

ASX Announcement
May 20 2022

Completion of Woodlawn purchase paves way for Develop to implement exploration strategy

Key Points

- Develop has completed its acquisition of the Woodlawn zinc-copper mine in NSW and the extensive tenement package for A\$30m upfront and success-driven milestone payments
- Acquisition includes an underground mine and a new processing plant/site infrastructure
- Develop will now begin implementing its exploration strategy for Woodlawn, with preparations for an exploration decline and underground drilling program already well advanced
- The exploration strategy is aimed at converting Inferred Resources to Indicated, extending the mineralised lenses at depth and drill-testing recently-identified EM conductors

Develop (ASX: DVP) is pleased to announce that it has completed the acquisition of the Woodlawn zinc-copper mine in NSW by purchasing all the shares in Heron Resources Limited pursuant to the terms of a deed of company arrangement (DOCA) and the Orders of the Supreme Court of New South Wales (see Develop's ASX release dated 17 February 2022 for further details).

In line with the DOCA, Develop has paid the upfront consideration of A\$30 million to Heron's secured and unsecured creditors, comprising A\$15 million in cash and the issue of 4,782,859 fully paid ordinary shares in Develop at a deemed issued price of A\$3.14 per share (being the five trading day volume weighted average of Develop's shares prior to the date of the agreements with Heron's secured creditors in respect of the DOCA). Develop has also reimbursed Orion for an amount of A\$500,000 in respect of Woodlawn project care and maintenance costs incurred by Orion prior to completion of the DOCA.

Under the co-operation deed entered into with Orion, Develop has also agreed to pay up to A\$70 million to Orion subject to certain milestones being met, which Develop may elect to satisfy in cash or shares (see Develop's ASX release dated 17 February 2022 for full details of milestone-related payments).

The Woodlawn underground mine and processing plant was developed by 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 Managing Director Bill Beament said completion of the Woodlawn acquisition was a pivotal point in the Company's growth plan.

"This is an outstanding deal which has delivered Develop a world-scale project complete with an underground mine and processing infrastructure," he said.

"We have used the three months since we agreed the purchase to devise a full exploration strategy with the aim of converting Inferred Resources, extending the mineralised lenses, which we know are open at depth, and drill testing the EM conductors identified by leading consultants NewExco.

"Now we can start implementing that strategy."

Delisting of Heron

Following completion of the acquisition of Heron, an application has been made to remove Heron from the official list of ASX, which is expected to occur shortly.

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

Investor Enquiries

Trevor Hart
DEVELOP Global Limited
T: +61 8 6389 7400
E: hello@develop.com.au

Media Enquiries

Paul Armstrong
Read Corporate
P: +61 8 9388 1474
E: info@readcorporate.com.au

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 WA.