

ASX Announcement  
29/10/2021

## SEPTEMBER 2021 QUARTERLY REPORT

- Company name changed to DEVELOP Global Limited
- TSF geotechnical drilling programme completed at Sulphur Springs copper-zinc project
- Sulphur Springs infill and exploration drilling well advanced with more than 7,000m completed

DEVELOP (ASX: DVP) is pleased to report on a pivotal quarter for the Company during which shareholders approved the new name.

The name reflects the Company's new strategic direction, corporate culture and project-related initiatives, which have positioned it to play a key role in this era of global decarbonisation.

DEVELOP is backed by a well-funded balance sheet, new management and a clear strategy to unlock the full value of its Sulphur Springs copper-zinc project in the Pilbara.

DEVELOP Managing Director Bill Beament said: "It was a significant quarter which paves the way for us to progress our multi-pronged strategy to provide products and services which will be required in the new era of decarbonisation.

"We look forward to outlining this strategy in more detail shortly, as well as providing Sulphur Springs drilling results, in the coming months".

### Sulphur Springs Copper Zinc Project

DEVELOP's flagship 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 1.3% copper, 4.2% zinc and 17g/t silver.

The Definitive Feasibility Study (see ASX release 10 October 2018) delivered a Pre-Tax NPV8% of A\$472 million based on a copper price of US\$6300/tonne and zinc price of US\$2650/tonne. Current prices are ~50% and ~30% higher respectively.

### Environment

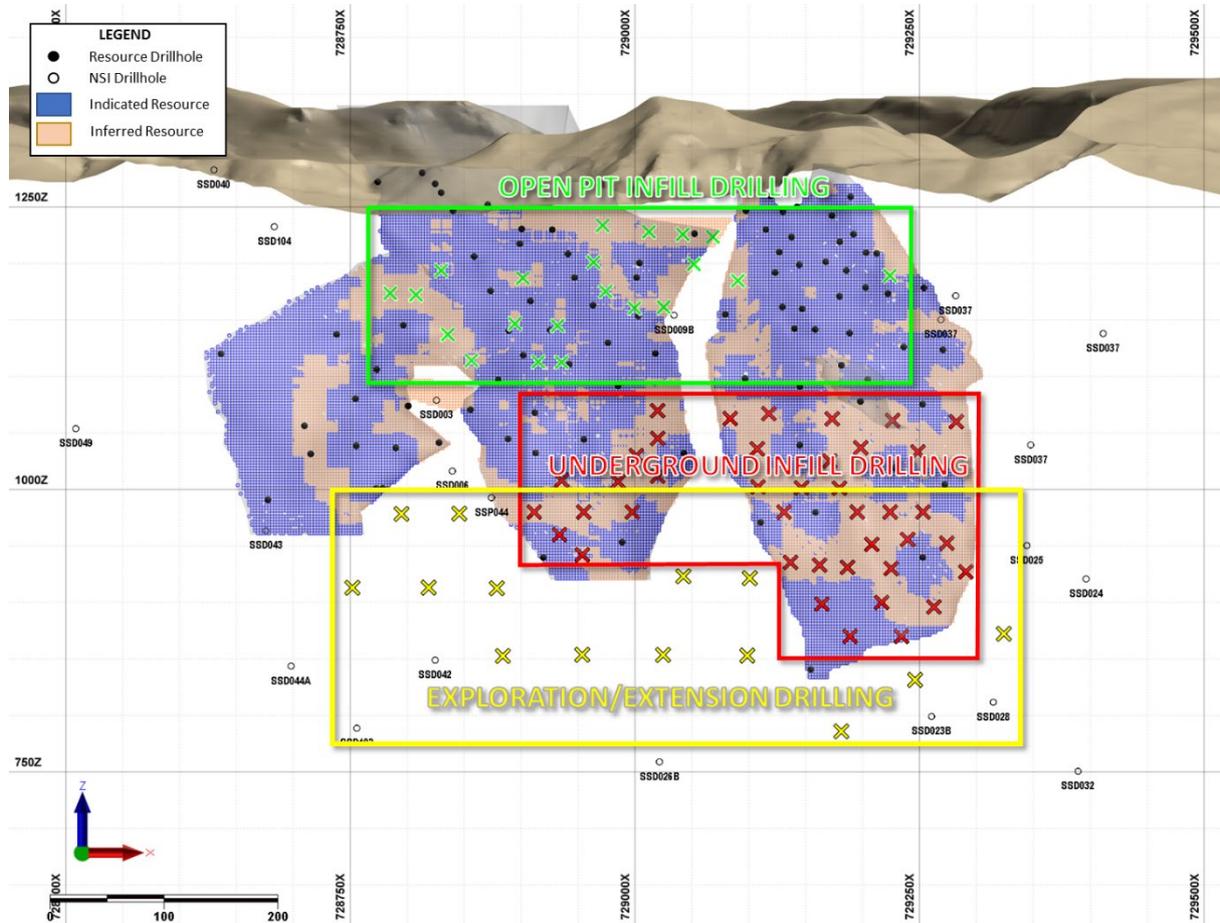
A report detailing compliance with the primary approval conditions for the project was submitted during the quarter. Applications for outstanding approvals were advanced with the benefit of additional field data and infrastructure design details. Baseline environmental monitoring was maintained and a weather station commissioned which is now providing site specific weather data valuable for future management and calibration of environmental models.

### Exploration

During the quarter, the Company completed a TSF geotechnical drilling programme, and commenced an additional resource infill and exploration drilling program at the Sulphur Springs Project.

The approximate 15,000-20,000m resource infill and exploration drilling program is designed to target at depth inferred mineralisation at the Sulphur Springs Resource as part of the Company's de-risking strategy. The programme is additional to the previously reported 'Open Pit' Infill drilling programme.

18 of the planned 40-45 holes were completed during the quarter for approximately 7,000m. Samples for all holes have been dispatched to the lab for assay analysis, however, due to high demand and delayed turnaround times, initial results are not expected until November/December.



**Figure 1:** Sulphur Springs Resource long section (North view +/-300m) with and planned drilling pierce-points.

### Whim Creek Joint 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 a scoping study (refer ASX Release 30 August 2021) on the redevelopment of the project utilising ore sorting technology to upgrade ROM ores (refer ASX announcements “Scoping Study Results Demonstrate Outstanding Value at Whim Creek” 30 August 2021). The scoping study envisaged construction of a 320ktpa concentrator on site at Whim Creek processing upgraded sulphide ores with lower grade material treated in the existing heap leach operation. The project is envisaged to have a mine life of 5-7 years, with the concentrator producing 33,200 tonnes Copper, 62,400 tonnes Zinc, 17,800 tonnes Lead 1.6Moz Silver and 9,900oz Au. ANX are progressing with the feasibility study, and the company will continue to update shareholders as further results are released.

### Evelyn Project [E47/1209]

During the quarter, the Company completed a FLEM geophysical survey at the Evelyn Prospect approximately 25km south-east of the Whim Creek Mine.

The survey was designed to test the continuation of a FLEM anomaly (refer ASX announcement 29 January 2021), located approximately 2km to the north along strike from the Evelyn Cu-Zn deposit. The

recent survey successfully identified an additional anomaly across approximately 25-30m strike, with a >150m depth/plunge extent. Further interpretation is currently underway.

## Corporate

During the Quarter the Company held an Extraordinary General Meeting of shareholders which resulted in shareholders approving the name change of the Company to DEVELOP Global Limited (ASX: DVP), with the official name change occurring on the 7<sup>th</sup> of October 2021.

The Company has scheduled its Annual General Meeting of Shareholders for Friday, 26 November 2021, with the Notice of Meeting (NOM) released to the ASX post the end of the Quarter (refer ASX release 25 October 2021).

Included in the NOM, DEVELOP has announced that the Company is seeking Shareholder approval for a Share Consolidation on a 5 for 1 basis.

The Company considers that the Consolidation will result in a more appropriate and effective capital structure and a more appropriate share price as it moves to develop Sulphur Springs and become a major supplier of new generation materials and related services.

If approved by Shareholders, the number of securities on issue will be as follows:

- Shares on issue will be reduced from 699,361,323 to 139,872,265 (subject to rounding);
- Options on issue will be reduced from 248,113,481 to 49,622,697 (subject to rounding); and
- Performance Rights on issue will be reduced from 1,935,000 to 387,000 (subject to rounding).

## Securities Information

During the Quarter, the Company issued 2,296,920 shares following the conversion of unlisted options exercisable at 13.5 cents which have an expiry date of June 2023.

Following on from the shareholders meeting on the 23 September 2021, 1M unlisted director options were issued to Shirley In't Veld on the 1<sup>st</sup> of October 2021, with an exercise price of \$1 and expiry date 3 years after the issue date.

The Company's issued capital at 30 September 2021 was:

Security Class	Issued Capital
DVP Fully Paid Ordinary Shares	697,568,796
Unlisted Performance Rights	1,935,000
Unlisted Options (various expiry dates and exercise prices)	248,906,008

## Financial Information

The Company's net cash position on 30 September 2021 was \$22.7 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Information as disclosed in the Cash Flow Report:

- Exploration and Evaluation during the quarter was \$1.7 million
- 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 \$152,000. 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.

#### Investor Enquiries

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### Interests in Mining Tenements

AREA OF INTEREST	TENEMENTS	GROUP INTEREST	EXPIRY
Sulphur Springs	M45/494	100%	21/10/2032
	M45/587	100%	6/09/2032
	M45/653	100%	28/09/2037
	M45/1001	100%	21/01/2029
	E45/4811	100%	27/03/2022
	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	
Panorama	L45/188	100%	19/11/2030
	L45/189	100%	19/11/2030
	L45/287	100%	27/09/2033
	M45/1254	100%	10/10/2038
	P45/2910	100%	24/05/2022
	P45/2911	100%	24/05/2022
	M45/1265	100%	Application
Evelyn	E47/1209*	100%	26/09/2021
Whim Creek	M47/1455	20%	3/04/2033
	E47/3495	20%	31/07/2022
	M47/236	20%	26/07/2032
	M47/237	20%	26/07/2032
	M47/238	20%	26/07/2032
	M47/443	20%	1/06/2040
	L47/36	20%	18/01/2023
	M47/323	20%	3/06/2035
	M47/324	20%	3/06/2035

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

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

Rule 5.5

## Appendix 5B – 1st Quarter 2021/2022

### Mining Exploration Entity Quarterly Report

Name of Entity:

**DEVELOP Global Limited** (ASX Code: DVP)

ABN:

28 122 180 205

Quarter Ended ('Current Quarter')

30 September 2021

Consolidated Statement of Cash Flows	Current Quarter \$A'000	Year to Date (3 months) \$A'000
<b>1. <u>Cash Flows from Operating Activities</u></b>		
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) exploration and evaluation	(129)	(129)
(b) development	-	-
(c) production	-	-
(d) staff costs	(316)	(316)
(e) administration and corporate	(335)	(335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net Cash from (used in) Operating Activities</b>	<b>(775)</b>	<b>(775)</b>
<b>2. <u>Cash Flows from Investing Activities</u></b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(17)	(17)
(d) exploration & evaluation	(1,676)	(1,676)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) Investing Activities</b>	<b>(1,693)</b>	<b>(1,693)</b>

Appendix 5B  
Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

	Current Quarter \$A'000	Year to Date (3 months) \$A'000
<b>3. Cash Flows from Financing Activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	4,916	4,916
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	3,964	3,964
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(567)	(567)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(62)	(62)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from (used in) Financing Activities</b>	<b>8,251</b>	<b>8,251</b>

<b>4. Net Increase / (Decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	16,831	16,831
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(775)	(775)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,693)	(1,693)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	8,251	8,251
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and Cash Equivalents at end of period <sup>(1)</sup></b>	<b>22,614</b>	<b>22,614</b>

	Current Quarter \$A'000	Previous Quarter \$A'000
<b>5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the account.</b>		
5.1 Bank balances	769	27
5.2 Call deposits	21,845	16,804
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at End of Quarter (should equal item 4.6 above) <sup>(1)</sup></b>	<b>22,614</b>	<b>16,831</b>

<sup>(1)</sup>At 30 September 2021 DEVELOP Global Limited had \$30k utilised to cash back guarantees that do not appear in the cash flow.

DEVELOP Global Limited has five controlled entities incorporated in Australia, (Venturex Pilbara Pty Ltd, Venturex Sulphur Springs Pty Ltd, Jutt Resources Pty Ltd, Uranium Pty Ltd and CMG Gold Ltd). The Consolidated Statement of Cash Flows covers DEVELOP Global Limited and its controlled entities.

6. <b>Payments to related parties of the entity and their associates</b>	<b>Current Quarter \$A'000</b>
6.1    Aggregate amount of payments to related parties and their associates included in item 1	152
6.2    Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: Item 6.1 includes aggregate salaries, directors' fees, corporate advisory & consulting fees at normal commercial rates*

**7.      Financing Facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1    Loan facilities	-	-
7.2    Credit standby arrangements	-	-
7.3    Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

**7.5    Unused financing facilities available at quarter end**

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7.6    Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated Cash Available for Future Operating Activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(775)
8.2 Payments for exploration and evaluation classified as investing activities (Item 2.1(d))	(1,676)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,451)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	22,614
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	22,614
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	9.22

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

8.8.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.8.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



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Company Secretary  
**Trevor Hart**

Date: 29 October 2021

## Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.