



Monday 17 October 2022

**ASX Market Announcements
Via e-lodgment**

Lucky Bay Garnet Project Update

Resource Development Group Limited (**ASX: RDG**) (**RDG** or the **Company**) is pleased to provide the following project update as the processing plant construction is now completed with commissioning well underway. Finished screened garnet products are now being produced with the commissioning of the Mineral Separation Plant and Screening & Packaging facility.

Further resource extension drilling and heavy mineral (HM) analysis is planned to commence in November after which an update to the project resource will be completed.

Highlights

- **Strong safety performance, with a Total Recordable Injury Frequency Rate (TRIFR) of zero**
- **First Garnet Products packaged and ready for shipment to customers**
- **Construction completed and commissioning well advanced**
- **Renewable Energy wind farm construction has commenced**
- **Resource extension drilling to commence in November**

RDG acquired the Lucky Bay Garnet Project (**Lucky Bay**) during January 2021 through its wholly owned subsidiary, Australian Garnet Pty Ltd (**AGPL**). Lucky Bay's tenements, located between the coastal towns of Kalbarri and Port Gregory, are contiguous with the world's largest supplier of high-quality alluvial garnet. High-quality alluvial garnet products are used in the abrasive blasting and waterjet cutting markets.

Since acquiring the project, RDG has undertaken the design, procurement and construction of a world-class processing facility with RDG's wholly owned subsidiary, Central Systems (**Centrals**) responsible for the overall construction of the project.

Resource Development Group Managing Director Andrew Ellison commented:

"The focus is very much on ensuring product quality and then progressively ramping up production. The Lucky Bay site has now moved to 24/7 operation of mining and the Wet Concentrator Plant. Heavy Mineral Concentrate fed into the Mineral Separation Plant and Screening Plant is delivering the quality product that is in demand globally and will be a key point of differentiation between Australian Garnet and its competitors. Whilst we still have the Centrals construction workforce on site, the opportunity is being taken to implement improvements to plant performance and tailings water recovery. It is also exciting to see the renewable energy infrastructure works commencing that will help significantly reduce diesel consumption and hence our greenhouse gas emissions all the while lowering our operating costs."

Project Construction and Operations Update

The Company is extremely pleased to report that it has maintained a safe work environment at Lucky Bay with a Total Recordable Injury Frequency Rate (TRIFR) of zero for the duration of the construction period, a pleasing statistic enjoyed by the entire Company, for the duration of the construction works onsite.

Topsoil clearing and establishment of the bund walls is now completed for the initial mining stage. The Mining Unit Plant has completed commissioning and is performing well. Scheduled throughput for the plant is approximately 480tph. During commissioning the plant was able to sustain its design throughput of 600tph comfortably, without any issues.



Figure 1 Mining Unit Plant operating in the Menari Pit at Lucky Bay

The Wet Concentrator plant construction is completed. Some upgrade work has been designed and implemented to the slime tails thickener and tailings stackers to improve operational performance. These changes are performing well, and the plant is continuing to steadily increasing daily throughput as the plant performance and heavy mineral recoveries are optimised.



Figure 2 Wet Concentrator Plant at Lucky Bay

Commissioning of the Mineral Separation Plant is nearing completion and is performing well. The screening plant and packaging facility commissioning is also proceeding well with first bagged garnet products coming off the production lines last week. Packaged products are being stocked for dispatch to customers during this coming week.



Figure 3 Screened garnet packaging



Figure 4 Garnet Screening and packaging Facility



Foundations are being prepared for the renewable energy infrastructure that will initially include seven 600kw wind turbines that will be connected to the local mine grid. The foundations and underground cabling are targeted for completion by the end of this year. Installation of the towers, turbines and associated electrical infrastructure to integrate and manage the windfarm is planned to be commissioned by mid-2023.



Figure 5 Wind Turbine foundation earthworks

Resource drilling is planned to commence in November to extend and upgrade the northern end of the Menari North deposit. The drilling program is designed to evaluate 4.5km of northerly strike length from the northern boundary of M70/1387 where drilling by Westralian Sands in the late 1990's intersected zones of significant Heavy Minerals. An updated resource estimate that includes this new drilling is anticipated towards the end of March 2023.

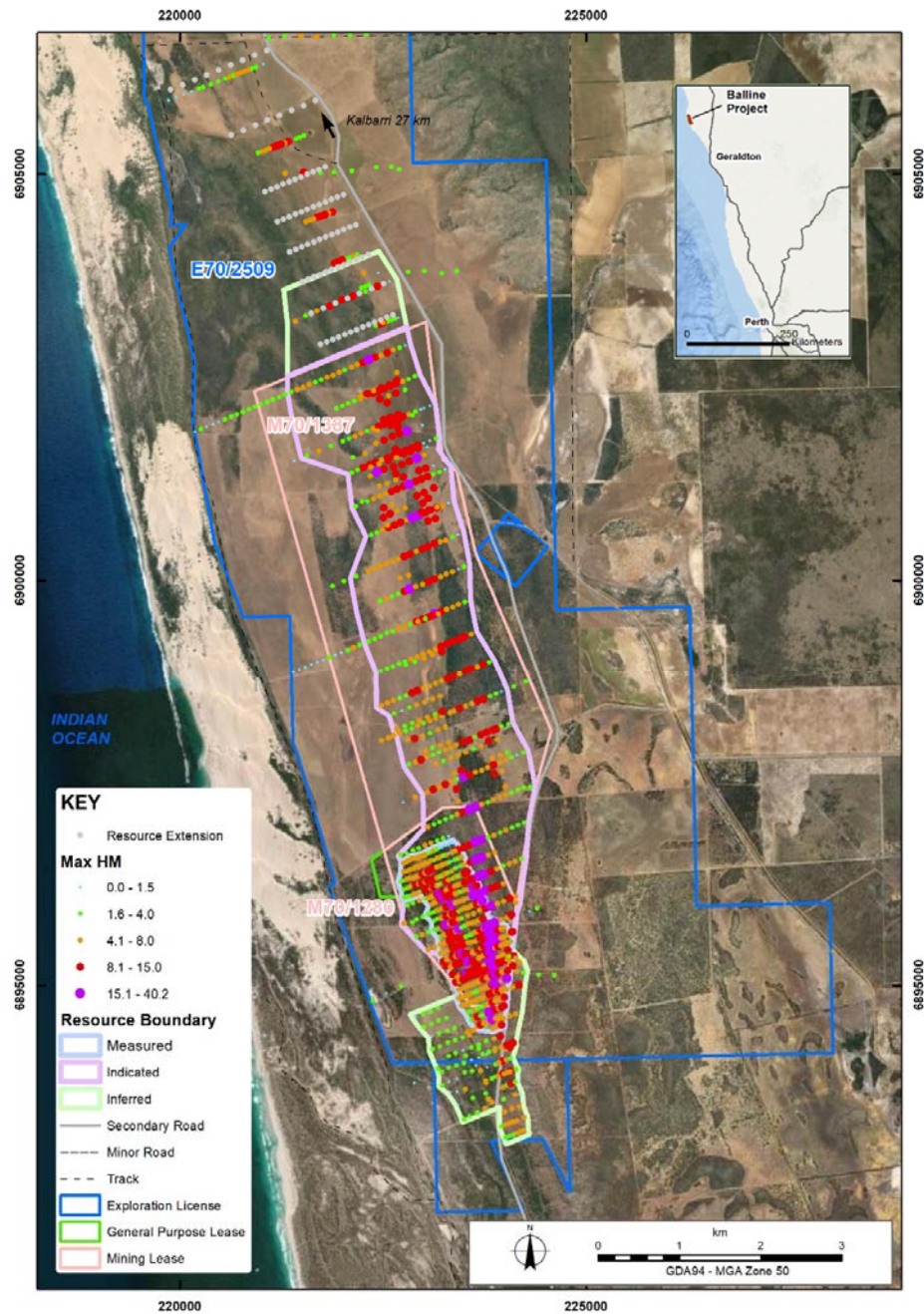


Figure 6 Historical Drilling and resource boundaries

Overview

Lucky Bay is located approximately 530km north of Perth and 35km south of Kalbarri. RDG's wholly owned subsidiary Australian Garnet Pty Ltd (AGPL) holds two granted mining leases covering 1,572 hectares and two Exploration Licences totalling 7,394 hectares, which combined make up the Lucky Bay Garnet Project area.



Lucky Bay is comprised of the Menari and Menari North Heavy Minerals (**HM**) deposits, as shown in Figure 1 below.

The Lucky Bay project area is north of GMA Garnet Group's existing garnet operation, which is the world's largest supplier of high-quality alluvial garnet and have successfully been in operation for the past 40 years.

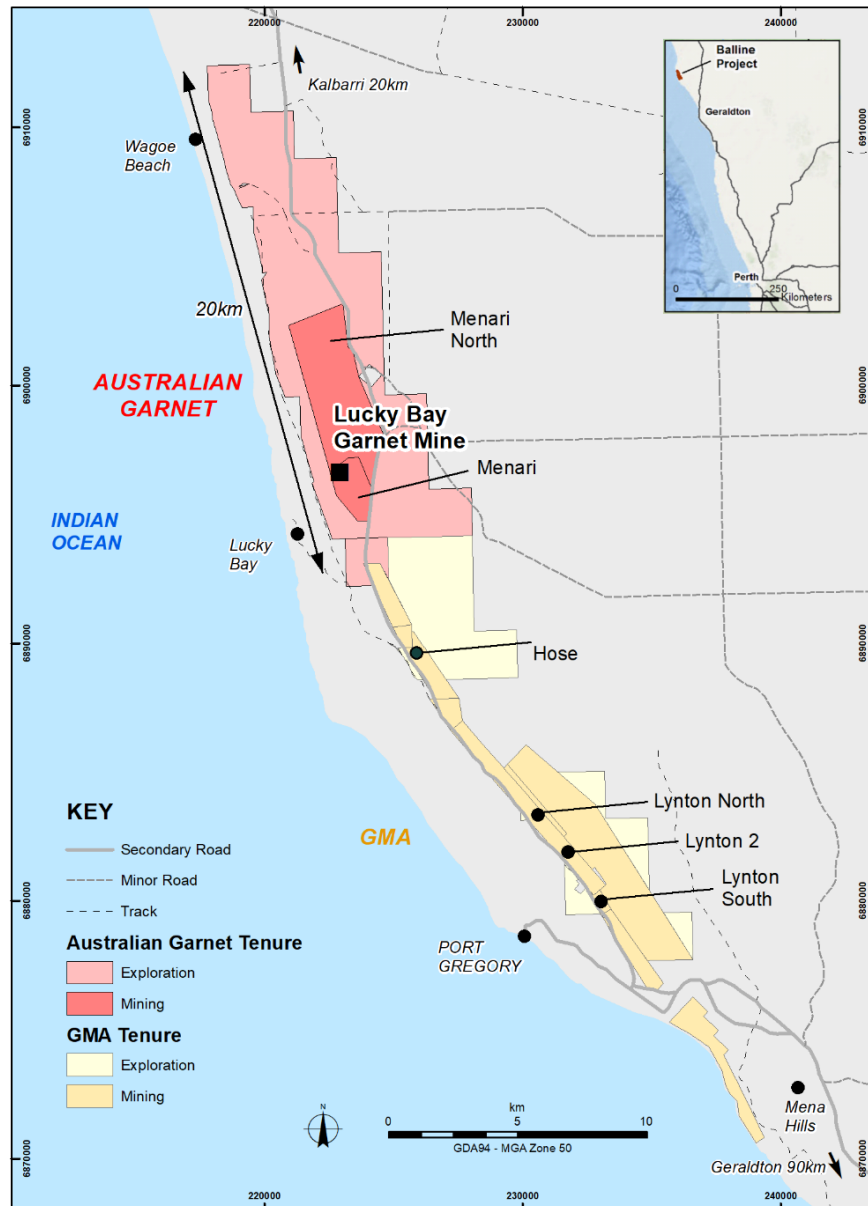


Figure 7: Lucky Bay Garnet Project location.



This announcement dated 17 October 2022 is authorised for market release by the Board of Resource Development Group Ltd.

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Forward Looking Statement

This ASX announcement may contain forward looking statements that are subject to risk factors associated with garnet exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, metallurgy, Reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimate.