

ASX Announcement
20 September 2024

Develop awards contract to GR Engineering Services for Woodlawn processing plant

Contract triggers milestone payment to project vendor

Highlights

- Develop has awarded a A\$25.7m contract to processing specialists GR Engineering Services (GRES) to upgrade and recommission the Woodlawn processing plant
- The contract with GRES will continue for a period of 1.5 years or until completion is reached and the contract contains standard termination rights
- This contract triggers the A\$20m “Final Investment Decision Milestone Payment” with the Woodlawn project vendor
- Develop will now make a milestone payment to the vendor comprising A\$10m worth of the Company’s shares at a 5-day VWAP of A\$2.08 per share and up to A\$10m in cash
- As part of the settlement, Develop will place 5 million shares to existing shareholders at A\$2 per share to cover the cash component to be paid to the vendor
- GR Engineering is mobilising to site to undertake the plant upgrade and preparation for recommissioning
- Underground development resumed in August in preparation for the start of ore production mining in early CY2025
- Woodlawn is now on track for first production and cashflows in mid-CY2025
- Documentation of terms for the ~A\$100m prepayment/loan facility with Trafigura is well advanced and on track for completion in the coming weeks
- The combination of the Trafigura facility, cash reserves of A\$41m as at 30 June 2024 and a profitable mining services division

Develop Global Limited (Develop) (ASX: DVP) is pleased to announce that it is on track to start production at its Woodlawn copper-zinc mine in the middle of next calendar year, with the Company awarding GRES a contract to upgrade and recommission the Woodlawn processing plant.

The award of this contract triggers the FID Milestone Payment as that term is defined under the Co-operation Deed signed between Develop and project vendor, OMF Fund II (H) Ltd (**Orion**), in February 2022 (refer to ASX release 17 February 2022), when Develop acquired Woodlawn Copper and Zinc Mine.

As a result, Develop is now required to pay up to A\$20 million to Orion. This payment will be satisfied via the combination of cash and Develop shares.

The Company also advises that the documentation of the terms for the prepayment/loan facility with Trafigura is progressing well and on track for completion in the coming weeks.

Develop Managing Director Bill Beament said: “Completion of the Trafigura documentation will mean Woodlawn is fully-funded through to production.

"We have contracted processing specialists GRES to upgrade and recommission the Woodlawn plant and we have already resumed underground development to ensure we are well ahead of the schedule.

"The recently updated project re-start study showed Woodlawn will generate outstanding cashflows and returns for our shareholders".

Details of Share Placement

Develop will issue 5 million new fully paid ordinary shares to eligible existing shareholders at A\$2 per share to cover the cash component to be paid to Orion (**New Shares**).

The New Shares will be issued to eligible existing shareholders without disclosure. A cleansing notice under section 708A of the Corporations Act will be issued at the time of applying for quotation of the New Shares on ASX.

The anticipated date of settlement of the New Shares is on or about 27 September 2024.

Develop will also issue ~4.8 million new fully paid ordinary shares to Orion at a 5-day VWAP of A\$2.08 per share in order to satisfy part of the FID Milestone Payment. This issuance of these shares will occur on 25 September 2024.

Argonaut Securities Pty Ltd acted as sole financial advisor.

This Announcement is authorised by the Board of Directors.

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Cautionary Statement

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The outcomes in this announcement comprise forecast financial information for the Woodlawn Zinc-Copper Mine and are based on an updated mine treatment and refining charges for the Woodlawn Zinc-Copper Mine. The outcome is based on Develop's current expectations of future results or events and should not be relied upon by investors when making investment decisions. All material assumptions upon which the outcome (and forecast financial information) are disclosed in ASX announcement "Production Restart Study on Woodlawn Copper-Zinc Mine, NSW" dated 03 April 2024. Develop has concluded that it has a reasonable basis for providing the forecast financial information included in this announcement.

The information in this Announcement regarding previous operations at the Woodlawn Project, including information relating to historic production, recoveries, mineral resources and financial information (including historical expenditure) has been sourced using publicly available information and internal data. While the information contained in this Announcement has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give any representations or warranties (express or implied) as to the accuracy, reliability or completeness of the information in this Announcement, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, to the full extent permitted by law, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained in this Announcement or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Announcement.

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