



**Develop Global Limited**

**ABN 28 122 180 205**

**Interim Financial Report**

**for the Half Year ended**

**31 December 2023**

## Corporate Directory

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### DIRECTORS

Michael Blakiston	Non-Executive Chair
Bill Beament	Managing Director
Shirley In't Veld	Non-Executive Director
Justine Magee	Non-Executive Director

### COMPANY SECRETARY

Elle Farris

### CHIEF FINANCIAL OFFICER

Ben MacKinnon

### REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS

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West Leederville WA 6007  
Australia

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### ABN

28 122 180 205

### WEBSITE

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

### QUOTED SECURITIES

ASX Code: DVP

### AUDITORS

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000  
Australia

### SHARE REGISTRY

Link Market Services Limited  
Level 12, 250 St Georges Terrace  
Perth WA 6000  
Australia

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## Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Develop Global Limited ("**Company**") and its subsidiaries ("**Group**") for the half year ended 31 December 2023 and the auditor's report thereon.

### Directors

The directors of the Company at any time during or since the end of the financial period are:

Michael Blakiston	Non-Executive Chair
Bill Beament	Managing Director
Shirley In't Veld	Non-Executive Director
Justine Magee	Non-Executive Director

### Principal Activities

The principal activities of the Group during the half-year were mineral exploration and development of its projects alongside the operations of its underground mining services division – Develop Mining Services. Key activities during the half-year involved the continued progression towards the development of the Company's Woodlawn project and the acquisition of Essential Metals. The Develop Mining Services Division continued with the ramp-up and progression of the Bellevue contract alongside the establishment of the Tjiwarl Develop JV and the awarding of the Mt Marion Contract.

### Review of Operations

During the half year Develop recorded a consolidated loss of \$3,697,765 (31 December 2022: \$6,399,825). The contract revenue for the half year ended 31 December 2023 was \$65,800,203 (31 December 2022: \$23,828,708) with \$14,864,813 capitalised to Mine Properties and \$4,884,011 capitalised to Exploration and Evaluation during the half year to 31 December 2023.

As at 31 December 2023, the Company had 242,615,030 quoted fully paid ordinary shares (30 June 2023: 180,987,603) and 31,915,000 options issued over shares (30 June 2023: 32,008,467).

As at 31 December 2023 the Group held cash reserves of \$32,657,325 (30 June 2023: \$21,769,145).

### Significant changes in State of Affairs

On 6th November 2023, Develop acquired Essential Metals Ltd (Refer Note 11). Essential Metals holds a selection of projects and JV agreements with the most advanced project being the Pioneer Dome Lithium project. The fair value of the exploration assets acquired is \$147,901,398 (inclusive of transactions costs). Develop acquired Essential Metals Ltd for \$141,346,280 in Ordinary Shares (44,033,109 Ordinary Shares).

During the financial year to date the group entered a 50:50 Joint Venture with the Tjiwarl Contracting Services and commenced ROM Loading work at the Bellevue Gold Project.

### Capital structure:

- On 3<sup>rd</sup> July 2023, the Company announced the proposed acquisition of Essential Metals by scheme of arrangement alongside an ANREO and a capital raise of \$50 million at a price of \$3.20/share. A total of 44,033,109 shares were issued under the scheme of arrangement and 15,625,000 under the capital raise/ANREO.
- On the 29<sup>th</sup> November 2023 21,724 share rights were issued to Michael Blakiston in lieu of the director fees owed to him for the July 2023 to Dec 2023 period.
- On the 6<sup>th</sup> and 14<sup>th</sup> November 2023, the group issued 922,886 and 180,028 shares respectively in lieu of payment to suppliers.
- During the period 642,083 rights were issued to employees as part of the short term incentive plan and 3,609,453 rights and 855,000 options as part of the longer term incentive plan.
- During the half year 245,883 options and 620,521 rights were converted to shares.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the half year under review.

## Directors' Report

### Capital:

At the date of this report, The Group's current capital on issue is:

	Number
<b>Ordinary shares</b>	
DVP*	242,653,581
<b>Unlisted performance rights</b>	
DVPAV	4,380,064
<b>Unlisted share rights</b>	
DVPAAI	21,724
<b>Unlisted options – share based payments</b>	
DVPAAA	14,000,000
DVPAAB	14,000,000
DVPAY	1,400,000
DVPAAC	200,000
DVPAAG	2,215,000
DVPAAJ	100,000

\* 1,376,358 subject to escrow until 4 November 2024.

### Events after the Reporting Period

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than disclosed above.

### Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

## Directors' Report Declaration

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### Directors' Report Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.



**BILL BEAMENT**  
**Managing Director**

Dated this 6<sup>th</sup> day of March 2024

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF DEVELOP GLOBAL LIMITED

As lead auditor for the review of Develop Global Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Develop Global Limited and the entities it controlled during the period.



**Jarrad Prue**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth  
6 March 2024

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue from customers	2	65,800,203	23,828,708
Other Income		955,012	450,052
Profit on Sale of PPE		-	2,013,801
Directors, employees, and consultants' expenses		(31,151,504)	(14,687,892)
Raw Material and Consumables		(21,021,928)	(9,809,113)
Share based payments	10	(4,773,245)	(536,811)
Transport Costs		(948,308)	(678,859)
Finance Costs		(1,475,567)	(1,754,205)
Depreciation and Amortisation expenses		(9,605,556)	(3,130,015)
Other Expenses		(1,476,872)	(2,095,491)
<b>Loss before income tax</b>		<b>(3,697,765)</b>	<b>(6,399,825)</b>
Income tax expense		-	-
<b>Loss after income tax expense</b>		<b>(3,697,765)</b>	<b>(6,399,825)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		(100,000)	-
Other comprehensive income/(loss) for the period, net of income tax		(100,000)	-
<b>Total Comprehensive income/(loss)</b>		<b>(3,797,765)</b>	<b>(6,399,825)</b>
<b>Profit/(Loss) attributable to</b>			
Owners of Develop Global Ltd		(3,805,818)	(6,399,825)
non-controlling interest		108,053	-
		<b>(3,697,765)</b>	<b>(6,399,825)</b>
<b>Total Comprehensive Profit/(Loss) attributable to:</b>			
Owners of Develop Global Ltd		(3,905,818)	(6,399,825)
non-controlling interest		108,053	-
		<b>(3,797,765)</b>	<b>(6,399,825)</b>
<b>Loss per share for the half year attributable to the owners of the Group</b>			
Basic loss per share (cents)		(1.77)	(3.94)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		32,657,325	21,769,145
Trade and other receivables	3	26,853,620	7,171,254
Inventories		6,619,879	6,046,058
Other assets		2,395,764	1,877,907
<b>Total current assets</b>		<b>68,526,588</b>	<b>36,864,364</b>
<b>Non-current assets</b>			
Property, plant, and equipment	5	58,058,250	44,166,114
Right of use assets		24,277,504	26,554,179
Exploration and evaluation expenditure	4	216,636,684	63,848,275
Mine properties	6	83,131,455	68,266,641
Intangibles		2,523,711	2,523,711
Other assets		3,600,080	3,577,000
<b>Total non-current assets</b>		<b>388,227,684</b>	<b>208,935,920</b>
<b>Total assets</b>		<b>456,754,272</b>	<b>245,800,284</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		20,815,865	20,079,287
Lease liabilities	7	13,361,185	11,837,506
Borrowings	7	3,611,362	-
Employee benefits		3,196,557	2,417,257
Provisions	8	11,856,071	4,753,163
<b>Total current liabilities</b>		<b>52,841,040</b>	<b>39,087,213</b>
<b>Non-current liabilities</b>			
Lease liabilities	7	11,499,178	16,075,642
Borrowings	7	5,488,020	-
Employee benefits		177,938	142,738
Provisions		17,445,179	16,518,525
Contract liabilities		24,689,238	24,359,867
<b>Total non-current liabilities</b>		<b>59,299,553</b>	<b>57,096,772</b>
<b>Total liabilities</b>		<b>112,140,593</b>	<b>96,183,985</b>
<b>Net assets</b>		<b>344,613,679</b>	<b>149,616,299</b>
<b>Equity</b>			
Issued capital	9	424,125,339	228,283,584
Reserves	9,10	127,862,672	125,009,281
Accumulated losses		(207,482,384)	(203,676,566)
<b>Total Equity attributable to Owners</b>		<b>344,505,626</b>	<b>149,616,299</b>
Non-Controlling Interest		108,053	-
<b>Total equity</b>		<b>344,613,679</b>	<b>149,616,299</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



## Consolidated Statement of Changes in Equity for the Half year ended 31 December 2023

Note	Issued Capital \$	Share Based Compensation Reserve \$	Asset Revaluation Reserve \$	Non- Controlling Interest \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 30 June 2022</b>	<b>202,081,283</b>	<b>128,215,812</b>	-	-	<b>(185,743,026)</b>	<b>144,554,069</b>
Loss for the period	-	-	-	-	(6,399,825)	(6,399,825)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,399,825)</b>	<b>(6,399,825)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of securities	9	630,300	-	-	-	630,300
Security issue costs	9	(45,279)	-	-	-	(45,279)
Share based payments Expensed	10	-	728,004	-	-	728,004
Share based payments Exercised	9,10	70,590	(70,590)	-	-	-
Share based payments Expired	10	-	(191,193)	-	-	(191,193)
Options exercised	10	424,411	-	-	-	424,411
Issue of securities - Purchase of Premium Group		7,726,611	-	-	-	7,726,611
<b>Balance at 31 December 2022</b>	<b>210,887,916</b>	<b>128,682,033</b>	<b>-</b>	<b>-</b>	<b>(192,142,851)</b>	<b>147,427,098</b>
<b>Balance at 30 June 2023</b>	<b>228,283,584</b>	<b>125,009,281</b>	-	-	<b>(203,676,566)</b>	<b>149,616,299</b>
Loss for the period	-	-	(100,000)	108,053	(3,805,818)	(3,797,765)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>108,053</b>	<b>(3,805,818)</b>	<b>(3,797,765)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of securities	9	53,503,581	-	-	-	53,503,581
Security issue costs	9	(1,068,901)	-	-	-	(1,068,901)
Performance rights Expensed	10	-	4,342,921	-	-	4,342,921
Performance rights Exercised	9,10	1,894,802	(1,894,802)	-	-	-
Performance rights Expired	10	-	-	-	-	-
Options Expensed	10	-	505,272	-	-	505,272
Options Exercised	9	165,994	-	-	-	165,994
Issue of securities – Acquisition of Essential Metals Ltd	11	141,346,280	-	-	-	141,346,280
<b>Balance at 31 December 2023</b>	<b>424,125,339</b>	<b>127,962,672</b>	<b>(100,000)</b>	<b>108,053</b>	<b>(207,482,384)</b>	<b>344,613,679</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows for the Half Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		50,696,835	21,729,191
Payments to suppliers and employees		(58,811,391)	(23,809,218)
Interest received		807,763	310,948
Interest paid		(1,090,128)	(367,676)
<b>Net cash used in operating activities</b>		<b>(8,396,921)</b>	<b>(2,136,755)</b>
<b>Cash flows from investing activities</b>			
Payment for purchases of plant and equipment		(7,620,843)	(3,804,388)
Proceeds from sale of plant and equipment		1,001	2,500,000
Payment for exploration and evaluation expenditure		(3,632,095)	(10,676,645)
Payment for Mine Properties		(13,025,457)	
Payment for purchase of Heron Resources Ltd		-	(448,238)
Payment for purchase of Premium Group		-	(812,244)
Net Cash acquired from the purchase of Essential Metals Ltd		2,642,482	-
Payment for other assets		(1,000,000)	(238,934)
<b>Net cash used in investing activities</b>		<b>(22,634,912)</b>	<b>(13,480,449)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities		49,970,683	630,300
Proceeds from conversion of options into shares		267,377	423,674
Capital raising costs		(819,912)	(86,487)
Repayments of lease liabilities		(7,498,135)	(1,920,357)
<b>Net cash (used in) provided by financing activities</b>		<b>41,920,013</b>	<b>(952,870)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>10,888,180</b>	<b>(16,570,074)</b>
Cash and cash equivalents at the beginning of the period		21,769,145	43,206,524
<b>Cash and cash equivalents at the end of the period</b>		<b>32,657,325</b>	<b>26,636,450</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Notes to the Consolidated Financial Statements

### Note 1 - Significant Accounting Policies

#### Reporting Entity

The consolidated interim financial statements comprise Develop Global Limited ("**Company**") and its subsidiaries, (collectively the "**Group Entity**" or the "**Group**"). The Company is a listed public Company domiciled in Australia. The Company's registered office is at 234 Railway Parade, West Leederville, Western Australia. The Group is a for-profit entity and is involved in the exploration and development of base metals and mining services.

#### Basis of Accounting

The consolidated interim financial statements for the half year reporting period ended 31 December 2023 are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("**AASBs**") adopted by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act* 2001. The consolidated financial statements comply with International Financial Reporting Standards ("**IFRSs**") adopted by the International Accounting Standards Board ("**IASB**").

This consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Develop Global Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the half year.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The consolidated interim financial statements have been prepared on a going concern basis. Where required by AASBs, comparative (2022) figures have been adjusted to conform with changes in presentation for the current financial period.

#### Adoption of New or Amended Accounting Standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group Entities.

##### Asset Acquisition

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

##### Critical Judgement - Asset Acquisition not Constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. The acquisition of an entity that meets the concentration test (AASB 2018-6) would be accounted for as an asset acquisition not a business combination.

No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Estimates and judgements are required by the Group, taking into consideration all available information at the acquisition date, to assess the fair value of assets acquired, liabilities and contingent liabilities assumed.

## Notes to the Consolidated Financial Statements

### Note 2 – Revenue and Other Income

	31 December 2023 \$	31 December 2022 \$
<b>a) Revenue from contracts with customers</b>		
Contract and operational revenue	65,800,203	23,828,708
	<b>65,800,203</b>	<b>23,828,708</b>
<b>b) Other Income</b>		
Interest income on bank deposits	811,031	366,731
Profit on sale of property, plant and equipment	-	2,013,801
Other Income	143,981	83,320
	<b>955,012</b>	<b>2,463,852</b>

The disaggregation of revenue from contracts with customers is as follows:

2023	Mining Services \$	Mining and Exploration \$	Other \$	Total \$
<b>Type of goods or services</b>				
Contract and operational revenue	65,800,203	-	-	65,800,203
Total external revenue from contracts with customers	<b>65,800,203</b>	-	-	<b>65,800,203</b>
<b>Geographical information by location of customer</b>				
Australia	65,800,203	-	-	65,800,203
Total external revenue from contracts with customers	<b>65,800,203</b>	-	-	<b>65,800,203</b>
2022	Mining Services \$	Mining and Exploration \$	Other \$	Total \$
<b>Type of goods or services</b>				
Contract and operational revenue	23,828,708	-	-	23,828,708
Total external revenue from contracts with customers	<b>23,828,708</b>	-	-	<b>23,828,708</b>
<b>Geographical information by location of customer</b>				
Australia	23,828,708	-	-	23,828,708
Total external revenue from contracts with customers	<b>23,828,708</b>	-	-	<b>23,828,708</b>

## Notes to the Consolidated Financial Statements

### Note 3 - Trade and Other Receivables

	31 December 2023	30 June 2023
	\$	\$
Trade and other receivables	26,853,620	7,171,254
	<b>26,853,620</b>	<b>7,171,254</b>

Accounts receivable are all payable in Australian dollars, are non-interest bearing and normally settled on 30-day terms. Refer to the company's annual report of the Company's exposure to liquidity risks on financial liabilities. Trade and other receivables are non-interest bearing and are measured at fair value less any allowance for expected credit losses. The net amount of goods and services tax (GST) recoverable from, or payable to, the taxation authority is included as part of receivables or payables. The carrying amount is the equivalent to the fair value due to the short-term nature of the receivable.

### Note 4 – Exploration and Evaluation Expenditure

	31 December 2023	30 June 2023
	\$	\$
<b>Exploration &amp; evaluation expenditure</b>		
At cost*	216,636,684	63,848,275
	<b>216,636,684</b>	<b>63,848,275</b>
<b>Movements in Carrying Amounts of exploration and evaluation expenditure.</b>		
Carrying amount at the beginning of period	63,848,275	45,757,912
Additions	4,884,011	18,902,309
Additions through acquisition of Essential (Note 11)	147,904,398	-
Rehab Adjustments	-	(505,703)
Impairment / Write Off	-	(306,243)
Carrying amount at the end of period	<b>216,636,684</b>	<b>63,848,275</b>

\*The recoverability of exploration & evaluation expenditure is dependent upon further exploration and exploitation of commercially viable mineral deposits

## Notes to the Consolidated Financial Statements

### Note 5 - Property, Plant and Equipment and Right of Use Assets

	31 December 2023	30 June 2023
	\$	\$
Property, Plant and Equipment - at cost *	58,722,003	44,337,819
Capital Work in Progress	6,157,206	2,850,386
Accumulated depreciation	(6,820,959)	(3,022,091)
	<b>58,058,250</b>	<b>44,166,114</b>
Right of Use Assets - at cost	36,392,957	33,575,402
Accumulated Depreciation	(12,115,453)	(7,021,223)
	<b>24,277,504</b>	<b>26,554,179</b>

\* The Plant acquired at Woodlawn deemed not ready for use awaiting commencement of production at Woodlawn.

Ref to Note 7 for details on the Group's corresponding lease liabilities.

#### **Movements in Property, Plant and Equipment Carrying Value**

Carrying amount at the beginning of year	44,166,114	34,274,935
Additions	19,305,685	8,140,003
Additions through acquisition of Subsidiary	33,168	5,599,320
Transfer to Mine Properties	(1,087,850)	-
Disposals	(326,028)	(856,454)
Depreciation expense	(4,032,839)	(2,991,690)
Carrying amount at the end of year	<b>58,058,250</b>	<b>44,166,114</b>

### Note 6 – Mine Properties

	31 December 2023	30 June 2023
	\$	\$
<b>Mine properties*</b>		
At cost	83,131,455	68,266,641
	<b>83,131,455</b>	<b>68,266,641</b>
<b>Movements in Carrying Amounts of Mine Properties</b>		
Carrying amount at the beginning of year	68,266,941	55,679,219
Rehabilitation Adjustment	237,164	75,568
Transfer from capital work in progress	1,087,850	-
Additions - Development	13,539,500	12,511,854
Carrying amount at the end of year	<b>83,131,455</b>	<b>68,266,641</b>

\*Mine Properties at Woodlawn deemed not ready for use awaiting commencement of production at Woodlawn.

Mine Properties have seen significant activity due to the construction work on the underground mining infrastructure at the Woodlawn Mine. This infrastructure is being developed to derisk the eventual reopening of the Woodlawn Mine.

## Notes to the Consolidated Financial Statements

### Note 7 – Borrowings and Lease Liabilities

	31 December 2023 \$	30 June 2023 \$
Equipment Financing – Current	3,611,362	-
Equipment Financing - Non-current	5,488,020	-
	<b>9,099,382</b>	<b>-</b>

  

	31 December 2023 \$	30 June 2023 \$
Lease Liabilities - Current	13,361,185	11,837,506
Lease Liabilities - Non-current	11,499,178	16,075,642
	<b>24,860,363</b>	<b>27,913,148</b>

The Group has equipment financing facilities with:

- Sandvik – limit of \$35M, \$22.6M drawn at 31 December 2023, secured against each item of equipment financed, maturity dates vary depending on the equipment but ranges from 30 months to 36 months
- CBA – limit of \$5M, \$4.5M drawn at 31 December 2023, secured against each item of equipment financed, maturity dates vary depending on the equipment but will range from 30 months to 36 months
- Epiroc - limit of \$6M, \$2M drawn at 31 December 2023, secured against each item of equipment financed, maturity dates vary depending on the equipment but will range from 30 months to 36 months
- Cat Finance – limit of \$10M with nil drawn at 31 December 2023, secured against each item of equipment financed, maturity dates vary depending on the equipment but will range from 30 months to 36 months
- NAB - limit of \$15M, \$0.3M drawn at 31 December 2023, secured against each item of equipment financed, maturity dates vary depending on the equipment but will range from 30 months to 36 months

### Note 8– Provisions (Current)

	31 December 2023 \$	30 June 2023 \$
<b>Current</b>		
Provision - Stamp Duty – Essential Acquisition	7,893,000	-
Provision - Payroll Tax on Share Based Payments	3,963,072	4,753,163
	<b>11,856,072</b>	<b>4,753,163</b>

## Notes to the Consolidated Financial Statements

### Note 9 – Capital and Reserves

	31 December 2023 \$	30 June 2023 \$
Ordinary shares fully paid	424,125,339	228,283,584
Share based payment reserve	127,962,672	125,009,281
Asset Revaluation Reserve	(100,000)	-
	<b>551,988,011</b>	<b>353,292,865</b>

During the half year ended 31 December 2023, the following movements in equity occurred:

Ordinary Shares fully paid	31 December 2023 No.	31 December 2023 \$	30 June 2023 No.	30 June 2023 \$
At the beginning of reporting period	180,987,603	228,283,584	161,097,317	202,081,283
Exercise of Performance Rights - 2020LTia <sup>(1)</sup>	-	-	141,934	959,621
Shares issued on Acquisition of Premier Group \$2.660 /share <sup>(2)</sup>	-	-	2,904,741	7,726,611
Share issued to KMP \$3.300 /share <sup>(3)</sup>	-	-	191,000	630,300
Option Conversion - DVPAW	-	-	-	-
Options Conversion DVPAW & DVPAZ - \$0.675/share <sup>(4)</sup>	-	-	14,652,611	9,890,513
Option Conversion – DVPAW <sup>(5)</sup>	-	-	2,000,000	7,110,132
Option Conversion – DVPAW	245,883	165,994	-	-
Capital Raise – ANREO @ \$3.20/share	15,625,000	50,000,000	-	-
Share Issue - In lieu of payment to Suppliers @ \$3.20/share	922,886	2,953,235	-	-
Exercise of Performance Rights - 2020LTia	57,600	234,000	-	-
Shares issued on Acquisition of Essential Metals @ \$3.21/share	44,033,109	141,346,281	-	-
Exercise of Performance Rights – 2023 STIP	562,921	1,660,802	-	-
Share Issue - In lieu of payment to Suppliers @ \$3.06/share	180,028	550,346	-	-
Transaction costs relating to share issues	-	(1,068,903)	-	(114,876)
At end of the reporting period	<b>242,615,030</b>	<b>424,125,339</b>	<b>180,987,603</b>	<b>228,283,584</b>



## Notes to the Consolidated Financial Statements

### Note 9 – Capital and Reserves (continued)

Unlisted Options	Exercise Price \$	Expiry Date	Balance at beginning of period No.	Issued No.	Exercised No.	Expired No.	Balance at end of period No.
DVPAW	0.675	18-Jul-23	1,048,467	-	(245,883)	(802,584)	-
DVPAAA	0.750	17-Jun-24	14,000,000	-	-	-	14,000,000
DVPAY	0.750	22-Jun-24	1,400,000	-	-	-	1,400,000
DVPAAC	5.000	01-Oct-24	200,000	-	-	-	200,000
DVPAAB	0.750	17-Jun-25	14,000,000	-	-	-	14,000,000
DVPAAG	various	various	1,360,000	855,000	-	-	2,215,000
DVPAAJ	4.380	15-Dec-2026	-	100,000	-	-	100,000
			<b>32,008,467</b>	<b>955,000</b>	<b>(245,883)</b>	<b>(802,584)</b>	<b>31,915,000</b>

### Note 10 - Share-Based Payments Reserve

#### Reserves

Unlisted Options

Unlisted Performance Rights

Share Based Payment Contingent Consideration

#### Total Reserves

	31 December 2023 \$	30 June 2023 \$
Unlisted Options	83,889,914	83,384,642
Unlisted Performance Rights	4,180,661	1,732,542
Share Based Payment Contingent Consideration	39,892,097	39,892,097
<b>Total Reserves</b>	<b>127,962,672</b>	<b>125,009,281</b>

#### Share Based Payment – Contingent Consideration

As part of the acquisition of Heron Resources Ltd Develop has agreed to payments of contingent consideration of up to \$70 million in cash or shares (or a combination thereof at the Company's discretion) dependent on the successful achievement of each of the milestones.

	31 December 2023 \$	30 June 2023 \$
Share Based Payment Contingent Consideration	39,892,097	39,892,097
	<b>39,892,097</b>	<b>39,892,097</b>

## Notes to the Consolidated Financial Statements

### Note 10 - Share-Based Payments Reserve (Continued)

#### Performance Rights

The performance condition of each tranche is set out as follows:

1. Absolute Total Shareholder Return as per Notice of Meeting lodged on ASX 21/04/23 The Absolute Total Shareholder Return performance criteria will be assessed from the starting point of \$2.56 (being the 6-month VWAP for the period ended on 31 December 2022) over the Performance Period and measured based on the compound annual growth rate (CAGR) of the Company's Share price.

#### Absolute TSR Vesting Schedule:

CAGR TSR	Proportion of absolute TSR Awards Vesting
Below 10%	Nil
10%	25%
Between 10% & 15%	Straight-line pro-rata between 25% & 50%
15%	50%
Between 15% & 20%	Straight-line pro-rata between 50% & 75%
20%	75%
Between 20% & 25%	Straight-line pro-rata between 75% & 100%
25% and Above	100%

2. Relative Total Shareholder Return as per Notice of Meeting lodged on ASX 21/04/23 Total Shareholder Return (TSR) is a measure of investment return in percentage terms, adjusted for dividends and capital movements, from the start to the end of the performance period. The TSR of DVP is compared and ranked to the TSR of each peer Group constituent. Ranking is used to determine the proportion of Awards vesting based on the set vesting schedule.

#### Relative TSR Vesting Schedule:

DVP TSR Percentile	Proportion of Relative TSR Awards vesting
Below 25th percentile	0%
At 25th percentile	25%
Between 25th and 50th	Pro-rata vesting on a straight-line basis
At 50th percentile	50%
Between 50th and 75th	Pro-rata vesting on a straight-line basis
75th percentile and Above	100%
Below 25th percentile	0%
At 25th percentile	25%

3. Mining services operating 5 projects
4. Operating either as a mine owner or interest holders in 3 of the projects
5. Achieving the environmental, social and governance strategy
6. Bankable feasibility/Project finance (SS or WDL)
7. Commercial/profitable SS/WDL production
8. Copper equivalent production of >30,000 tonnes per annum
9. Copper equivalent production of >50,000 tonnes per annum
10. Establishment/deployment of underground capability for partnerships and/or third-party services
11. Sign on Bonus (subject to completion of a 3-years' service term)
12. Short Term Incentives

Key Performance Indicators	Weighting
People Safety and Environment	20%
Operational Performance	50%
Financial	30%

## Notes to the Consolidated Financial Statements

### Note 10 - Share-Based Payments Reserve (Continued)

Class	Issued to	Tranche	Fair Value at Grant Date \$/Right	Number Granted	Grant Date	Expected Life
2023 STIP	Various Employees	12	2.49 - 3.46	970,000	29/9/2023	1 year
2024 STIP	William Beament	12	2.90*	105,836*	16/11/2023	1 year
2024 STIP	Ben MacKinnon	12	2.90*	46,870*	16/11/2023	1 year
<b>Total</b>				<b>1,122,706</b>		

\*FY2024 STIP is subject to achieving KPI's as approved at the AGM for the FY24 period.

Holders of Performance Rights are not entitled to receive dividends prior to vesting and expire at the earlier of the date that is 5 years from the date of employment or upon termination of employment by either party. The following reconciles the performance rights outstanding at the beginning and end of the year:

	31 December 2023 No.	30 June 2023 No.
<b>Total Performance Rights on Issue</b>		
Balance at beginning of the period	4,397,053	1,127,267
Granted during the year	663,807	3,609,453
Expired during the year	-	(197,733)
Exercised during the year	(620,521)	(141,934)
<b>Balance at end of the year</b>	<b>4,440,339</b>	<b>4,397,053</b>

#### Options

The following refers to unlisted options issued by the Company, other than those issued as part of a capital issue. 150,000 options were granted during the year (2022: 1,590,000). Details of these options issued are detailed below and all have expiry dates 1 year after vesting or on cessation of employment and nil expected dividend. The following outlines the options granted to employees and directors subject to the Company's long-term incentive plan. The fair value of options granted are calculated at the grant date using a Black Scholes option-pricing model which represents the fair value of services received in return for the share options granted.

	Fair Value at Grant Date \$/Option	Number Granted	Grant Date	Vesting Date	Share Price (\$)	Exercise Price (\$)	Expected Volatility	Expected Life of Option (year)	Risk Free interest rates (%)
Justine Magee	0.5213	100,000	16/11/2023	16/11/2024	2.90	4.38	52%	2 yrs.	4.23%
Employees	1.3012 - 1.9209	50,000	3/7/2023	3/7/2025-3/7/2028	3.46	4.74-5.75	73%	2.5 yrs. - 5.5 yrs.	3.90% - 4.04%
<b>Total</b>		<b>150,000</b>							

	31 December 2023 No.	30 June 2023 No.
<b>Share Based Payments Reserve – Options</b>		
Balance at beginning of the period	31,865,000	32,990,000
Granted during the year	50,000	905,000
Expired during the year	-	(30,000)
Exercised during the year	-	(2,000,000)
<b>Balance at end of the year</b>	<b>31,915,000</b>	<b>31,865,000</b>

## Notes to the Consolidated Financial Statements

### Note 11 – Acquisition of Essential Metals Ltd (provisional)

On 3<sup>rd</sup> July 2023 the Company announced the proposed acquisition of a 100% interest in Essential Metals Ltd (Essential) including the following subsidiaries Golden Ridge North Kambalda Pty Ltd (Golden Ridge) and Western Copper Pty Ltd (Western Copper) which form the Essential consolidated group (the Group). The Acquisition includes the Pioneer Dome exploration project asset and selection of Joint ventures. The acquisition was deemed to completed on the 26<sup>th</sup> October 2023.

The acquisition does not meet the definition of a business in accordance with AASB 3 Business Combinations as it met the business concentration test. As such the acquisition has been accounted for as an asset acquisition whereby fair value of consideration is allocated to net identifiable assets acquired on a relative fair value basis. The fair value of the consideration paid and allocation to net identifiable assets is as follows:

- The fair value of consideration given is 44,033,109 shares issued at a price of \$3.21/share with a total value of \$141,346,280.

#### Acquisition related costs

- The Group incurred acquisition-related costs of \$1,659,846 on legal fees and due diligence costs. These costs have been included as part of the acquisition cost and capitalised to the Exploration and Evaluation asset.
- A provision for the estimated cost of stamp duty of \$7,890,000 has been included as part of the acquisition.

The allocation to net identifiable assets is as follows:

	Fair value \$
<b>Assets</b>	
Cash and cash equivalents	5,863,992
Trade and other receivables	201,762
Other assets	20,910
Right Of Use Asset	95,175
Property, plant, and equipment	33,168
Exploration and Evaluation Asset	147,901,398
<b>Liabilities</b>	
Trade and other payables	(2,365,694)
Lease Liability	(95,175)
Provision - Rehabilitation	(696,129)
Employee benefits	(63,281)
<b>Total acquisition-date fair value of net assets acquired</b>	<b>150,896,126</b>

#### Representing:

Transaction Costs Capitalised	9,549,846
Shares issued to vendor	141,346,280
	<b>150,896,126</b>

The initial accounting for the acquisition of Essential has only been provisionally determined at the end of the reporting period.

## Notes to the Consolidated Financial Statements

### Note 12 – Capital Commitments and Contingencies

The Group has entered contracts to purchase property, plant and equipment for \$4,050,488 (31 December 2022: \$23,965,276). These commitments are expected to settle in the next twelve months. This will be funded through equipment finance facilities.

Other than disclosed above, the Group's capital commitments and contingencies have not changed since the last annual report.

### Note 13 - Operating Segments

The Group has identified its operating segments based on internal management reports that are reviewed by the Board (the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

The Group reports its business results as Three operating segments being the Develop Mining Services, Mining and Exploration and Corporate. All are operating within the Australian resources sector. The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measured based on EBITDA contribution. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. All non-current assets of the Group exclusive of, where applicable, financial instruments and deferred tax assets, are in Australia.

#### 31 Dec 2023

	Mining Services \$	Mining and Exploration \$	Corporate \$	Total \$
<b>Revenue</b>				
External Revenue	65,800,203	-	-	65,800,203
<b>Total Revenue</b>	<b>65,800,203</b>	<b>-</b>	<b>-</b>	<b>65,800,203</b>
<b>Underlying EBITDA</b>	5,795,005	(2,020,515)	(71,758)	3,702,732
Depreciation, Amortisation, and Interest	(7,145,928)	(27,879)	(226,690)	(7,400,497)
<b>Underlying Profit/Loss</b>	<b>(1,350,923)</b>	<b>(2,048,394)</b>	<b>(298,448)</b>	<b>(3,697,765)</b>
<b>At 31 December 2023</b>				
Asset	81,078,547	349,732,206	25,943,519	456,754,272
Liability	(51,949,098)	(55,511,484)	(4,680,011)	(112,140,593)
<b>Net Assets</b>	<b>29,129,449</b>	<b>294,220,722</b>	<b>21,263,508</b>	<b>344,613,679</b>

#### 31 Dec 2022

	Mining Services \$	Mining and Exploration \$	Corporate \$	Total \$
<b>Revenue</b>				
External Revenue	23,828,708	-	-	23,828,708
<b>Total Revenue</b>	<b>23,828,708</b>	<b>-</b>	<b>-</b>	<b>23,828,708</b>
<b>Underlying EBITDA</b>	3,017,335	(1,781,500)	(4,505,645)	(3,269,810)
Depreciation, Amortisation, and Interest	(2,311,571)	(687,683)	(130,761)	(3,130,015)
<b>Underlying Profit/Loss</b>	<b>705,764</b>	<b>(2,469,183)</b>	<b>(4,636,406)</b>	<b>(6,399,825)</b>
<b>At 30 June 2023</b>				
Asset	54,709,757	176,787,617	14,302,910	245,800,284
Liability	(34,805,204)	(49,611,996)	(11,722,156)	(96,139,356)
<b>Net Assets</b>	<b>19,904,553</b>	<b>127,175,621</b>	<b>2,580,754</b>	<b>149,660,928</b>

## Notes to the Consolidated Financial Statements

### Note 13 - Operating Segments (continued)

#### Major customers

During the half year ended 31 December 2023 \$65,800,203 (31 December 2022: \$23,828,708) of the Group's external revenue was derived from mining services revenue to an Australian producer.

#### Geographical information

All non-current assets of the Group are located in Australia.

### Note 14 - Events after the Reporting Period

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than disclosed above.

### Note 15 - Related Party Transactions

#### Other Transactions with Key Management Personnel

Disclosures relating to Key Management Personnel are set out in the Directors Report.

There were no loans to Key Management Personnel during the period (2022: Nil).

For further information on the share-based payments to Key Management Personnel refer to note 9.

During the period the Company paid \$505,372 to Gilbert + Tobin to provide legal consulting services, of which Michael Blakiston is a Partner. As at 31<sup>st</sup> December 2023, there was \$5,096 in Trade and Other Payables due to Gilbert + Tobin.

During the period Director fees for M Blackiston were settled in the issue of 21,724 Share rights at a value of \$3.45/right.

Transactions between related parties are on commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

## Directors' Declaration

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In the opinion of the directors of Develop Global Limited (the "**Company**"):

- (a) the consolidated interim financial statements and notes that are set out on pages 7 to 22 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations* 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the directors.



**BILL BEAMENT**  
**Managing Director**

Dated this 6<sup>th</sup> March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Develop Global Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Develop Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.





### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

BDO  
*J Prue*

**Jarrad Prue**

**Director**

Perth, 6 March 2024