ASX: DVP

ASX Announcement
31/10/2022

SEPTEMBER 2022 QUARTERLY REPORT

Develop outlines clear strategy to capitalise on surging demand for energy transition metals and underground mining skills

Highlights of the Quarter

- **Develop launched its five-year business plan which outlines a clear pathway for value creation**
  - **The strategy is based on production of energy transition metals and provision of underground mining services – both set for exponential demand growth over the coming years.**
  - **Exposure to key energy transition metals via ownership of two assets (currently Woodlawn and Sulphur Springs) in tier-one locations of Australia.**
  - **Aim to produce over 50,000 tonnes per annum of copper equivalent metal.**
  - **Mining Services: Poised to capitalise on the huge increase in demand and pricing for underground skills via team of world-class underground mining specialists**
  - **Leading global fund BlackRock comes on as a 5.2% substantial shareholder**
- **Delivered a robust Mineral Resource Estimate for the Woodlawn Underground Mine of 7.3Mt at 12.0% ZnEq[1]; Two thirds of the Resource is in the higher-confidence category of Measured and Indicated**
- **In addition to the Woodlawn Resource, the assessment identified 5.1Mt of mineralisation next to the historical underground workings, which had mined grades of ~15.9% ZnEq[1]**
- **Excavation of underground drilling platforms at Woodlawn is well advanced and will enable an extensive mine life extension and exploration drilling program to commence in the December quarter**
- **Delivered a substantial increase in Mineral Resources for Sulphur Springs Deposit to 13.8Mt @ 8.3% ZnEq[1]; Contained metal increased to 786Kt Zn, 153Kt Cu & 10.4Moz Ag**
  - **Substantial increase in geological confidence with ~90% of Resource in the Indicated category**
  - **Grade increases significantly: zinc up +50%, silver up +15%**
  - **The Resource is conservative because it is calculated on a net smelter return basis, or payable metal, making it the project's most robust Resource to date**
- **Updated Sulphur Springs mine plan and project cost studies are underway; All project approvals have been obtained**
- **Exploration drilling completed at Sulphur Springs, Kangaroo Caves and Evelyn in WA**
- **Develop's Mining Services division completed 1047m of underground development at Bellevue Gold, in line with the mining schedule and generating A$9.1M in contract revenue**

Develop (ASX: DVP) is pleased to report on a pivotal quarter for the Company, during which it outlined a clear strategy to create substantial value by capitalising on the forecast growth in demand for energy transition metals and underground mining skills.

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Develop Managing Director Bill Beament said: “We have laid out a robust plan for creating significant value in two core areas where demand will exceed supply by a substantial margin.

“Woodlawn and Sulphur Springs zinc-copper projects provide us with two exceptional, high-growth assets in tier-one locations. These assets will produce the metals which will enjoy exceptionally favourable supply-demand fundamentals as the decarbonisation and energy transition themes accelerate.

“We will also benefit from the significant growth already underway in demand for underground mining services. The current supply deficit in this area will only increase and we have established an outstanding team who can provide these services.”

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

“At Woodlawn, the development of underground drilling platforms is progressing well,” he said.

“We published an updated JORC Resource based on our extensive review of the drilling data we inherited as part of the acquisition. The Resource is not only large and high-grade, but it is extremely robust due to the application of number of technical parameters during the estimation process.

“At Sulphur Springs, we also released an outstanding updated JORC Resource result which demonstrates that the project is well on track to becoming a significant producer of zinc and copper.

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

“Our underground services division continues to perform extremely well as part of the agreement we have at the Bellevue Gold Mine.

“The world-class team of underground specialists we have put together for the contract, combined with Bellevue’s highly experienced team, are adhering well to the contract schedule.”

Occupational Health, Safety and Environmental

Group loss time injury frequency rate “LTIFR” is 0.0 (injuries per million work hours), WA Underground metalliferous industry average is 2.4

Group total recordable incident frequency rate “TRIFR” is 0.0, WA Underground metalliferous average is 9.2.

There have been no major or reportable environmental or heritage incidents for the past quarter.

Woodlawn Zinc Copper Mine

Develop’s Woodlawn Mine is located in the world class Lachland 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 minor satellite deposits grading 15.9% ZnEq[1] (9.1% Zn, 1.6% Cu, 3.6% Pb, 0.5g/t Au and 74g/t Ag).

The Company recommenced exploration mining activities at the Woodlawn site during the September Quarter, with the initial focus on the assessment of the mines extensive infrastructure as well as commencing the underground development for the excavation of drill platforms.

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

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

Re-establishment of surface pumping, explosives storage, electrical infrastructure and site security was also completed, with refurbishment of the coreyard infrastructure and contractor laydown underway.

Woodlawn Mineral Resource Update

The Company also released an updated Mineral Resource Estimate (MRE) for the Woodlawn (Underground) deposit (see ASX release 2 August, 2022).

The updated Woodlawn Underground MRE of 7.3Mt @ 12.0% ZnEq[1] (5.7% Zn, 1.8% Cu, 2.0% Pb, 44.9/t Ag & 0.6g/t Au) represent the most robust and resilient resource for the deposit to date and includes applying a NSR, geometallurgical domaining and Minable Stope optimisation (MSO) to fully elucidate the potential for economic extraction.

Approximately 65% of the MRE has been classified as Measured and Indicated, with the remaining resources in the Inferred category (Figure 1).

A further 5.1Mt of remnant mineralisation has been identified proximal to historic workings (excluded from updated MRE). The remnant mineralisation has potential to significant increase the projects economic outcomes, evaluation of this material is currently underway.

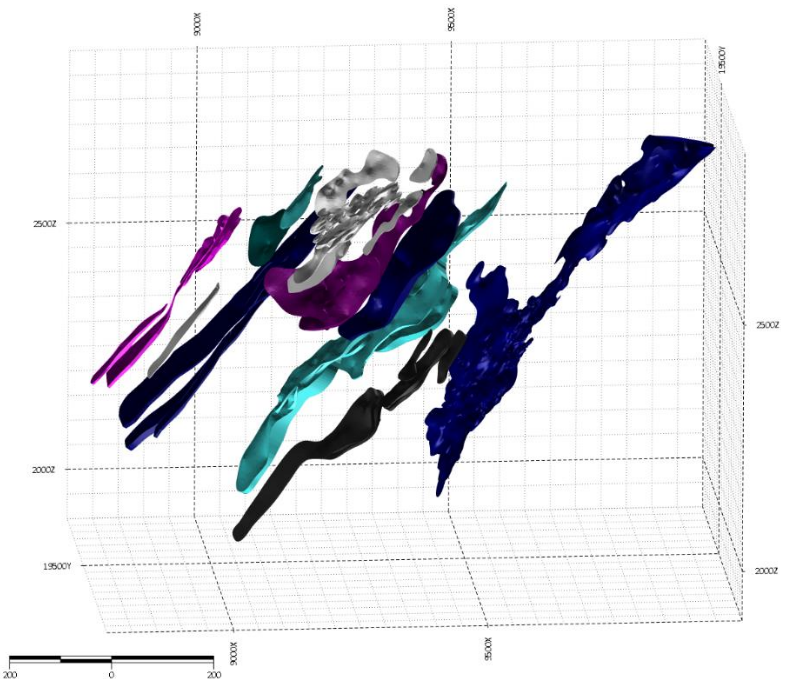

Figure 1. Woodlawn MRE oblique long section.

Sulphur Springs Zinc Copper Project

Develop's Sulphur Springs Project is located 112km south-east of Port Hedland in Western Australia and hosts a total Mineral Resource comprising 17.4 million tonnes grading 8.3% ZnEq[2] (5.8% zinc, 1.0% copper and 21g/t silver).

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

Sulphur Springs Environment Approvals

The Sulphur Springs Mining Proposal and Mine Closure Plan was approved by the Department of Mining, Industry Regulation and Safety on 15 August 2022 along with the granting of the Sulphur Springs works approval by Department of Water and Environmental Regulation on the 8 September 2022. Receipt of these two approvals, in combination with the approvals currently held, allows full regulatory implementation of the project.

Sulphur Springs Mineral Resource Update

During the quarter, the Company also released an updated Mineral Resource Estimate (MRE) for the Sulphur Springs deposit (see ASX release 6 September, 2022).

The updated Sulphur Springs MRE of 13.8Mt @ 8.3% ZnEq[2] (5.7% Zn, 1.1% Cu, 0.3% Pb, 22.5g/t Ag & 0.2g/t Au) is reported on the basis of a $80/t Net Smelter Return (NSR) and represents the most robust resource for the deposit to date, including geometallurgical domaining and recoveries to fully elucidate the potential for economic extraction.

The updated MRE has resulted in Indicated resources increasing from to ~68% to ~90% of the total (Figure 2). Step-out and exploration drilling has also highlighted ongoing potential for expansion to the known mineralisation.

The update MRE has also led to a 260Kt increase in contained zinc metal, a 2.4Moz increase in silver metal, with a decrease of 56Kt in contained copper metal.

The updated MRE further paves the way for an increased Reserve, optimised mine development plan, revised project costings and exploring numerous funding options which are all currently underway.

Resource Category	Metallurgical Domain	Tonnes (kt)	NSR ($A/t)[1]	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Fe %
Indicated	Oxide	209	$381	0.3	0.1	4.2	18.9	0.1	29.8
	Transitional	6,655	$313	5.7	0.3	1.4	21.8	0.1	23.9
	Fresh	5,495	$289	5.8	0.3	0.9	22.0	0.1	21.0
	Sub-total	**12,360**	**$303**	**5.6**	**0.3**	**1.2**	**21.9**	**0.1**	**22.7**
Inferred	Fresh	1,401	$249	6.4	0.5	0.2	38.4	0.2	20.8
	Sub-total	**1,401**	**$249**	**6.4**	**0.5**	**0.2**	**38.4**	**0.2**	**20.8**
GRAND TOTAL		**13,760**	**$298**	**5.7**	**0.3**	**1.1**	**23.5**	**0.2**	**22.5**

Table 1: Sulphur Springs MRE by Resource category and metallurgical domain.
NSR reported at A$80/t cut-off. Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

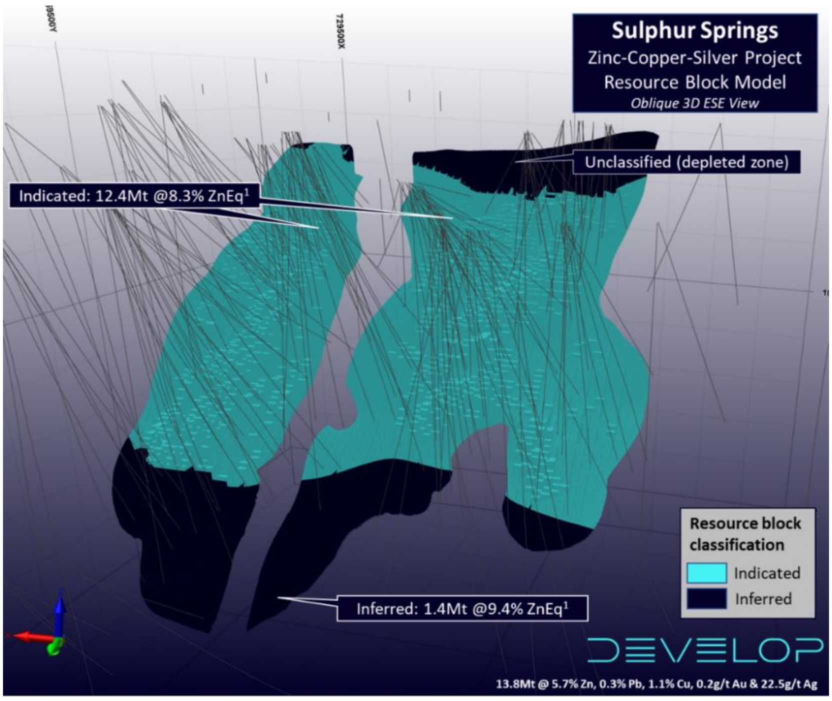

Figure 2. Sulphur Springs Resource block model classification.

Exploration

During the quarter the company commenced an ~5,500m Reverse-Circulation exploration drilling programme at the Sulphur Springs and Kangaroo Caves deposits. The programme was designed to test extensions to open mineralisation identified at the Trouser Leg and Eastern Lens targets during the updated Sulphur Springs MRE, and the down-plunge extension to mineralisation at Kangaroo Caves. Assay results from this drilling programme are expected in the March Quarter 2023.

Develop Underground Services Division

Develop continues to build strongly upon its first Underground Mining Services agreement with Bellevue Gold. The ~$A400 million agreement covers a period of almost four years for the construction, development and production activities at the underground mine.

During the quarter, the division completed 1047m of underground development at Bellevue Gold, in line with the mining schedule and generating A$9.1M in revenue. The site continues to build up its stores and maintenance inventory to achieve the significant project ramp up over the coming 12 months.

The achievement of the mining physicals under the agreement since May-22 at Bellevue is a credit to the quality of the operational team as the site has predominately only had the use of a second-hand mining fleet. Post the end of the quarter the site has been delivered a number of new mobile mining equipment pieces to continue delivering to the contract schedule. This equipment will allow for further improvements in mining physicals and contract revenues.

Also, post the end of the quarter the operation ramped up the workforce by 34%. Develop is not experiencing any issues attracting and retaining its work force. The next significant contract ramp up occurs in early 2023.

Whim Creek Join Venture (20% free carried)

Develop has a 20% free carried interest in the Whim Creek Base Metal project. During the quarter project partner Anax Metal Limited (ASX: ANX) released an update Mineral Resource Estimate for Salt Creek and drilling results for Evelyn (refer ASX September 12 and September 6, 2022). Highlights include:

- Updated Salt Creek MRE comprising.
    - 80% increase in indicated resources
    - 99% increase in contained copper
    - 22% increase in contained zinc
- Massive sulphide mineralisation intersected down plunge at the Evelyn Deposit

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

Evelyn Project [E47/1209]

A small ~450m exploration drilling programme was also completed at the 100% owned Evelyn Prospect in August 2022. The programme was designed to test several FLEM targets north of Anax Metals Evelyn Resource. Assay results from this drilling programme are expected in the December Quarter 2022.

Corporate

At the EGM held on 5 September 2022, Shareholders voted in favour of the acquisition of the Premium Group. Completion is expected in November.

The Company sold it’s redundant exploration camp at Spinifex Ridge for A$2.5 million and discharged its rehabilitation liabilities.

Securities Information

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

Security Class	Issued Capital
DVP Fully Paid Ordinary Shares	161,906,472
Unlisted Performance Rights	1,000,333
Unlisted Options (various expiry dates and exercise prices)	48,966,688

Financial Information

The Company's cash position on 30 September 2022 was A$36 million.

Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Information as disclosed in the Cash Flow Report:

- Exploration and Evaluation during the quarter was $172,000.
- There were no mining production and development activities during the quarter.
- Payments to related parties of the Company and their associates during the quarter was $146,000. The Company advises that this relates to executive directors' salaries, non-executive directors' fees, and superannuation**.**

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

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About Develop

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

Interest in Mining Tenements

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

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

Mineral Resources Statements

SULPHUR SPRINGS PROJECT (DVP 100%)

SULPHUR SPRINGS

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	12,359	5.6	0.3	1.2	21.9	0.1
Inferred	1,401	6.4	0.5	0.2	38.4	0.2
TOTAL	**13,760**	**5.7**	**0.3**	**1.1**	**23.5**	**0.2**

KANGAROO CAVES

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	2,300	5.7	0.3	0.9	13.6	0.0
Inferred	1,300	6.5	0.4	0.5	18.0	0.0
Total	**3,600**	**6.0**	**0.3**	**0.8**	**15.0**	**0.0**

WOODLAWN (DVP 100%)

WOODLAWN

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Measured	104	4.3	1.9	2.1	100	1.4
Indicated	4,776	5	1.8	1.8	42.2	0.7
Inferred	2,461	6.9	2.5	1.8	47.8	0.3
Total	**7,341**	**5.7**	**2**	**1.8**	**44.9**	**0.6**

WHIM CREEL JV PROJECT (DVP 20% : ANX 80%)

MONS CUPRI

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Measured	1,070	1.6	0.7	1.5	38.0	0.3
Indicated	3,500	0.8	0.3	0.8	17.0	0.1
Inferred	500	1.5	0.6	0.5	14.0	0.0
Total	**5,100**	**1.0**	**0.4**	**0.9**	**21.0**	**0.1**

SALT CREEK

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	1,017	3.3	0.9	1.2	20.0	0.2
Inferred	839	5.3	1.5	0.7	43.0	0.2
Total	**1,856**	**4.2**	**1.2**	**1.0**	**30.0**	**0.2**

WHIM CREEK

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	1,760	0.6	0.2	1.1	6	0
Inferred	660	0.2	0.1	0.6	2	0
Total Cu Resources	2,420	0.5	0.1	0.9	5.0	0.0
Indicated	120	3.2	0.4	0.1	12.0	0.1
Inferred	45	2.5	0.4	0.1	9.0	0.0
Total Zn Resources	**165**	**3.0**	**0.4**	**0.1**	**11.0**	**0.1**

EVELYN

Classification	Tonnes (kt)	Zn %	Pb %	Cu %	Ag g/t	Au g/t
Indicated	443	3.9	0.3	2.4	40	0.9
Inferred	106	1.8	0.1	1.3	15	0.2
Total	**549**	**3.5**	**0.3**	**2.2**	**35**	**0.8**

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

Note:

- *The Sulphur Springs Mineral Resource Estimate has been extracted from the Company's ASX announcements "Sulphur Springs Updated Mineral Resource Estimate" issued 6 September 2022.*
- *The kangaroo Caves Mineral Resource Estimate has been extracted from the Company's ASX announcements Kangaroo Caves Resource Upgrade" dated 22 September 2015*
- *The Woodlawn Mineral Resource Estimate has been extracted from the Company's ASX announcements "Woodlawn Updated Mineral Resource Estimate" issued 2 August 2022.*
- *The Mineral Resources estimates for The Whim Creek Project are based on information supplied by Joint-Venture Partner Anax Metals (ASX: ANX), full details of these estimates, including the applicable JORC statements, on their websites: https://anaxmetals.com.au*

*1.The zinc equivalent grades for Woodlawn (Zn Eq) are based on zinc, copper, lead and silver prices of US$3011/t Zinc, US$7690/t Copper, US$1900/t Pb, US$19.05/oz Silver and US$1654/oz Gold with metallurgical metal recoveries of 88% Zn, 70% Pb, 70% Cu, 33% Au and 82% Ag based on historical recoveries at Woodlawn and supported by metallurgical test work undertaken. The zinc equivalent calculation is as follows: Zn Eq = Zn grade% * Zn recovery + (Cu grade % *Cu recovery % * (Cu price $/t/ Zn price $/t)) + (Ag grade g/t /31.103 * Ag recovery % * (Ag price $/oz/ Zn price $/t)). It is the opinion of Develop Global and the Competent Person that all elements and products included in the metal equivalent formula have a reasonable potential to be recovered and sold.*

*2.The zinc equivalent grades for Sulphur Springs (Zn Eq) are based on zinc, copper and silver prices of US$3011/t Zinc, US$7690/t Copper and US$19.05/oz Silver with metallurgical metal recoveries of 93.6% Zn, 86.8% Cu and 46% Ag and are supported by metallurgical test work undertaken. The zinc equivalent calculation is as follows: Zn Eq = Zn grade% * Zn recovery + (Cu grade % *Cu recovery % * (Cu price $/t/ Zn price $/t)) + (Ag grade g/t /31.103 * Ag recovery % * (Ag price $/oz/ Zn price $/t)). It is the opinion of Develop Global and the Competent Person that all elements and products included in the metal equivalent formula have a reasonable potential to be recovered and sold.*

Competent Person Statement

The information contained relating to the Woodlawn Underground Mineral Resources is based on information compiled or reviewed by Ms Jillian Irvin of Entech Pty Ltd who is a Member of the Australian Institute of Geoscientists. Ms Irvin consents to the inclusion. Ms Irvin has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources". Ms Irvin consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement entitled 'Woodlawn Updated Mineral Resource Estimate' issued 2 August 2022 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information contained relating to the Sulphur Springs Mineral Resources is based on information compiled or reviewed by Ms Jillian Irvin of Entech Pty Ltd who is a Member of the Australian Institute of Geoscientists. Ms Irvin consents to the inclusion. Ms Irvin has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources". Ms Irvin consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement entitled 'Sulphur Springs Updated Mineral Resource Estimate' issued 6 September 2022 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to Exploration Results is based on information by Mr Luke Gibson who is an employee of the Company. Mr Gibson is a member of the Australian Institute of Geoscientists and has sufficient experience with the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources". Mr Gibson consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.