ASX Announcement
29 May 2025

Sulphur Springs Zinc-Copper Project, Western Australia

Develop prepares for updated DFS with start of underground activities and site clearance for surface infrastructure

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The upfront capital development strategy, which mirrors the successful approach used at Woodlawn, will significantly de-risk the project while setting up the mine for higher productivity

Highlights:

- **Substantial earthworks have commenced at the Sulphur Springs Project in WA's Pilbara**
- **These include construction of the boxcut for the underground decline and clearing the surface site for the processing plant and related infrastructure**
- **The decline is due to commence in the Dec-25 quarter; This will enable Develop to significantly de-risk the project construction and funding requirements**
- **The updated definitive feasibility study (DFS) is scheduled for completion in the Dec-25 quarter; This will pave the way for project funding and a Final Investment Decision (FID)**
- **Sulphur Springs is forecast to generate strong financial returns, with Life-of-Mine (LOM) based on annual production of ~30,000t of copper-equivalent metal (CuEq)**
- **Previously released June-23 DFS had a pre-tax Net Present Value (NPV) of A$523m; Consensus commodity prices are now substantially higher and smelter costs much lower**
- **Develop believes there is significant potential to further increase the production and financial returns by accelerating the underground development**
- **By developing the decline and underground capital infrastructure upfront, Develop can establish the potential for further growth on these fronts, enhancing the project's financing options in the process**
- **This approach also means Develop can adopt a 'bottom-up' mining strategy such as that employed successfully at its Woodlawn copper-zinc mine in NSW; This will increase mining efficiency, reduce risks, lower costs and significantly increase Sulphur Springs' NPV**

Develop (ASX: DVP) is pleased to announce that it has started substantial works, including construction of the boxcut for the underground decline and preparations for surface infrastructure, at its Sulphur Springs zinc-copper project in WA.

This represents a major milestone for Sulphur Springs because it will pave the way for construction of the underground decline and a revised DFS.

Develop Managing Director Bill Beament said: "We have already established that Sulphur Springs is an extremely strong project and will generate outstanding free cashflow and overall returns.

"By building the underground decline and associated infrastructure at the start of the project, rather than as the mine is developed, we can confirm our forecasts and unlock the potential for further gains in mine life and mining productivity.

"In the process, we will significantly de-risk the mining operation because the underground capital development will be completed well in advance of mine production activities.

"This approach, which has been a key factor in the huge success we are now enjoying at Woodlawn, will underpin an updated DFS, significantly de-risk the project and give us more funding options".

PROJECT BACKGROUND

The Sulphur Springs Project is a high-grade zinc-copper-silver deposit located 140 km south-east of Port Hedland in the Pilbara region of Western Australia. Project Resources are 17.4Mt @ 5.8% Zn, 1.0% Cu & 21gpt Ag and Reserves of 8.8Mt @ 1.1% Cu, 5.4% Zn & 21gpt Ag. The project is fully permitted for operations.

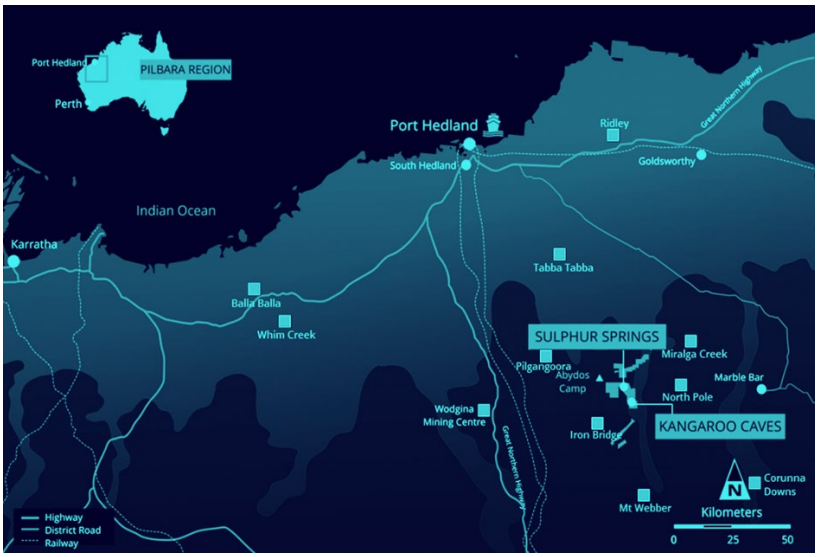

Figure 1: Sulphur Springs Location

In June-2023, an updated Ore Reserve and Mine Plan was produced which resulted in a DFS with the key findings below (refer to 30th June 2023 ASX announcement).

Key Findings of June-23 DFS

- Pre-tax NPV of A$523 million and is based on a 1.25 million tonne per annum underground mine
- Forecast to generate LOM revenue of A$2.9 billion and free cash flow of A$745 million
- Average annual production for years one to four of 80.8kt of zinc metal and 16.4kt of copper metal in payable streams. Life of mine payable metal of 490kt zinc and 83kt copper
- Zinc concentrate grade of 52% and copper concentrate grade of 23%
- Ore Reserve increased to 8.8Mt at 1.05% copper and 5.6% zinc
- Mine life of 8 years post construction. Over the LOM it averages A$147 million per year of pre-tax cashflow, before considering the initial construction capital costs
- Upfront capital requirement of A$296 million
- Further opportunities to add value through exploration and increasing plant capacity
- Kangaroo Caves deposit (3.8Mt at 0.8% Cu and 6.0% Zn) and the open pit at Sulphur Springs have not been considered in this DFS
- The DFS confirmed that Sulphur Springs has the potential to be a profitable mine with low cash operating costs, robust margins and outstanding economic returns.

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SITE PROGRESS UPDATE

Earthmoving activities have commenced re-instating site access routes, clearing of the mining and processing infrastructure footprint and mining of the underground access boxcut. The oxide layer has been removed from the boxcut for final geotechnical consideration with the support regime to be finalised imminently for execution by Develop Mining Services Pty Ltd (DMS).

The boxcut excavation is scheduled to be completed in the September quarter 2025. The initial works have been carried out in collaboration with the Traditional Owner Group Nyamal.

Figure 2: Sulphur Springs commencement team, including members of Develop, Traditional Owners Nyamal and earthmoving contractor Youngs Earthmoving.

Figure 3: Maintaining site access track to the project.

DMS has commenced mobilisation activities associated with surface infrastructure and underground mining works. Establishment of the underground workshop and mining infrastructure will take place in parallel with the ground support installation for the boxcut.

Develop has continued to advance the project through an updated mine plan that will establish the capital decline and infrastructure for the project in advance. This significantly derisks the project's execution and allows for additional drilling from underground platforms. It also introduces drilling targets that were limited or not available from surface locations. Both these elements have potential to further grow the project's Resources and Reserves.

The material change to previous work in the mining sequence, being a bottom-up approach, substantially increases productivity. It will also reduce ore dilution through mining on top of paste fill. The forecasted anticipated improvements in ore production tonnages are ~20% and will be incorporated in the updated DFS due in the December quarter.

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Twin underground portals and decline works will commence in the December quarter. The decline, level and ventilation access drives will be mined to the bottom of the known orebody, ~350 metres below surface.

Figure 5: Clearing of the Boxcut oxide layer and clearing of the mine infrastructure and process plant footprint.

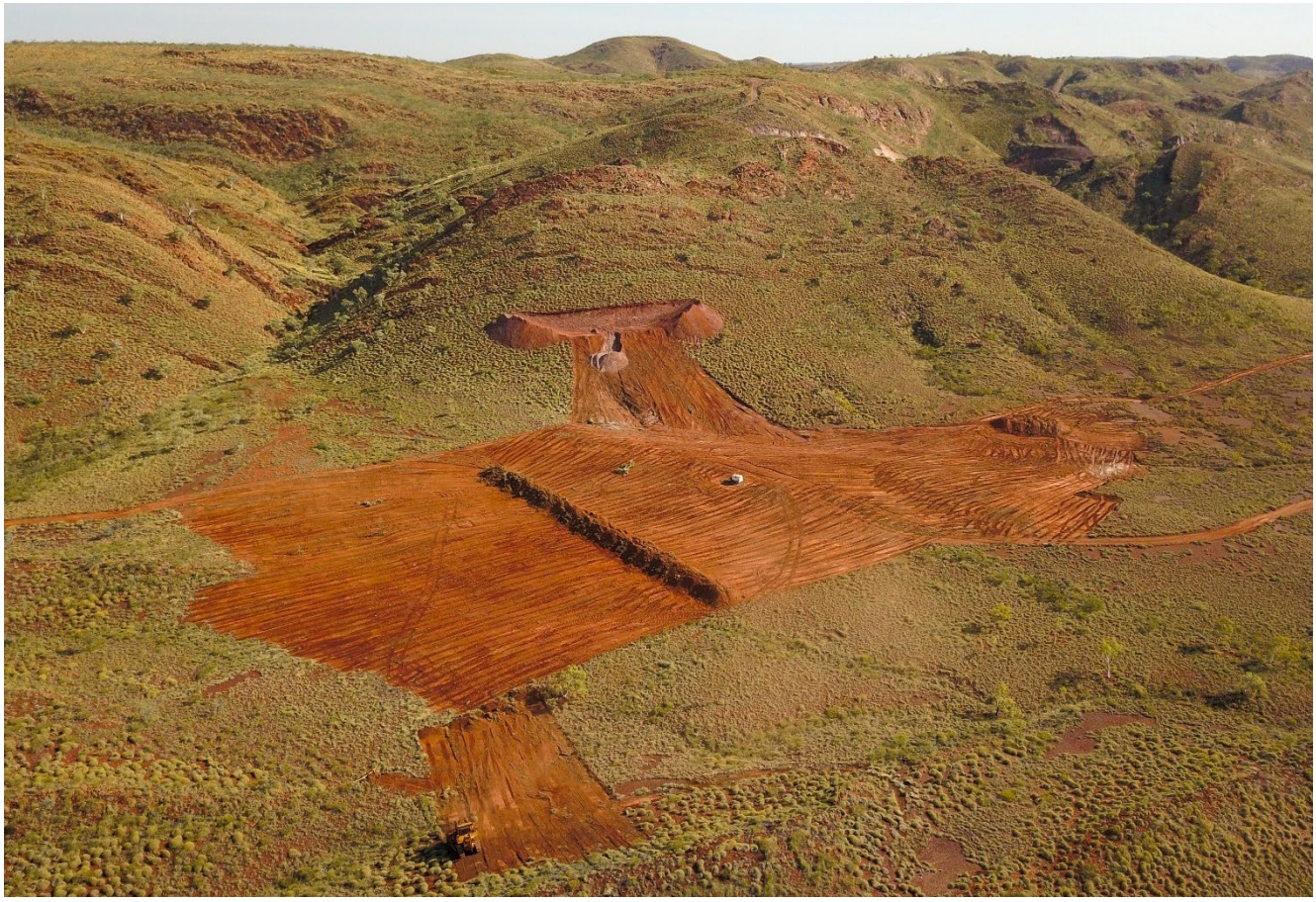

Figure 6: Site view of current progress at Sulphur Springs

There have been significant increases in the consensus commodity pricing and forex since the June 2023 DFS and these will be included in the revised financial forecasts. The substantial reduction in treatment and refining (TCRC) costs across the industry will also be incorporated into that update.

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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, the Woodlawn zinc-copper project in NSW and the Pioneer Dome Lithium Project in WA's Eastern Goldfields. 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 their Bellevue Project in Western Australia.

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Cautionary Statement

The information contained in this document ("Announcement") has been prepared by DEVELOP Global Limited ("Company"). This Announcement is being used with summarised information. See DEVELOP's other and periodic disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au or at www.develop.com.au for more information.

This Announcement may include certain statements that may be deemed "forward-looking statements". All statements in this Announcement, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The Company, its shareholders, directors, officers, agents, employees or advisers, do not represent, warrant or guarantee, expressly or impliedly, that the information in this Announcement is complete or accurate. To the maximum extent permitted by law, the Company disclaims any responsibility to inform any recipient of this Announcement of any matter that subsequently comes to its notice which may affect any of the information contained in this Announcement. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. DEVELOP assumes no obligation to update such information.

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*The copper equivalent for Sulphur Springs (Cu Eq) are based on zinc, copper and silver prices of US$9477/t Copper, US$2854/t Zinc and US$24.0/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 copper equivalent calculation is as follows: Cu Eq = Cu grade% * Cu recovery + (Zn grade % *Zn recovery % * (Zn price $/t/ Cu price $/t)) + (Ag grade g/t /31.103)*100) * Ag recovery % * (Ag price $/oz/ Cu 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.*

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Mineral Resources and Ore Reserves Statements

Mineral Resources

The Mineral Resources Estimates are reported in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The estimates are reported at 30 June 2024.

SULPHUR SPRINGS PROJECT							
SULPHUR SPRINGS	Resource Category	Tonnes (Mt)	Cu %	Pb %	Zn %	Ag gpt	Au gpt
	Indicated	12.4	1.2	0.3	5.6	21.8	0.1
	Inferred	1.4	0.2	0.5	6.4	38.4	0.2
	TOTAL	**13.8**	**1.1**	**0.3**	**5.7**	**23.5**	**0.2**
KANGAROO CAVES	Resource Category	Tonnes (Mt)	Cu %	Pb %	Zn %	Ag gpt	Au gpt
	Indicated	2.3	0.9	0.3	5.7	13.6	0.0
	Inferred	1.3	0.5	0.4	6.5	18.0	0.0
	Total	**3.6**	**0.8**	**0.3**	**6.0**	**15.0**	**0.0**

Notes:

1. Mineral Resource figures are reported using cut-off grades or NSR calculation best suited to each deposit.
2. Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

Ore Reserves

Ore Reserve Estimates are based on Mineral Resources classified as being either in the Measured or Indicated categories. The estimates are reported at 30 June 2024.

SULPHUR SPRINGS							
SULPHUR SPRINGS	Ore Reserve Estimate	Ore (Mt)	Cu %	Pb %	Zn %	Ag gpt	Au gpt
	UG Proved	-	-	-	-	-	-
	UG Probable	8.8	1.1	0.2	5.4	20.6	0.1
	UG Total	**8.8**	**1.1**	**0.2**	**5.4**	**20.6**	**0.1**

Notes:

1. Ore Reserve figures are reported using a NSR calculation.
2. Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

Cut-off Grades

Mineral Resources and Ore Reserves are reported using a block value filed (Net Smelter Return (NSR) $/t) after consideration of the contained metal, payability, concentrate transport cost, and state government, traditional owner and third-party royalties. Cut-off grades are calculated as a dollar per ore tonne, based on the forecast operating costs in the financial model. Economic analysis, including Stope Optimiser (SO) is carried out for each planned stope and only economically positive stopes are included in the Ore Reserve.

The information contained in this announcement refers to the following ASX announcements:

- ASX announcement 'Updated DFS - Sulphur Springs' dated 30 June 2023
- ASX announcement 'Sulphur Springs Resource Update' dated 2 June 2023
- ASX announcement 'Kangaroo Caves Resource Update' dated 22 September 2015 (Venturex Resources)