Project.

## Native title risk

Native title or Aboriginal heritage sites or objects may exist in the areas covered by Develop's tenements. Native title and heritage legislation in the jurisdictions in which Develop operates may affect Develop's ability to gain access to prospective exploration areas or obtain required permits or licences.

If native title has been claimed, Develop may seek a native title determination authorising entry onto land where native title has been claimed. If the title grants exclusive possession, the landowner may object to a notice of entry. Entry may only be granted on specific terms and conditions, and Develop may have to pay compensation to the landowner.

If there is a determination of native title over an area the subject of the prospecting and exploration tenements held by Develop, the native title holder's consent may be required for exploration and mining to occur.

Native title could potentially impact the status, renewal and conversion of existing tenements held by Develop and may impact the future grant of new tenements. Compensation may be required to be provided by Develop to native titleholders in the form of money, transfer of property or provision of goods and services.

## Decarbonisation Risk

Develop may be required in the future to transition its mining operations to decarbonised mining operations. Such a transition may be required by changing environmental legislation or regulations, changing economic conditions or changing investor or lender sentiment. Decarbonisation may require changes to Develop's actual or planned mining activities and may affect the continuing viability or profitability of those activities.

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# KEY INVESTMENT RISKS

## GENERAL RISKS

### Risks associated with an investment in equity capital

There are general risks associated with any investment in equity capital. The trading price of Develop's shares (including the New Shares) may fluctuate with movements in equity capital markets in Australia and internationally, and may also be influenced by a number of factors, some which are specific to Develop and its operations and some which may affect listed companies generally.

Share market conditions are affected by many factors such as general economic outlook, introduction of tax reform or other new legislation, interest rates and inflation rates, changes in investor sentiment towards particular market sectors, supply/demand of capital, terrorism and other hostilities, and pandemics and associated issues.

The market price of Develop's shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither Develop nor the directors warrant the future performance of Develop or any return on an investment in Develop.

Investors should be aware that there is a risk that the market price of Develop's shares may change between the date of this Presentation and the date when New Shares are issued.

In addition, a decrease in the trading price of Develop's shares may make Develop a target of takeover offers from other entities. In these circumstances, there can be no guarantee as to the price that Develop's shareholders may be offered for their shares. The overall success of a third party offer to acquire all or a portion of Develop's shares is dependent on a number of factors outside of the control of Develop.

## ESG risks

There is an increasing vigilance by investors, shareholders and other interested third parties regarding environmental, social and governance (ESG) issues.

An increased focus on ESG issues may:

- impact the implementation, interpretation or enforcement of legislation, regulations or formal and informal policies which affect Develop;
- influence the investment criteria, sentiment or assumptions applied by investors and lenders dealing with Develop; or
- influence the policies and negotiating positions of third parties currently contracting with Develop or who would otherwise be likely to contract with Develop in the future.

## Insurance

Develop insures its operations in accordance with industry practice. However, in certain circumstances, Develop's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Develop.

Insurance against all the risks associated with construction and engineering is not always available and, where available, costs can be prohibitive.

## Liquidity and realisation risk

There can be no guarantee that an active market in Develop's shares will develop or continue, or that the market price of Develop's shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their shares, as there may be relative few, if any, potential buyers or sellers of Develop's shares on ASX at any time.

## Tax

Future changes in taxation law, including changes in the interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Develop shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Develop operates, may impact the future tax liabilities and performance of Develop. It is also possible for the jurisdictions in which Develop operates to increase the rate on which royalty is assessed with respect to the extraction and sale of copper/zinc and related products.

Shareholders are urged to obtain independent financial advice about the consequences of acquiring any New Shares under the Offer.

Develop, its advisors and its officers do not accept any responsibility or liability for any taxation consequences to shareholders resulting from the Offer.

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# KEY INVESTMENT RISKS

## Other general risks

The operating and financial performance of Develop is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, epidemic or pandemic or natural disasters. A prolonged deterioration in general economic conditions including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Develop's operating and financial performance and financial position.

Develop's future possible revenues and share prices may be affected by these factors, which are beyond the control of Develop:

- Default by a party to any contract to which Develop is, or may become, a party;
- Insolvency or other managerial failure by any of the sub-contractors used by Develop in its activities;
- Industrial dispute by Develop's workforce or the workforce of its sub-contractors;
- Acts of war and terrorism or the outbreak or escalation of international hostilities and tensions; or
- Epidemics or pandemics (including COVID-19).

## Dividends

Any future payment of dividends by Develop will be at the discretion of the board and will depend on the financial position of Develop, future capital requirements, business operations and other factors considered relevant by the board at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Develop.

## Unknown Risks

Additional risks and uncertainties not currently known to Develop may also have a material adverse effect on Develop's financial and operational performance and the information set out in this Presentation regarding the key operational and investment risks does not purport to be, nor should it be construed as representing, an exhaustive list of the risks.

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## APPENDIX B – FOREIGN SELLING RESTRICTIONS

# INTERNATIONAL OFFER RESTRICTIONS

This Presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Presentation is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Develop, as well as its directors and officers, may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Develop or its directors or officers. All or a substantial portion of the assets of Develop and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Develop or such persons in Canada or to enforce a judgment obtained in Canadian courts against Develop or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

## China

This Presentation has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This Presentation does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

## Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Presentation may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

# INTERNATIONAL OFFER RESTRICTIONS

## New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Develop with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This Presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Presentation has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Presentation will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Presentation nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Presentation is personal to the recipient and not for general circulation in Switzerland.

## United Kingdom

Neither this Presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Presentation or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Presentation is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Presentation may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Develop.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Presentation relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Presentation.

# APPENDIX C – SUMMARY OF KEY TRANSACTION AGREEMENTS

PRODUCING POTENTIAL

DEVELOP

## KEY TERMS OF THE DOCA



|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview              | <ul style="list-style-type: none"> <li>Develop proposes to acquire 100% of the shares in Heron, which owns the Woodlawn Project, pursuant to a DOCA and an application to transfer all of the shares in Heron under section 444GA of the Corporations Act.</li> <li>The DOCA extinguishes all historical claims of Heron to enable Develop to acquire Woodlawn unencumbered.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Execution risk        | <ul style="list-style-type: none"> <li>Entry into the DOCA must be authorised by the requisite majority at the second creditors' meeting for the Heron Group.</li> <li>To facilitate the execution of the DOCA, Develop has entered into Co-operation Deeds with Orion, Castllake and Nomad, who, in aggregate, hold over 50% of the total value of all claims against the Heron Group. The key terms of these Co-operation Deeds are outlined on slide 39.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Key terms of the DOCA | <ul style="list-style-type: none"> <li>Develop will pay to the Administrators an amount of A\$8.5 million, which will be settled into a creditors' trust fund on effectuation of the DOCA for payment of the Administrators' fees and expenses, and to provide a distribution to the unsecured creditors of Heron (<b>Trust Fund Contribution</b>)</li> <li>Conditions precedent to the effectuation of the DOCA are: <ul style="list-style-type: none"> <li>Payment of the Trust Fund Contribution;</li> <li>Court approval of the transfer of the Heron shares to Develop pursuant to section 444GA of the Corporations Act;</li> <li>ASIC relief for the purposes of section 606 of the Corporations Act;</li> <li>Ministerial approval for the change of control relating to Heron's tenements; and</li> <li>Execution of any documents necessary to release the securities held by Castllake, Orion and Nomad.</li> </ul> </li> <li>On effectuation of the DOCA: <ul style="list-style-type: none"> <li>all claims against the Heron Group will be extinguished and released;</li> <li>the Trust Fund Contribution will be settled in the creditors' trust; and</li> <li>all of the shares in Heron will be transferred to Develop.</li> </ul> </li> </ul> |
| Termination           | <ul style="list-style-type: none"> <li>The DOCA will terminate (otherwise than upon effectuation in accordance with its terms) where: (1) completion of the DOCA does not occur; (2) the court makes an order under section 445D of the Corporations Act; or (3) where creditors resolve so at a meeting.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Indicative Timing     | <ul style="list-style-type: none"> <li>Heron Second Creditors' Meeting to approve transaction – Late February</li> <li>Signing of DOCA – Immediately following Second Creditors' Meeting</li> <li>Anticipated satisfaction of all Conditions Precedent – April 2022</li> <li>Completion of Acquisition – April 2022</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

# KEY TERMS OF THE CO-OPERATION DEEDS



|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview                          | <ul style="list-style-type: none"> <li>Develop has entered into binding Co-operation Deeds with Nomad, Orion and Castlake (who hold in aggregate more than 50% of the value of the total claims against Heron), pursuant to which those creditors have agreed to vote in favour of the DOCA proposed by Develop, and to release all securities held over assets of the Heron Group. In exchange, Develop has agreed to provide certain consideration to those parties, all of which is conditional on effectuation of the DOCA.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Orion Co-operation Deed           | <ul style="list-style-type: none"> <li>Up front consideration of A\$5 million cash, and A\$15 million in Develop fully paid ordinary shares payable to Orion on effectuation of the DOCA.</li> <li>Aggregate contingent consideration of up to A\$70 million payable to Orion as follows (subject to certain milestones being met): <ul style="list-style-type: none"> <li>A\$12.5 million cash / scrip payable upon definition of 550kt of Zn eqv underground JORC reserves</li> <li>A\$7.5 million cash / scrip payable upon definition of 680kt of Zn eqv underground JORC reserves</li> <li>A\$20.0 million cash / scrip payable upon a positive final investment decision in respect of the Woodlawn Project</li> <li>A\$30.0 million cash / scrip payable upon 18 months of continuous commercial production at the Woodlawn Project</li> </ul> </li> <li>Develop can elect to satisfy the contingent consideration in cash, Develop fully paid ordinary shares or a combination of both. Any issue of shares under the contingent consideration is subject to Develop shareholder approval, and will be at deemed issue prices based on the 5 trading day VWAP prior to the relevant milestone being met.</li> <li>All Orion debt incurred prior to Heron's entry into voluntary administration will be extinguished and released under the DOCA, and all securities held in relation to that debt, released via the Co-operation Deed.</li> <li>Orion debt incurred during the administration period (administrator loans) will also be released, simultaneously with the releases under the DOCA.</li> </ul> |
| Castlake Co-operation Deed        | <ul style="list-style-type: none"> <li>Up front consideration of A\$1.5 million payable to Castlake on effectuation of the DOCA.</li> <li>All Castlake debt will be extinguished and released under the DOCA, and all securities held in relation to that debt, released via the Co-operation Deed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Nomad Co-operation Deed           | <ul style="list-style-type: none"> <li>Nomad will receive no up front consideration in exchange for entering into the Co-operation Deed.</li> <li>Instead, Develop agrees that the existing Nomad stream arrangement will remain in place, subject to the following changes: <ul style="list-style-type: none"> <li>The aggregate amount of silver to be delivered to Nomad will be capped at A\$27 million</li> <li>A secondary stream will be introduced in respect of tailings, under which Tarago Operations Pty Ltd (Tarago) (at the hands of Develop) will pay A\$1.0 million for every 1Mt of tailings ore processed at a certain tenement at the Woodlawn Project, capped at \$10 million.</li> <li>The stream arrangement is conditional on effectuation of the DOCA.</li> </ul> </li> <li>All Nomad debt will be extinguished and released under the DOCA, and all securities held in relation to that debt, released via the Co-operation Deed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Termination of Co-operation Deeds | <ul style="list-style-type: none"> <li>The Co-operation Deeds have no express termination rights in favour of any party.</li> <li>If the DOCA does not effectuate for any reason, Develop will not be required to pay the above amounts to Orion, Castlake or Nomad.</li> <li>The stream agreement in favour of Nomad (to be entered into after effectuation of the DOCA) may be terminated by Nomad if one of the following events occurs and is not remedied within 10 business days: i) Tarago fails to pay any amounts due under that agreement to Nomad; ii) any of the representations given are false or misleading; iii) the agreement is repudiated by Tarago; iv) any of Tarago's officers or employees breach anti-money laundering legislation or anti-corruption laws; and v) insolvency of Tarago.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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# KEY TERMS OF THE CREDITORS' TRUST



|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview                                         | <ul style="list-style-type: none"> <li>The DOCA requires that a creditors' trust be formed to accelerate Heron's exit from administration and result in control of Heron returning to its directors immediately upon effectuation of the DOCA.</li> <li>The creditors' trust enables the claims of Heron's creditors to be converted into claims against the trust (as beneficiaries), and enables payment of those claims in accordance with the terms of the Creditors' Trust Deed.</li> <li>Develop is not a party to the Creditors' Trust Deed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Trustee Powers                                   | <ul style="list-style-type: none"> <li>The Trustees of the Creditors' Trust will become solely responsible to beneficiaries of the trust for: <ul style="list-style-type: none"> <li>Determining the amounts to be distributed to each beneficiary;</li> <li>Making any distributions to beneficiaries;</li> <li>Administering the trust property (including the Trust Fund Contribution (as defined on slide 38);</li> <li>Compromising any debt or claim on such terms as the Trustees see fit; and</li> <li>Doing anything else that is necessary or convenient for administering the Creditors' Trust.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Key terms of the Creditors' Trust Deed           | <ul style="list-style-type: none"> <li>The Creditors' Trust will comprise of a Preserved Employee Fund and an Unsecured Creditor Fund: <ul style="list-style-type: none"> <li>The Preserved Employee Fund will be distributed to repay the admitted priority claims of all Heron Group employees;</li> <li>The Unsecured Creditor Fund will be distributed as follows: <ul style="list-style-type: none"> <li>Certain government and statutory authorities will be paid in full;</li> <li>Unsecured creditors with admitted claims of A\$5,000 or less will be paid in full; and</li> <li>Unsecured creditors with admitted claims of greater than A\$5,000 will receive a pro-rata distribution from the remaining funds.</li> </ul> </li> </ul> </li> <li>Any other moneys held in the trust (that are not part of the Preserved Employee Fund or the Unsecured Creditor Fund) will be used to repay the Administrators' and Trustees' fees and expenses.</li> <li>Any surplus remaining after payment of the above will be paid to Orion in repayment of the loan given by Orion to the Administrators.</li> <li>The claims that are admissible to proof in the Creditors' Trust are limited to those that arose on or before the date of appointment of the Administrators to the Heron Group, being 16 July 2021.</li> </ul> |
| Estimated return under the Creditors' Trust Deed | <ul style="list-style-type: none"> <li>It is estimated that the returns to creditors under the Creditors' Trust Deed are greater than the returns that creditors would receive, were the Heron Group to be wound up and liquidated.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Termination                                      | <ul style="list-style-type: none"> <li>The Creditors' Trust Deed will terminate when the Trustees have distributed all the trust property in accordance with its terms.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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# APPENDIX D – UNDERWRITING AGREEMENT SUMMARY

PRODUCING POTENTIAL

DEVELOP

## UNDERWRITING AGREEMENT SUMMARY

Develop has entered into an underwriting agreement with the Lead Manager (Underwriting Agreement), pursuant to which the Lead Manager is acting as sole lead manager, underwriter and bookrunner of the Equity Raise, subject to the terms and conditions of the Underwriting Agreement. The primary obligation of the Lead Manager is to underwrite and subscribe, or procure subscriptions, and pay or procure payment of the offer price, for all New Shares offered under the Equity Raise.

In accordance with the Underwriting Agreement, as is customary with these types of underwriting arrangements:

- Develop has (subject to certain limitations) agreed to indemnify the Lead Manager, its affiliates and related bodies corporate and each of their respective directors, officers, employees, agents and advisers from and against all losses directly or indirectly suffered or incurred in connection with the Equity Raise; and
- Develop and the Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Equity Raise.

### Conditions

The Lead Manager's obligation to underwrite the Equity Raise is subject to the conditions precedent in the Underwriting Agreement. The conditions precedent are generally customary for an underwriting agreement of this kind, and include conditions precedent in relation to the proposed acquisition.

### Unqualified termination rights

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events occurs:

- A statement in the Equity Raise documents (including ASX announcements and this Presentation) (Equity Raise Documents) does not comply with the Corporations Act in any material particular (including if a statement in any of the Equity Raise Documents is or becomes misleading or deceptive or is likely to mislead or deceive, including by omission) or a matter required to be included is omitted from the Equity Raise Documents.
- The DOCA is not approved by the requisite majority at the second creditors' meeting, or is not subsequently executed following such approval, or the deed administrators (Deed Administrators) are removed or replaced by the court (otherwise than upon effectuation of the DOCA in accordance with its terms), except as a result of incapacity, or the DOCA is terminated (otherwise than upon effectuation in accordance with its terms), varied in any material respect or set aside, other than a variation approved in writing by the Lead Manager acting reasonably.
- A cleansing notice in connection with the Equity Raise is or becomes defective or any amendment or update to such a cleansing notice is issued or is required under the Corporations Act to be issued which is materially adverse from the point of view of a reasonable investor.
- The S&P/ASX 200 Index is at a level that is 12.5% or more below the level at market close on 16 February 2022 (1) at market close on the business day immediately prior to the settlement date for the institutional component of the Equity Raise (Institutional Settlement Date), or (2) at market close on two consecutive business days during the period between the Institutional Settlement Date and the settlement date for the retail component of the Equity Raise (Retail Settlement Date).
- ASX refuses or fails to grant approval for official quotation of the New Shares, either unconditionally or conditionally (where such condition would not have a material adverse effect on the settlement or success of the Equity Raise), by the time required to issue the New Shares under the proposed timetable, or ASX withdraws or modifies such approval (in a manner that would have a material adverse effect on the success or marketing of the Equity Raise).
- Develop ceases to be admitted to the official list of ASX.
- ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Equity Raise or the Equity Raise Documents, or holds or gives notice of intention to hold a hearing or investigation, or prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, Develop or any of its officers or directors in relation to the Equity Raise or the Equity Raise Documents, except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution, notice or proceeding has not become public and it has been withdrawn by the earlier of (1) the business day immediately preceding the Institutional Settlement Date or the Retail Settlement Date (as applicable), or (2) three business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received.
- Develop withdraws the Equity Raise or the invitations to apply for the New Shares under the Equity Raise Documents.
- Develop is prevented from allotting and issuing the New Shares by applicable laws, an order of a court of competent jurisdiction or a government agency within the period required by the proposed timetable under the Underwriting Agreement and the ASX Listing Rules.
- A regulatory body withdraws, revokes or amends any regulatory approvals, including any ASX waiver of the ASX Listing Rules or ASIC modifications of the Corporations Act, required for Develop to perform its obligations under the Underwriting Agreement, such that Develop is rendered unable to perform its obligations under the Underwriting Agreement.
- A director or senior executive of Develop is charged with an indictable offence relating to a financial or corporate matter, engages in any fraudulent conduct or activity, or is disqualified from managing a corporation under Part 2D.6 of the Corporations Act, or a government agency commences a public action against a director or senior executive of Develop.
- An event in the timetable for the Equity Raise (as may be varied in accordance with the terms of the Underwriting Agreement) is delayed by more than one business day.
- Develop or any subsidiary becomes insolvent, or there is an act or omission which is likely to result in Develop or a subsidiary becoming insolvent.
- A Co-Operation Deed is terminated, rescinded or repudiated (or an event occurs which entitles a party to terminate a Co-Operation Deed), or becomes void or voidable, illegal, invalid, unenforceable or materially limited in its effect or is amended in a material respect without the prior written consent of the Lead Manager.

# UNDERWRITING AGREEMENT SUMMARY

## Qualified termination rights

The Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events occurs, and the Lead Manager has reasonable grounds to believe that the event (1) has had, or is likely to have, a materially adverse effect on the marketing, success or outcome of the Equity Raise, the ability of the Lead Manager to settle the Equity Raise or the willingness of persons to apply for New Shares, or (2) will, or is likely to, give rise to (i) a contravention by the Lead Manager of (or the Lead Manager being involved in a contravention of) any applicable law or regulation, or (ii) a liability of the Lead Manager under any applicable law or regulation, or a contract in relation to the Equity Raise:

- Any of the Equity Raise Documents or any aspect of the Equity Raise does not comply with the Corporations Act, the ASX Listing Rules or any other applicable law or regulation.
- A condition of effectuation or requirement of the DOCA that is due for performance or satisfaction at any time prior to 9.00am on the Second Settlement Date is not duly performed or satisfied.
- Any information supplied by or on behalf of Develop to the Lead Manager in relation to the New Shares, Develop, the proposed acquisition or the Equity Raise is, or becomes, untrue, incorrect, misleading or deceptive, including by way of omission.
- A Co-Operation Deed is materially breached.
- A new circumstance arises which is a matter adverse to investors and which would have been required by the Corporations Act to be included in a cleansing notice given to ASX in relation to the Equity Raise had the new circumstance arisen before the cleansing notice was given to ASX.
- An event occurs which is, or is likely to give rise to, an adverse change in (1) the assets, liabilities, financial position or performance, profits, losses, earnings, prospects or condition or otherwise of the Develop group, or (2) the nature of the business conducted by the Develop group, other than as disclosed to ASX prior to the date of the Underwriting Agreement or in the Equity Raise Documents, and excluding any event or change arising in connection with the continuation or escalation of the COVID-19 pandemic.
- Any statement or estimate in the Equity Raise Documents which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Lead Manager, is unlikely to be met in the projected timeframe (including in each case financial forecasts).
- There is a change to the board of directors, managing director or chief financial officer of Develop.
- A statement in any 'closing certificate' given to the Lead Manager by Develop is false, misleading, inaccurate or untrue or incorrect.
- There is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or policy in Australia or any State or Territory of Australia (including a policy of the Reserve Bank of Australia) other than a law or policy which has been announced before the date of the Underwriting Agreement.
- A representation, warranty or undertaking contained in the Underwriting Agreement on the part of Develop is breached, becomes not true or correct or is not performed.
- Develop fails to perform or observe one or more of its obligations under the Underwriting Agreement.
- Develop alters its capital structure (other than as a result of the issue of New Shares) or amends its constitution or any other constituent document or the terms of issue of the New Shares without the prior written consent of the Lead Manager.
- In respect of any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong or Singapore, or involving any diplomatic, military, commercial or political establishment of any of those countries in the world, either (1) hostilities not presently existing commence (whether or not war or a national emergency has been declared), (2) a major escalation in existing hostilities occurs (whether or not war or a national emergency has been declared), (3) a major terrorist act is perpetrated, or (4) a national emergency is declared (other than any national emergency in connection with the COVID-19 pandemic).
- Any of the following occurs: (1) a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries, (2) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended for at least one day on which that exchange is open for trading, or (3) any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United States or the United Kingdom, or the international financial markets or any adverse change in national or international political, financial or economic conditions.

## Fees

Develop will pay the Lead Manager an underwriting fee of 1.76% and a management fee of 0.44% of the gross proceeds of the Equity Raise

# APPENDIX E – OTHER INFORMATION

# COMPANY OVERVIEW



| ASX STOCK CODE                              | SHARE PRICE   | MARKET CAPITALISATION                              | CASH                                 |
|---------------------------------------------|---------------|----------------------------------------------------|--------------------------------------|
| <b>DVP</b>                                  | <b>\$3.17</b> | <b>\$447<sub>M</sub></b><br>140.9m shares on issue | <b>\$16.5<sub>M</sub></b><br>No Debt |
| SUBSTANTIAL SHAREHOLDER<br>BILL BEAMENT 16% |               | SUBSTANTIAL SHAREHOLDER<br>MINERAL RESOURCES 15.5% |                                      |

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## 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        |
|                      | <b>Sub-total</b>    | <b>13,800</b>  | <b>1.5</b> | <b>3.8</b> | <b>0.2</b> | <b>17.0</b> |
| 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        |
|                      | <b>Sub-total</b>    | <b>3,600</b>   | <b>0.8</b> | <b>6.0</b> | <b>0.3</b> | <b>15.0</b> |
| <b>Project total</b> |                     | <b>17,400</b>  | <b>1.3</b> | <b>4.2</b> | <b>0.2</b> | <b>17.0</b> |

*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).*

### PRODUCING POTENTIAL

Refer to the section entitled "Develop Mineral Resources and Ore Reserves – Competency Statement" on slides 5 and 6 in relation to the information in this Presentation that relates to the mineral resources estimates for the Sulphur Springs Project.

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# WOODLAWN U/G RESOURCES & RESERVES



## Underground - Mineral Resources and Reserves 2019

(7% ZnEq cut-off grade for Polymetallic and 1% Cu cut-off grade for Copper)

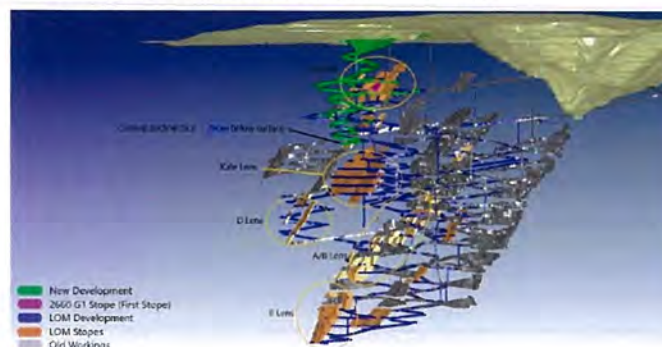
| Measured & Indicated Resource |                   |             |      |      |      |        |        |
|-------------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type                     | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic                  | M + I             | 2.8         | 10.1 | 1.5  | 3.8  | 0.6    | 79     |
| Copper                        | M + I             | 1.8         | 0.7  | 2.7  | 0.1  | 0.2    | 7      |
| Combined                      | M + I             | 4.5         | 6.5  | 2    | 2.4  | 0.5    | 51     |

| Inferred     |                   |             |      |      |      |        |        |
|--------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type    | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic | Inferred          | 2           | 7.1  | 1.5  | 2.8  | 0.7    | 55     |
| Copper       | Inferred          | 0.9         | 0.8  | 2.4  | 0.2  | 0.2    | 8      |
| Combined     | Inferred          | 2.9         | 5.2  | 1.8  | 2    | 0.5    | 40     |

| Total Mineral Resource |                   |             |      |      |      |        |        |
|------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type              | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| Polymetallic           | M + I + I         | 4.8         | 8.8  | 1.5  | 3.4  | 0.7    | 69     |
| Copper                 | M + I + I         | 2.6         | 0.8  | 2.6  | 0.2  | 0.2    | 7      |
| Combined               | M + I + I         | 7.4         | 6    | 1.9  | 2.2  | 0.5    | 48     |

| Reserves         |             |      |      |      |        |        |   |
|------------------|-------------|------|------|------|--------|--------|---|
| Reserve Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |   |
| Proven           | -           | -    | -    | -    | -      | -      | - |
| Probable         | 3.1         | 5.2  | 1.6  | 1.8  | 0.4    | 38     |   |
| Combined         | 3.1         | 5.2  | 1.6  | 1.8  | 0.4    | 38     |   |

Woodlawn Underground Mineral Resource and Ore Reserve Schematic



## PRODUCING POTENTIAL

Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project

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# WOODLAWN TAILINGS RESOURCES & RESERVES



## Tailings - Mineral Resources and Reserves 2019

(7% ZnEq cut-off grade for Polymetallic and 1% Cu cut-off grade for Copper)

| Measured & Indicated Resource |                   |             |      |      |      |        |        |
|-------------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type                     | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam                     | M + I             | 3.2         | 2.5  | 0.5  | 1.2  | 0.3    | 27     |
| North Dam                     | M + I             | 2.7         | 2.4  | 0.4  | 1.3  | 0.3    | 34     |
| West Dam                      | M + I             | 3.9         | 2    | 0.6  | 1.4  | 0.4    | 35     |
| Total                         | M + I             | 9.8         | 2.2  | 0.5  | 1.3  | 0.3    | 32     |

| Inferred  |                   |             |      |      |      |        |        |
|-----------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam | Inferred          | 0.9         | 2.3  | 0.5  | 1.2  | 0.3    | 24     |
| North Dam | Inferred          | 0.2         | 2.4  | 0.4  | 1.4  | 0.3    | 36     |
| West Dam  | Inferred          | 0           | 0    | 0    | 0    | 0      | 0      |
| Total     | Inferred          | 1.1         | 2.3  | 0.5  | 1.2  | 0.3    | 27     |

| Total Mineral Resource |                   |             |      |      |      |        |        |
|------------------------|-------------------|-------------|------|------|------|--------|--------|
| Lens Type              | Resource Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |
| South Dam              | M + I + I         | 4           | 2.4  | 0.5  | 1.2  | 0.3    | 26     |
| North Dam              | M + I + I         | 2.9         | 2.4  | 0.4  | 1.3  | 0.3    | 34     |
| West Dam               | M + I + I         | 3.8         | 2    | 0.5  | 1.3  | 0.4    | 31     |
| Total                  | M + I + I         | 10.8        | 2.2  | 0.5  | 1.3  | 0.3    | 31     |

| Reserves         |             |      |      |      |        |        |  |
|------------------|-------------|------|------|------|--------|--------|--|
| Reserve Category | Quantity Mt | Zn % | Cu % | Pb % | Au g/t | Ag g/t |  |
| Proven           | 6.2         | 2.2  | 0.5  | 1.3  | 0.3    | 31     |  |
| Probable         | 3.1         | 2.1  | 0.5  | 1.3  | 0.3    | 32     |  |
| Combined         | 9.3         | 2.2  | 0.5  | 1.3  | 0.3    | 31     |  |

## PRODUCING POTENTIAL

Refer to the section entitled "Information regarding the Woodlawn Project" on slide 5 in relation to the information in this Presentation that relates to the mineral resources and ore reserves estimates for the Woodlawn Project

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# COPPER EQUIVALENT CALCULATIONS



All Copper equivalent (CuEq) figures included in this Presentation are calculated based on the following formula:

$$\text{CuEq \%} = (\text{Zn grade} \times \text{Zn price} \times \text{Zn recovery} + \text{Cu grade} \times \text{Cu price} \times \text{Zn recovery} + \text{Pb grade} \times \text{Pb price} \times \text{Pb recovery} + \text{Au grade} \times \text{Au price} \times \text{Au recovery} + \text{Ag grade} \times \text{Ag price} \times \text{Ag recovery}) / \text{Cu price}$$

Commodity price used: Zn price of US\$3,635/t, Cu price of US\$9,557/t, Pb price of US\$2,274/t, Au price of US\$1,792/oz, and Ag price of US\$22.5/oz<sub>1</sub>

The following metallurgical recoveries applied:

- Sulphur Springs metallurgical metal recoveries of 86.8% Cu, 93.6% Zn, 0.0% Au, 46.0% Ag & 0% Pb based on Sulphur Springs 2018 Definitive Feasibility Study (DFS)
- Sulphur Springs metallurgical recoveries also applied to Whim Creek given similar deposit<sub>2</sub>

It is Develop's opinion that all the elements included in the metal equivalents calculation set out above have a reasonable potential to be recovered and sold, however the commercial recovery and sale of any products from the Company's project are subject to a number of risks and uncertainties. Refer to the Key Investment Risks (including the risks entitled "Development of projects", "Copper / zinc price volatility" and "Copper / Zinc operating and Development risks") in Appendix A.

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ASX Announcement  
21 February 2022

*Not for release to US wire services or distribution in the United States*

# DEVELOP receives firm commitments for \$37m in raising to fund acquisition of Woodlawn base metals project in NSW

**Preparations for exploration program already underway as part of strategy to grow the Resource and Reserve**

## HIGHLIGHTS

- Develop receives firm commitments for \$37.2 million in Placement and Institutional Entitlement Offer as part of broader \$50 million Equity Raising.
- Raising completed at a 5% premium to the five-day VWAP for the period ending on 16 February 2022, reflecting the market's recognition of the outstanding value of the Woodlawn acquisition
- Retail Entitlement Offer will open on Thursday, 24 February 2022

Develop (ASX:DVP) is pleased to announce the completion of the institutional component of its 1 for 18.6 pro rata accelerated non-renounceable entitlement offer and institutional placement at A\$3.30 per share.

Develop Managing Director Bill Beament said: "The strong demand for the raising and the premium price at which it was completed reflects the quality of the Woodlawn project, the attractive purchase price and the significant growth potential.

"We now look forward to unlocking the significant value in the asset through our extensive planned underground exploration program aimed at substantially growing the inventory".

The Placement and Institutional Entitlement Offer are fully underwritten by Canaccord Genuity (Australia) Limited.

The Placement comprised the issue of approximately 7.6 million New Shares, raising gross proceeds of approximately \$25.0 million, and the Institutional Entitlement Offer comprised the issue of approximately 3.7 million New Shares, raising gross proceeds of approximately \$12.2 million.

Completion of the Placement and the Institutional Entitlement Offer represents completion of the first stage of Develop's A\$50 million equity raising, announced on 17 February 2022 ("**Equity Raising**"). The Placement and the Institutional Entitlement Offer have, together, raised gross proceeds of approximately \$37.2 million

New Shares to be issued under the Placement and Institutional Entitlement Offer will rank equally with existing Develop shares in all respects from the date of their issue. Settlement of the New Shares is

expected to occur on Friday, 25 February 2022 and these New Shares are expected to be issued and commence trading on the ASX on a normal settlement basis on Monday, 28 February 2022.

In addition to the Placement and the Entitlement Offer, Develop intends to issue up to A\$1 million of New Shares to Develop directors ("**Director Placement**").

The Director Placement is not underwritten and will be undertaken at the same issue price as the Equity Raising. The Director Placement is subject to shareholder approval.

Develop expects that the trading halt in its shares will be lifted on Monday, 21 February 2021 and that its shares will recommence trading on an ex-entitlement basis from that time.

Canaccord Genuity (Australia) Limited is acting as lead manager and underwriter to the Equity Raising, and Ashurst are acting as Australian legal adviser to Develop in respect of the Equity Raising.

### **Retail Entitlement Offer**

The fully underwritten retail component of the entitlement offer ("**Retail Entitlement Offer**") will open on Thursday, 24 February 2022 and is expected to close at 5.00pm (Sydney time) on Monday, 7 March 2022.

Eligible retail shareholders will be able to subscribe for 1 New Share for every 18.6 Develop shares held as at 7.00pm (Sydney time) on Monday, 21 February 2021. The Retail Entitlement Offer price is also A\$3.30 per New Share.

Further information will be sent to eligible retail shareholders in a booklet expected to be released to ASX and despatched on Thursday, 24 February 2022 ("**Retail Entitlement Offer Booklet**"). The Retail Entitlement Offer Information Booklet and accompanying personalised entitlement and acceptance forms will contain instructions on how to apply to participate in the Retail Entitlement Offer. Eligible retail shareholders are encouraged to carefully read the Retail Entitlement Offer Information Booklet for further details relating to the Retail Entitlement Offer.

### **Indicative Timetable**

An indicative timeline with respect to the Equity Raising is detailed below

| <b>Event</b>                                                                                                                                                                              | <b>Time / Date</b>                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Trading halt lifted and existing Develop shares resume trading on ex-entitlement basis</b>                                                                                             | Monday, 21 February 2022                      |
| <b>Record date to identify security holders entitled to participate in the Entitlement Offer</b>                                                                                          | 7.00pm (Sydney time) Monday, 21 February 2022 |
| <b>Retail Entitlement Offer opens. Despatch of Retail Entitlement Offer Booklet and personalised entitlement forms</b>                                                                    | Thursday, 24 February 2022                    |
| <b>Settlement of Placement and Institutional Entitlement Offer</b>                                                                                                                        | Friday, 25 February 2022                      |
| <b>Allotment and issue of New Shares under Placement and Institutional Entitlement Offer, normal trading of New Shares issued under the Placement and Institutional Entitlement Offer</b> | Monday, 28 February 2022                      |
| <b>Retail Entitlement Offer closes</b>                                                                                                                                                    | 5.00 pm (Sydney time) Monday, 7 March 2022    |
| <b>Settlement of Retail Entitlement Offer</b>                                                                                                                                             | Friday, 11 March 2022                         |
| <b>Issue of New Shares under Retail Entitlement Offer</b>                                                                                                                                 | Monday, 14 March 2022                         |
| <b>New Shares (issued under the Retail Entitlement Offer) commence trading on ASX</b>                                                                                                     | Tuesday, 15 March 2022                        |

| Event                                                                                                    | Time / Date              |
|----------------------------------------------------------------------------------------------------------|--------------------------|
| <b>Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer</b> | Wednesday, 16 March 2022 |

\* The above timetable is indicative only and subject to change without notice. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Develop, with the consent of the Underwriter (if required), reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice.

## **Shareholder Enquiries**

If you have any questions in relation to the Retail Entitlement Offer, please call the Entitlement Offer Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period. Further information in relation to the Retail Entitlement Offer, and the Equity Raising generally, can be found in the Investor Presentation lodged with ASX on 17 February 2022.

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

All dollar amounts are in Australian dollars unless otherwise indicated.

## **About Develop**

Develop (ASX: DVP) is an exploration and development company with two advanced copper-zinc projects near Port Hedland in the Pilbara region of Western Australia. The two projects are the Sulphur Springs Project which includes the Sulphur Springs and Kangaroos Caves deposits, plus 27km of prospective tenements on the Panorama trend; and the JV on the Whim Creek Project, which includes the Resources at the Whim Creek, Mons Cupri and Salt Creek mines together with the Evelyn project and 18,100 ha of prospective tenements over the Whim Creek basin. The Company's focus is to finance its flagship Sulphur Springs Project, paving the way for its transformation into a new mid-tier ASX-listed base metal producer in the medium term. This will position it to be a long-term supplier of copper and zinc to global markets at a time when significant shortfalls are expected for both metals, especially copper.

## **INVESTORS**

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## **Not an offer in the United States**

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#### 4. IMPORTANT INFORMATION

##### 4.1 Responsibility for Information Booklet

This Information Booklet (including the ASX Offer Announcements and the enclosed personalised Entitlement and Acceptance Form) has been prepared by Develop. This Information Booklet is dated Thursday, 24 February 2022 (other than the ASX Offer Announcements, which were released to the ASX and published on the ASX website on the date shown on them). Statements made in this Information Booklet are made only as at the date of this Information Booklet. The information in this Information Booklet remains subject to change without notice, and neither Develop nor the Lead Manager is responsible for updating the information in this Information Booklet.

No party other than Develop has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Develop, or its related bodies corporate in connection with the Entitlement Offer.

##### 4.2 Status of Information Booklet

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow rights issues to be conducted without a prospectus.

Neither this Information Booklet nor the Entitlement and Acceptance Form is required to be lodged or registered with ASIC. This Information Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared or issued. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Develop. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on Develop and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Information Booklet, the Investor Presentation and other announcements made available at <http://www.asx.com.au/>.

This Information Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Develop is not licensed to provide financial product advice in respect of the New Shares. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information Booklet including the Investor Presentation released to ASX on Thursday, 17 February 2022 (in particular, the "Key Risks" section), you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

##### 4.3 Information Booklet availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information Booklet during the period of the Entitlement Offer by accessing the ASX website or accessing <https://events.miracle.com/dvp-offer>.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet on the ASX website will not include a personalised Entitlement and Acceptance Form. Eligible Retail Shareholders can also access the Information Booklet and apply online at <https://events.miracle.com/dvp-offer>.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the Entitlement Offer Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

This Information Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to, or relied upon by, persons in the United States or that are acting for the account or benefit of a person in the United States.

#### 4.4 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in Australia or New Zealand, irrespective of whether they participated in the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

If Develop believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer from Develop.

Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer (without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered).

Persons acting as custodians and/or nominees for other persons must not take up Entitlements or apply for New Shares on behalf of, and must not send the Information Booklet or any other document relating to the Retail Entitlement Offer to, any person that is in the United States or elsewhere outside Australia or New Zealand (except to Institutional Investors in other Permitted Jurisdictions).

Develop is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess, taking into account guidance provided (or deemed provided) in this Information Booklet, whether indirect participation by the beneficiary in the Retail Entitlement Offer complies in all respects with the terms of the Retail Entitlement Offer and all applicable foreign laws.

#### 4.5 No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

#### 4.6 Taxation

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares.

#### 4.7 Privacy Statement

If you complete an application for New Shares, you will be providing personal information to Develop (directly or through the Registry). Develop collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Information Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Develop may not be able to accept or process your application.

#### 4.8 Governing Law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

#### 4.9 Foreign offer restrictions

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Information Booklet does not constitute an offer in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Distribution of this Information Booklet outside Australia and New Zealand may be restricted by the securities laws of other jurisdictions. Any non-compliance with these restrictions may contravene applicable securities laws. See the "International selling restrictions" section of the Investor Presentation for more information.

##### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these

securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### United States

This Information Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of this Information Booklet, any accompanying ASX announcements, the Investor Presentation reproduced in it, or the Entitlement and Acceptance Form may be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States unless they have been registered under the U.S. Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act or applicable securities laws of any state or other jurisdiction of the United States. In particular, the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" as defined and in compliance with Regulation S under the U.S. Securities Act.

#### 4.10 Underwriting

The Entitlement Offer is lead managed and fully underwritten by the Lead Manager pursuant to an underwriting agreement dated 17 February 2022 (Underwriting Agreement).

A summary of the key terms of the Underwriting Agreement is provided in Appendix D of the Investor Presentation.

The Underwriting Agreement contains certain customary:

- conditions precedent (that must be satisfied or waived before the Lead Manager is obliged under the Underwriting Agreement to, among other things, underwrite the Retail Entitlement Offer); and
- representations, warranties and indemnities in favour of the Lead Manager.

The Underwriting Agreement is subject to generally customary termination events (a summary of these is included in Appendix D of the Investor Presentation). If the Underwriting Agreement is terminated, the Retail Entitlement Offer may not proceed in its entirety.

The Lead Manager, subject to prior consultation with the Company, reserves the right, at any time, to appoint sub-underwriters in respect of any part of the Entitlement Offer.

The Lead Manager is entitled to be paid fees and expenses under the Underwriting Agreement, and receive certain indemnities. Any sub-underwriters appointed by the Lead Manager may be paid a fee determined by negotiation with the relevant sub-underwriter. Any sub-underwriter's fees in respect of the Entitlement Offer would be paid by the Lead Manager.

#### 4.11 Disclaimer of representations

Except as required by law, and only to the extent so required, none of Develop or any other person, warrants or guarantees the future performance of Develop or any return on any investment made pursuant to this Information Booklet.

#### 4.12 Withdrawal or cancellation of the Retail Entitlement Offer

Develop reserves the right to withdraw or cancel all or part of the Retail Entitlement Offer at any time, subject to applicable laws, in which case Develop will refund Application Monies in relation to New Shares not already issued without interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Develop will not entitle you to any interest against Develop, and that any interest earned in respect of Application Monies will belong to Develop.

## 5. GLOSSARY

ABN means Australian Business Number.

ACN means Australian Company Number.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form, being the consideration for New Shares under the Retail Entitlement Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instruments means both of *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Offer Announcements means the ASX announcements reproduced in section 3 of the Information Booklet, being the announcement to ASX on Thursday, 17 February 2022 in respect of the launch of the Entitlement Offer and Placement, the Investor Presentation and the announcement to ASX on Monday, 21 February 2022 of the successful completion of the Institutional Entitlement Offer and Placement.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means institutional shareholders who were invited to participate in the Institutional Entitlement Offer (as determined by the Lead Manager in consultation with DEVELOP) provided that any Eligible Institutional Shareholder must be an Institutional Investor.

Eligible Retail Shareholders has the meaning given in section 1.3 of the Information Booklet.

Eligible Shareholders means all Eligible Institutional Shareholders and all Eligible Retail Shareholders.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 18.6 Shares held at 7.00pm (Sydney time) on the Record Date.

Entitlement and Acceptance Form means the personalised form accompanying this Information Booklet to be used to make an application in accordance with the instructions set out on that form.

Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 18.6 Shares held at 7.00pm (Sydney time) on the Record Date.

Entitlement Offer Information Line means the information line operated in relation to the Retail Entitlement Offer, which can be contacted by dialling 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

Equity Raising means the Entitlement Offer and the Placement, and Offer has the same meaning.

Government Agency means any governmental, semi-governmental, administrative, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

GST means goods and services taxation, as defined in the GST Act.

Ineligible Institutional Shareholder means each holder of Shares (or beneficial owner of Shares) at at 7.00 pm (Sydney time) on the Record Date, who is an Institutional Investor and who has a registered address outside the Permitted Jurisdictions, provided that:

- (a) any such holder of Shares that is in the United States and any such holder of Shares who holds Shares for the account or benefit of a person in the United States (to the extent that the holder holds the Shares for the account or benefit of that person in the United States) is an Ineligible Institutional Shareholder; and
- (b) any such holder of Shares who holds Shares for the account or benefit of a person outside the Permitted Jurisdictions (to the extent that the holder holds the Shares for the account or benefit of that person other than on behalf of an Institutional Investor in a Permitted Jurisdiction) is an Ineligible Institutional Shareholder.

Ineligible Retail Shareholders has the meaning given in section 1.8 of this Information Booklet.

Information Booklet means this information booklet in relation to the Retail Entitlement Offer, including the ASX Offer Announcements reproduced in section 3 of, and the personalised Entitlement and Acceptance Form accompanying, this information booklet.

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer made to Eligible Institutional Shareholders and successfully completed on Wednesday, 11 November 2020.

Institutional Investor means an institutional or professional investor to whom offers for the issue of New Shares may lawfully be made in a Permitted Jurisdiction without the need for a prospectus, disclosure document or any other lodgement (disregarding the operation of sections 708A and 708AA of the Corporations Act), registration or approval with or by a Government Agency (other than one with which Develop is willing to comply, such as in Canada, where a notice reporting any sales of securities must be filed with the relevant provincial securities regulator), and in particular:

- (a) if in Canada (British Columbia, and Ontario provinces only), it (and any such person) is an "accredited investor" as defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106") and a "permitted client" (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Obligations);
- (b) if in China, it (and any such person) is (i) a "qualified domestic institutional investor" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) a sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investments; or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise);
- (c) if in Hong Kong, it (and any such person) is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- (d) if in Singapore, it (and any such person) is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA"));
- (e) if in Switzerland, it (and any such person) is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA; or
- (f) if in the United Kingdom, it (and any such person) is a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

Investor Presentation means the Investor Presentation released to ASX by Develop on Thursday, 17 February 2022 and reproduced in section 3 of this Information Booklet.

Lead Manager means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).

Listing Rules means the official listing rules of the ASX.

New Shares means the fully paid ordinary shares in Develop to be offered under the Entitlement Offer and Placement (as applicable).

Offer Price means \$3.30, being the price payable per New Share under the Entitlement Offer.

Permitted Jurisdictions means:

- (a) Australia, New Zealand, Singapore, Hong Kong, the Peoples' Republic of China, Canada, United Kingdom, and Switzerland; and
- (b) and any other jurisdictions as agreed between Develop and the Lead Manager..

Record Date means Monday, 21 February 2022, being the record date for determining Eligible Shareholders' entitlement to participate in the Entitlement Offer (including in the Retail Entitlement Offer).

Record Time means 7.00pm (Sydney time) on the Record Date.

Registry means Link Market Services Limited.

Retail Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 18.6 Shares held at 7.00pm (Sydney time) on the Record Date at an Offer Price of \$3.30 made to Eligible Retail Shareholders.

Share means a fully paid ordinary share in Develop.

Shareholder means a holder of a Share.

U.S. Securities Act means the U.S. Securities Act of 1933 (as amended).

Underwriting Agreement means the underwriting agreement between Develop and the Lead Manager under which the Lead Manager has agreed to lead manage and underwrite the Equity Raising.

# CORPORATE DIRECTORY

**DEVELOP GLOBAL LIMITED**  
**ACN 122 180 205**

**REGISTERED OFFICE**  
Level 2, 91 Havelock Street  
West Perth WA 6005  
Australia

**REGISTRY**  
Link Market Services Limited  
GPO Box 3560  
Sydney, NSW 2001  
Australia

**WEBSITE**  
[www.develop.com.au](http://www.develop.com.au)

**ENTITLEMENT OFFER WEBSITE**  
<https://events.miracle.com/dvp-offer>

**ENTITLEMENT OFFER INFORMATION LINE**  
Australia: 1300 420 709  
International: +61 1300 420 709

Open between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

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