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BROKER NOTE

First Development Resources

Early stage exploration in some of Australia's most under explored, and prospective regions.

First Development Resources (FDR) is an early-stage explorer. The spin out vehicle of London listed Power Metal Resources has secured land packages in some of the most prospective, yet under explored regions of Australia. Holding numerous geochemical and geophysical un-tested targets, the team are focusing on low cost, high impact value creation at the beginning of the Lassonde curve, with the aim of building up a portfolio of drill ready targets.

The land packages that have been secured cover major geological structures, that are known to host large poly-metallic mineralising systems, where the team have already identified prospective indicators of gold, copper, rare-earth elements, lithium and uranium. Supporting this thesis are recent discoveries along strike and within the regions, such as Arafura Resources Rare Earth Element (REE) Nolans Bore discovery in the Northern Territory, and Rio Tinto's Winu project and the Nifty Copper mine over in the Paterson.

Charles Stephenson | ECM Analyst

fdr | First Development Resources

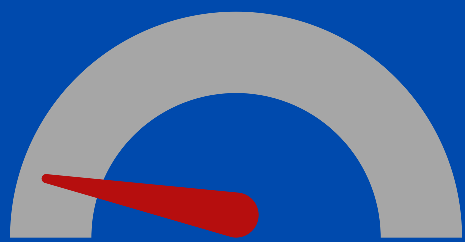
www.firstdevelopmentresources.com
(Private)

Site Visit Report

This report was compiled following the Analyst site visit, September 2022. This covered all project areas as well as review of available data at time of writing.

Development Stage:

Schematic



Early Stage Exploration, focused on securing large land packages, in prospective regions and generating drill ready targets. Coming to the market with two targets in the Wallal project area, at a drill ready stage.

Paterson Portfolio

Paterson, WA, Australia

Key points:

- Targeting metals along highly prospective gold-copper (Au-Cu) belt.
- Paterson province is an emerging gold hub in Western Australia.
- Home to long established operations such as Telfer and Nifty.
- Recent discoveries include Greatland Gold's Haverion and Rio Tinto's Winu.

Nov 2022

The Paterson province in the north of Western Australia is regarded as one of the most under explored but prospective regions in Australia for significant gold-copper discoveries. Historically it has been best known for its iron ore projects, with only a handful of gold and copper discoveries such as the Telfer gold mine and Nifty copper mine back in the 1970's. This lack of gold and copper exploration is a factor of restrictive, post-mineralising sediment, creating a blanket disguising any clear geochemical signature at surface. As such detailed geophysical surveys must be relied on, and have been found to be an effective tool in discovering projects such as Greatland Gold's Havieron gold-copper deposit.

Since these initial gold and copper discoveries, access and operational infrastructure to the region has improved, including upgraded road networks and pipelines leading to the commercial port and town of Port Hedland. As a result, this new infrastructure has lowered the cost of exploration as well as the critical mass requirement for a commercial discovery. Lower cost to discovery and the under-explored potential of the region has encouraged explorers to move into the province, developing new geological models and deploying regional survey equipment to what could be new, world-class copper and gold discoveries across the Paterson Orogeny.

With a supportive government and a long history of mining, Western Australia is ranked as the number 1 mining jurisdiction globally in the Fraser Institutes Investment Attractiveness Index 2021 up from 4th place in 2020.

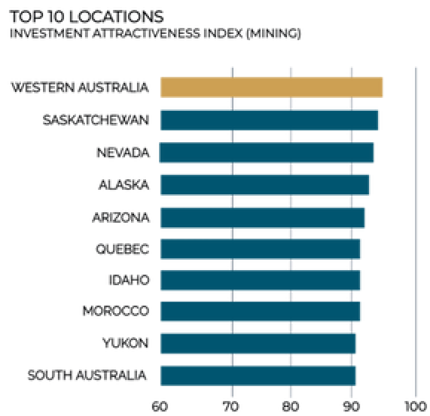


Figure 1. Sourced from FDR

Paterson Portfolio

Paterson, WA, Australia

The recent discovery of Greatland Gold's Havieron and the depth extensions of Antipa's Minyeri Hill and WACA deposits have encouraged explorers to start looking at the un-tested deeper portions of the Paterson, in the search of the next major discovery. Advancements in remote sensing technology is enabling explorers to look deeper and better interpret magnetic and gravity data to define drill targets for further investigation.

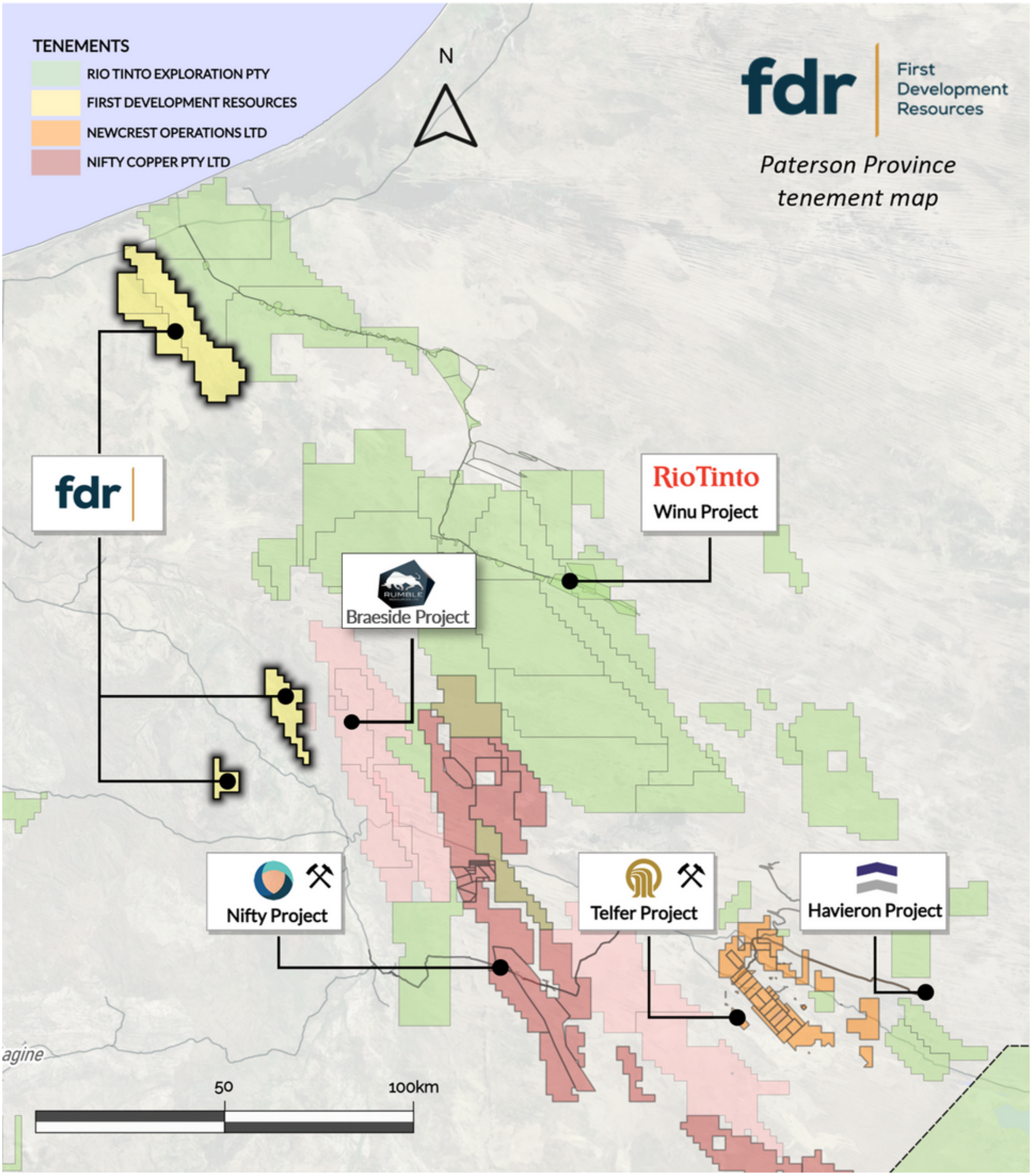


Figure 1. Sourced from FDR

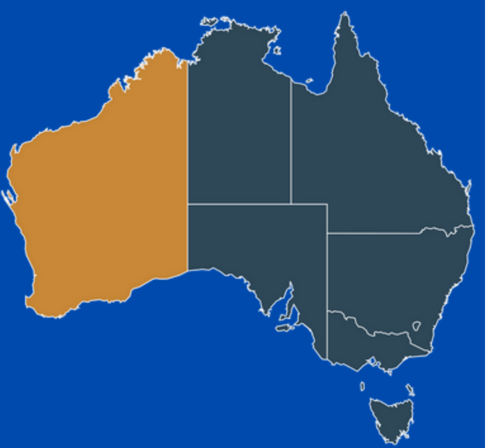
Paterson Portfolio

Wallal

Key points:

- 100% owned.
- Large land package covering 572km².
- In-depth desktop study complete.
- 3 large magnetic "bullseye" anomalies identified.
- Drill ready target.

Western Australia:



Located in north of the Paterson Province, the Wallal project is made up of three distinct magnetic "bullseye" anomalies which have a geophysical signature similar to the analogous Havieron deposit belonging to Greatland Gold. In addition to this, the district holds numerous other developing and producing copper and gold deposits including Newcrest's Telfer Mine, Rio Tinto’s Winu and Ngapakarra projects, and Antipa’s Minyeri Hill and WACA deposits.

These major deposits sit along major, NNW-SSE faults including the Vines Fault, Western Waukarlycarly Fault and the Parallel Range Fault, and create a strong vectoring mechanism for the FDR team to generate targets for further investigation.

As such, freely-available open file government data derived magnetic bullseye targets have been defined on the property, which First Development are keen to test.

Target basement rock, believed to host the mineralisation, has been modelled at 800m depth below surface. Targets at depth require critical mass to determine their feasibility. The team are only targeting major scale features.

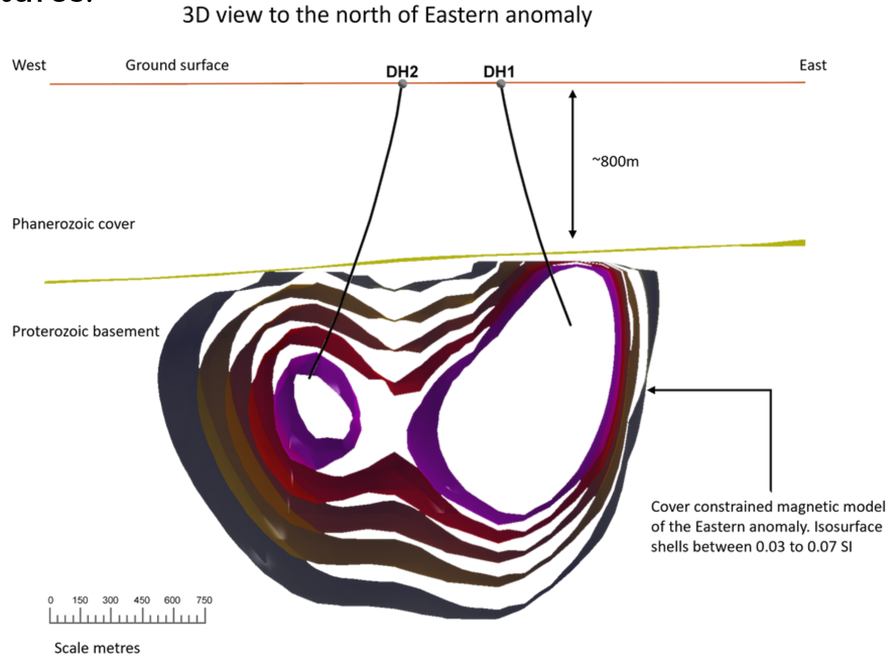


Figure 2. Sourced from FDR

Paterson Portfolio

Wallal

Figure 3. Sourced from FDR

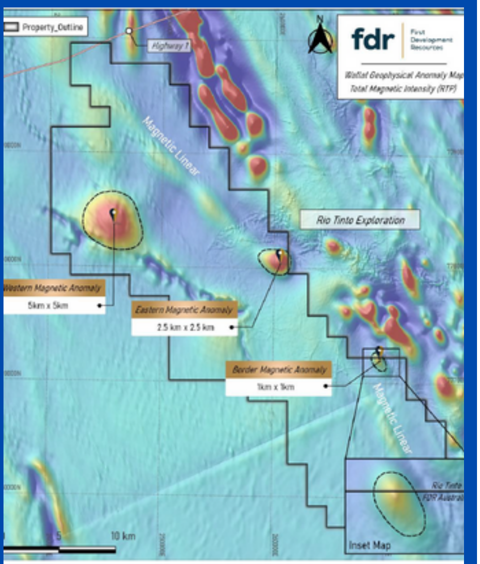


Figure 4. Sourced from FDR

Modelled airborne magnetic surveys, anomaly size:

- Western Anomaly – Located on a sub-parallel feature to the major NNW trending fault, with a footprint of 5km x 5km.
- Eastern Anomaly - Modelled along the major fault feature, with a footprint of 2.5km x 2.5km.
- Border Anomaly – Located along the major fault feature, the 1km x 1km sized anomaly trends across and into the licences of Rio Tinto.

In depth geophysical analysis of airborne Electromagnetic (EM) and Ground Gravity surveys have provided FDR with initial drill targets. Further vectoring work such as geochemical surveys and physical mapping campaigns are hindered by the deep sediment cover.

Drill testing will be the most cost effective way to further investigate the targets potential. FDR have contracted DDH1 Drilling Ltd to compete their initial Phase I diamond core drilling programme. DDH1 are recognised as a leading drilling contractor and have vast experience operating in the Paterson. DDH1 drilled the discovery holes at Greatland Gold's Havieron. The Phase I programme is designed to initially target the Eastern anomaly before focus will turn to the Border anomaly at a later stage. Preparation for drilling is at an advanced stage with the company having all approvals in place including the Heritage Clearance Survey. Site and access clearance has been completed to ensure drilling operations can commence immediately post-listing.

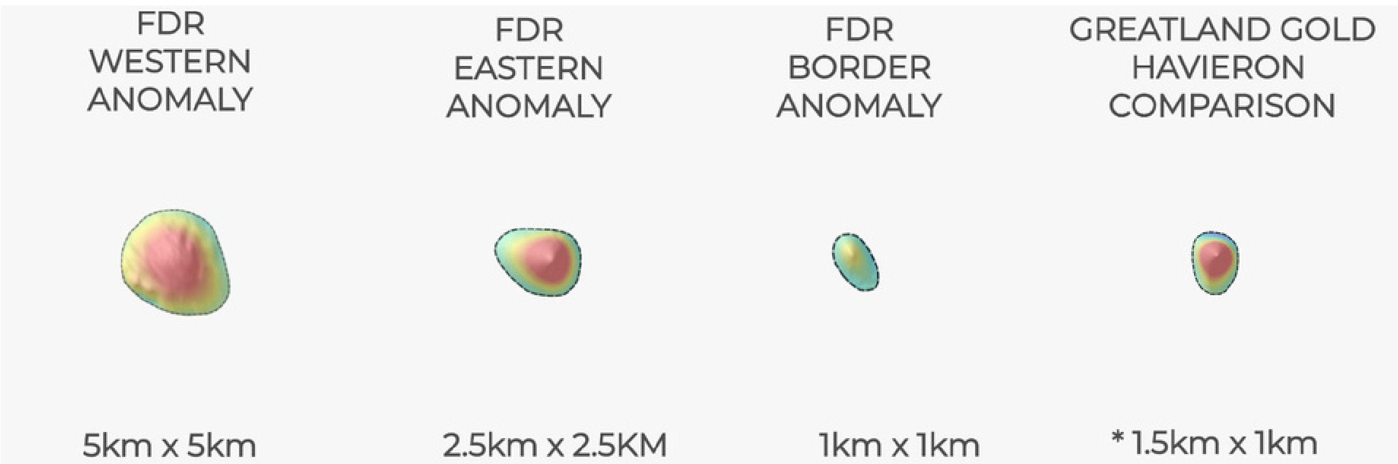


Figure 5. Sourced from FDR

Paterson Portfolio

Ripon Hill and Braeside West

Key points:

- 100% owned.
- In-depth desktop reviews complete.
- Multiple targets identified for further investigation.
- Projects located close to known mineral system prospective for gold and base-metals.

The Ripon Hill and Braeside West project areas are located along the limbs of a major Braeside sedimentary basin, on the outcropping hills of the Isabella Range to the east and Ripon Hill to the west. FDR have completed in-depth desktop reviews and have identified multiple targets for further investigation. The targets are associated with deep-seated structures which FDR believe could host various styles of hydrothermal mineralisation.

The region is best known for the world class Woodie Woodie Manganese project, located to the SW, and as such, much of the exploration has been focused on making further manganese discoveries. However, known poly-metallic mines in the area such as the Ragged Hills lead-silver mine, have brought growing interest from base metals explorers. In 2018 ASX listed, Rumble Resources, secured a large land package along the Isabella Range and developed a number of targets including the Camel Hump copper project, and the Bankers Well, Lightning Ridge and Deon Cut zinc, lead and silver projects. Current geological interpretations by the Rumble Resources team suggests the system is a hybrid of an epithermal and VMS mineralisation event, forming from a porphyry related system. This new model, which has identified 45 priority drill targets so far, is driving more explorers to the area.

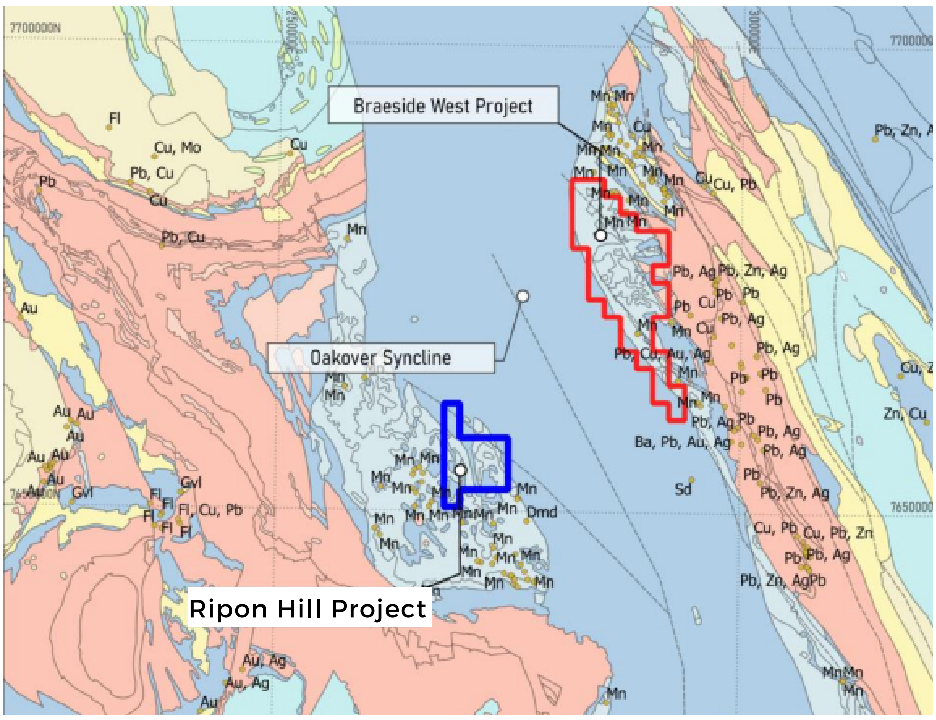


Figure 6. Sourced from FDR

Following this model west along parallel structures, the FDR team intend to carry out first principles exploration work to define such poly-metallic targets. With the clear outcrop along the hillsides, the team will be able to both conduct mapping campaigns to define structures, and geochemical surveys to define features of interest, to which the team can project their models under the sedimentary cover of the basin and generate exploration targets.

First Development Resources hold a split tenement ownership over Braeside West, with the manganese and iron rights being held by ASX listed Accelerate Resources and the FDR team holding the base metal and gold rights, along with the tenement being held in FDR’s subsidiary Pardoo Resources Pty Ltd. This split-commodity arrangement is preferable for FDR, being that both target commodity groups are found in differing geological settings, allowing both companies to collaborate in logistical access, leverage off geotechnical understanding and advance the property in a cost effective manner with a minimal conflict of interests.

Images provided by FDR

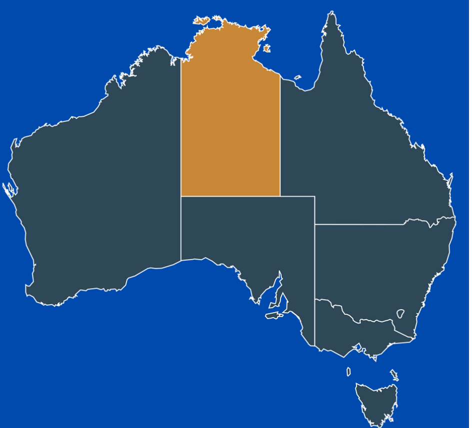
Northern Territory Portfolio

Selta Project

Key points:

- 100% owned.
- Covers around 1600km².
- In-depth desktop review complete.
- Multiple targets identified for further investigation.
- Targeting Rare Earth Elements (REEs) in prospective area for base, precious and transition metals.
- Pegmative pervasive with the potential to host lithium.

Northern Territory:



The Selta project is located within the Arunta region of the Ailerson Province, an area that is under explored, but prospective for a variety of base, precious and energy-transition metals.

Following the discovery of major deposits of transition metals such as Core Lithium Finniss Lithium project, in the North of the Northern Territory, and more locally, the Arafura Resources REE Nolans Bore deposit, explorers have started focusing in on the regions prospectivity. However, logistics has been a restricting factor to most exploration projects and potential operators. The Selta project is however located along the Stuart Highway that links Darwin to Alice Springs, and with associated power-line infrastructure has given the team confidence that they will not be hindered in the development of any discovery on the tenements.

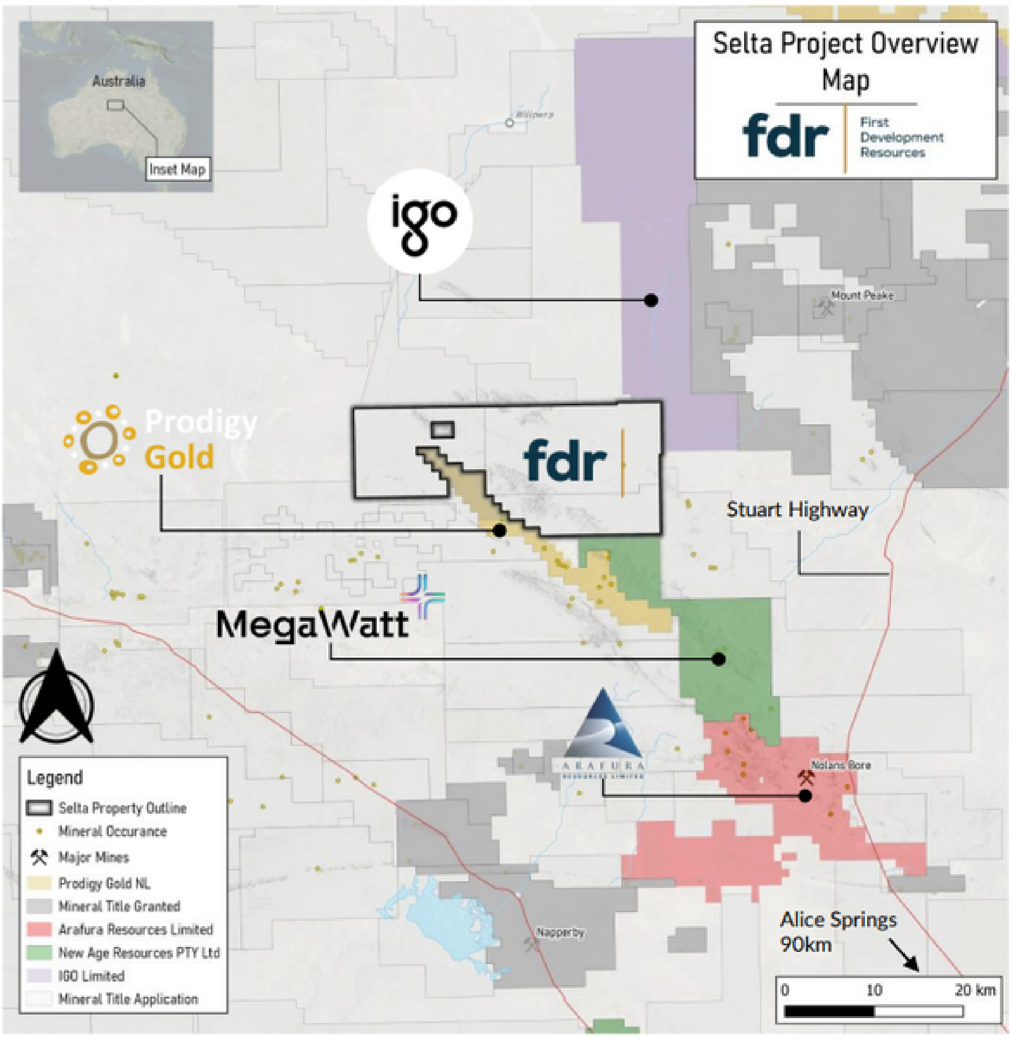


Figure 7. Sourced from FDR

Northern Territory Portfolio

Selta Project

Images provided by FDR

The Selta project is still in the very early stages of exploration, despite sporadic historic surveys including shallow drilling, stream sediment sampling and government flown magnetics. The FDR team have decided to take a ground up approach, by collecting data at a desk top study level and applying first pass hyper-spectral analysis (processed satellite imagery) to generate a portfolio of exploration targets. These targets have since been reviewed and project ranked, based on level of historic data, size of target footprint and accessibility, with follow up ground-truthing currently underway. Post the IPO, FDR intend to conduct their own geochemical surveys to delineate targets and their prospectivity, as well as conduct more commodity specific exploration surveys across select portions of the property.

To date the team have defined a number of potential targets including:

- Pervasive pegmatite fields, with outcrops only exposing the barren zonation of the system. Further work to define a prospective 'goldilocks zone' of lithium, tin and tantalum has yet to be conducted.
- Rare Earth enriched stream sediments coming from an unknown source.
- Secondary Uranium hosted in sedimentary layers.
- Poly-metallic copper systems.

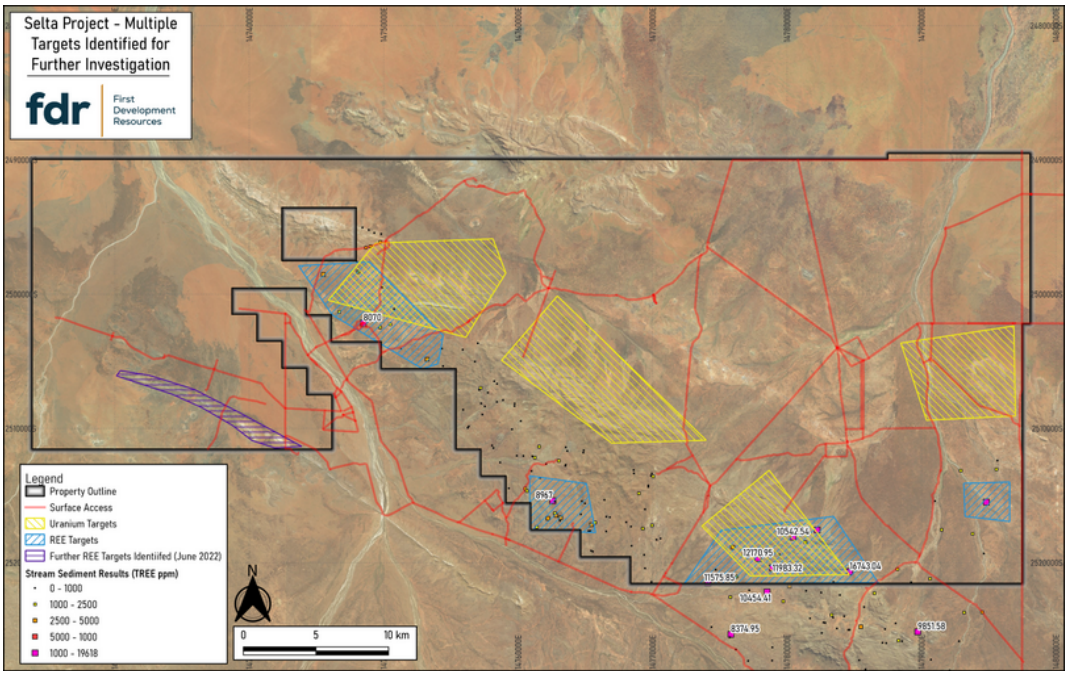


Figure 8. sourced by FDR

Project Stage of Development

Lassonde Curve

On a peer comparison, the First Development portfolio is at the early stages of exploration, with pre-drilled targets at Wallal and target generation work at the projects in Ripon Hill, Braeside West, & Selta.

To move the projects along the stages of development, low cost exploration work such as stream sediment sampling, follow up soil sampling and localised geophysical surveys can be deployed. Being that the areas are large, it is suspected that multiple targets will be generated, to which the team will be at the first potential inflection point in project valuation.

The Wallal area, hosting the most advanced projects within the portfolio and is at a critical point in development as only drilling will enable the company to prove proof of concept, that the area hosts a commercially viable mineralising system. Such drilling is higher cost, but will deliver key results that could be a step change in the company's valuation, attracting low cost capital along with merger and acquisition opportunities.

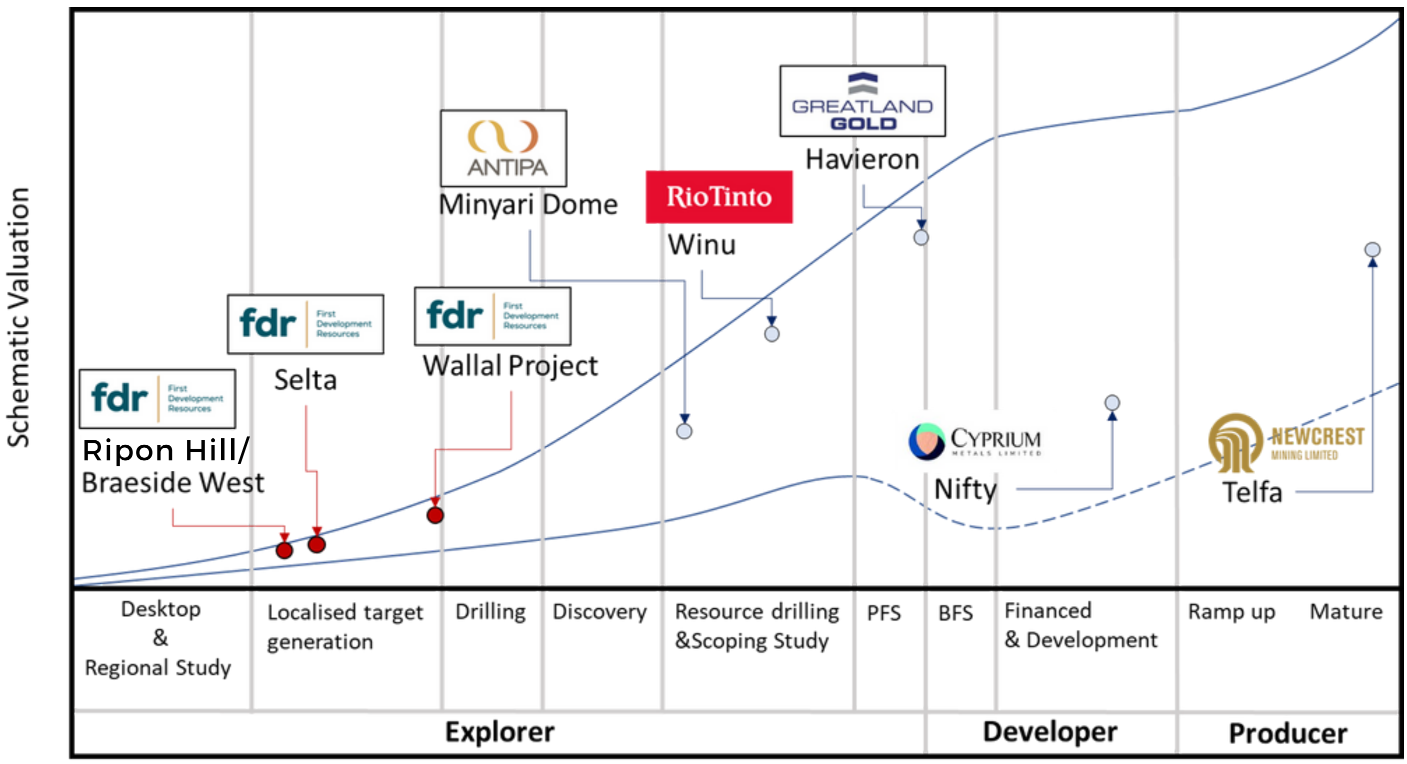


Figure 9. Sourced from SI Capital

Project Evaluation

Investment Thesis

First Development Resources presents an opportunity for exposure to a diversified early stage explorer in a low risk jurisdiction, with numerous projects within the portfolio, all at the target generation stage. The team will be able to develop value in the licences through low cost, early exploration surveys across a large area. As the team develop their understandings of the licences and vector into drill ready targets, the projects will enter into a stage of development where the risk appetite could appeal to regional mining operators. Such producers will be looking to secure a pipeline of opportunities and resources for their next generation of development.

Key components for the portfolio include the large footprint at the Selta Project, where potential acquirers will want to see multiple targets developed and a proof of concept produced through drilling. In the Paterson, regional prospectivity of the Wallal, Braeside West and Ripon Hill with the additional benefit of nearby operators looking for further resource supply to the mill.

A key risk hurdle for such early stage explorers is the time to discovery. Despite the market value appreciation that comes with project de-risking, the company will only be cash-generative at the point of project acquisition, therefore to prevent excessive dilution, the team will need to be strict on defining a commercially viable target, looking to drop projects or land packages which do not reach this hurdle, ensuring the majority of the company's time and capital is spent on progressing mine-able targets. To enable this flexibility, the First Development Resources team is constructed of a predominately geologically technical board, allowing decisions to be leveraged off years of experience in both target generation and evaluation.

By Charlie Stephenson
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Charlie is an exploration and mining geologist with a wealth of knowledge and experience in the resource sector. Charlie started his career in 2013 as a Junior geologist in Turkey and has since worked on a range of projects across Europe, East Africa, Australia, and Chile. In November 2019 Charlie joined the team as an ECM Analyst within the Corporate Broking team, producing research notes and developing the SI Capital Research and Marketing Package.
Charlie holds a MSc in Mining Geology from Camborne School of Mines and a BSc in Geology from the University of Southampton.

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