



Resource  
Development  
Group

# Resource Development Group Ltd AGM Investor Presentation 24<sup>th</sup> November 2023

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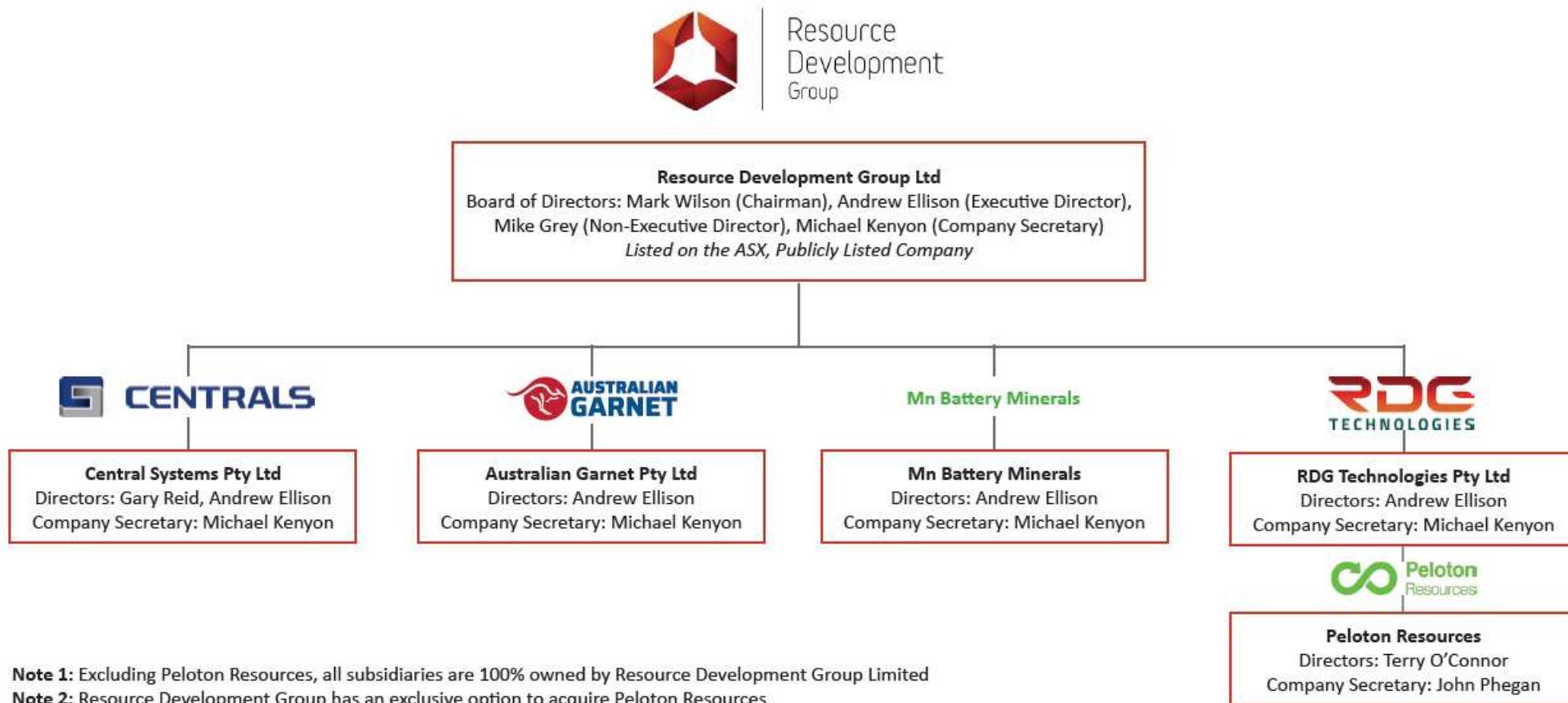
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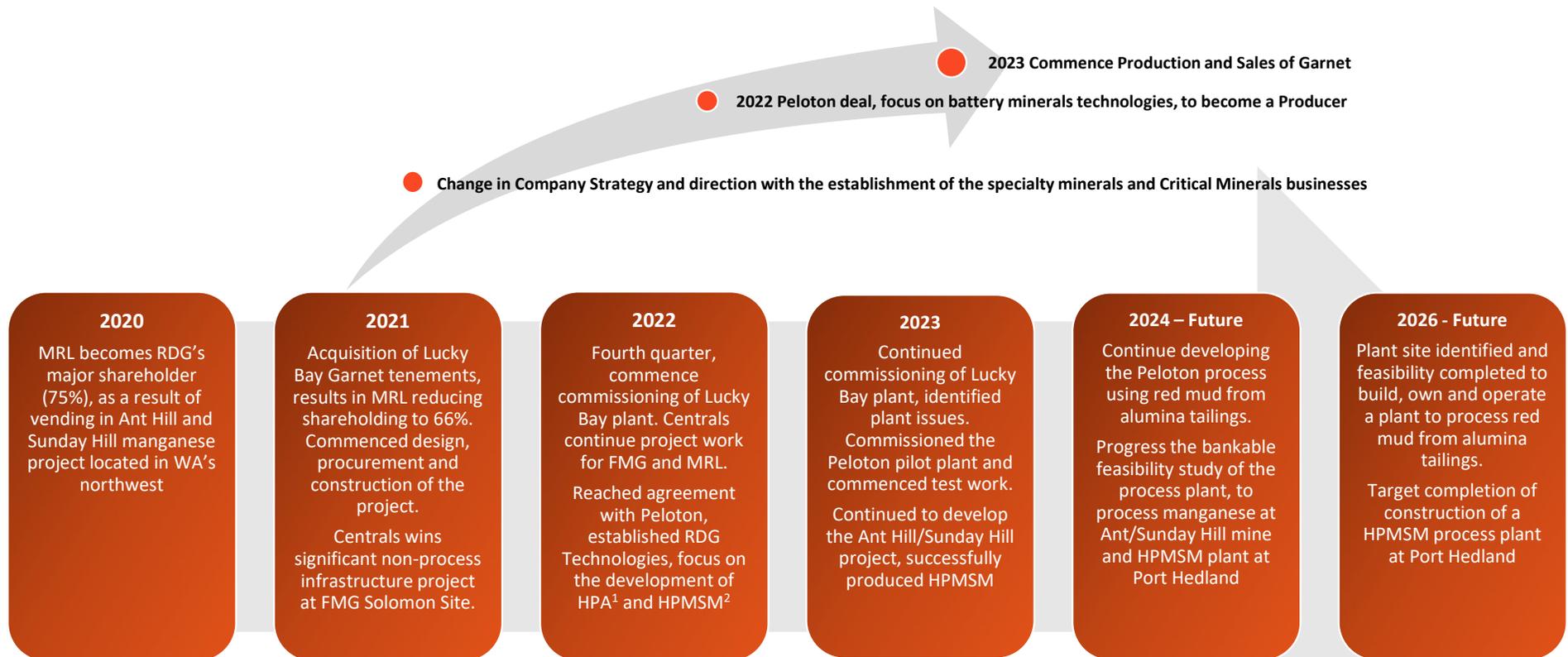
# RDG Corporate Structure



**Note 1:** Excluding Peloton Resources, all subsidiaries are 100% owned by Resource Development Group Limited

**Note 2:** Resource Development Group has an exclusive option to acquire Peloton Resources

# RDG Strategic Direction



<sup>1</sup>HPA – High Purity Alumina

<sup>2</sup>HPMSM – High Purity Manganese Sulphate Monohydrate

# Group Highlights



- ❖ Safety Performance - Zero lost time injuries for the past three (3) years, across the business.
- ❖ Central Systems had highly profitable FY23 year and has a full order book for 2023/24 financial year.
- ❖ Lucky Bay Garnet Plant – identified significant plant modifications, which have taken entire 2023 calendar year to complete. By the end of November 2023, majority of work will be completed and producing saleable garnet to overseas markets.
- ❖ Oct/Nov 2023 - commissioned 7 Wind Turbines at Lucky Bay, fully operational, generating power to the process plant.
- ❖ Best Group financial performance since 2016 - net profit before tax of \$20m, for FY23.
- ❖ Thank you to our management team and all employees in our business; without their support and hard work we couldn't do what we do every day. We have an excellent team who work hard for our company. I'd especially like to thank Gary Reid, Michael Kenyon, Terry O'Connor, Marcius Brown, Iain Simpson and all our management team, they are an excellent group of people.

# Financial Highlights FY23



Revenue

**\$55.7**

Million



**10%**

Net Profit After Tax

**\$13.8**

Million



**291%**

Earnings Per Share

**0.48**

Cents



**300%**

Assets

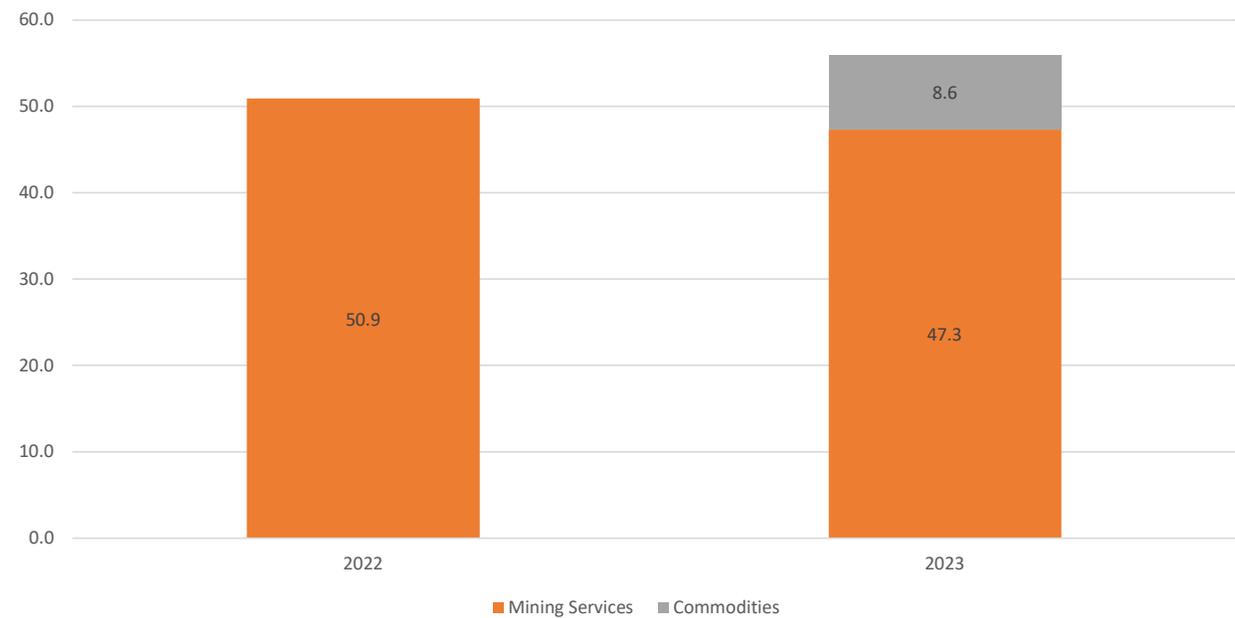
**\$236.5**

Million



**36%**

Revenue by Segment (\$m)



# Safety Performance

- 📦 Safety and health of our people - always our first priority.
- 📦 Continuous improvement process - across the entire Group.
- 📦 Safety performance continues to show improvement, despite one minor restricted work injury resulting in TRIFR increasing to 2.0.

\* TRIFR = Total Recordable Injury Frequency Rate at 31 October 2023

\*\* LTIFR = Lost Time Injury Frequency Rate at 31 October 2023

Lost Time Injuries

**Zero**

Past 3 years

TRIFR\*

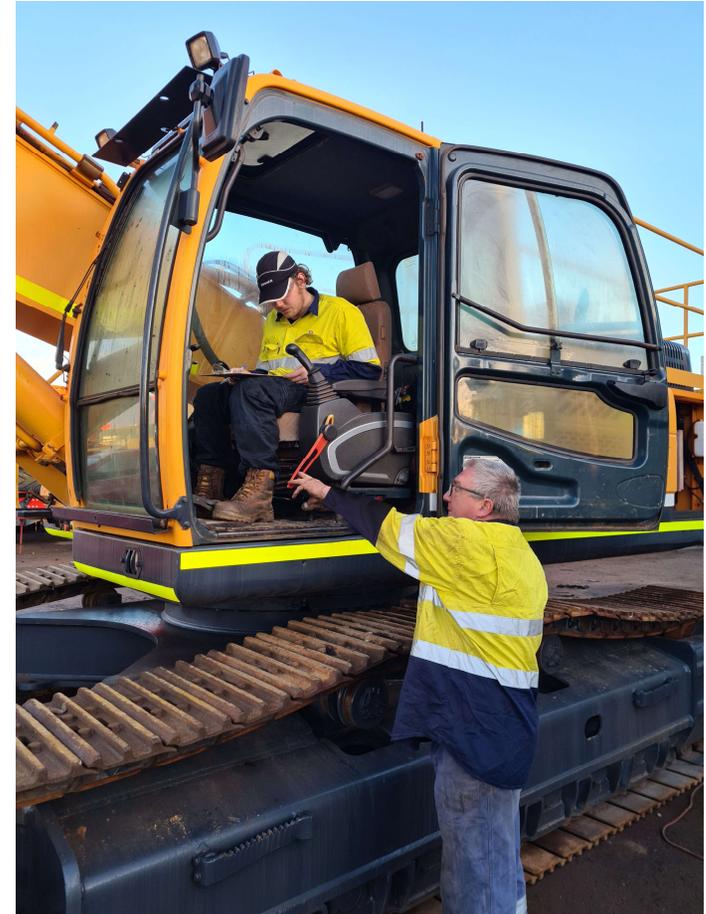
**2.0**

12-month Rolling

LTIFR\*\*

**Zero**

As at 31 Oct 2023



# Mining Services - Central Systems

- Centrals core construction disciplines includes non-process infrastructure, detailed earthworks, structural concrete placement, bridges, overpasses & storm water installation works.
- The company has been busy delivering projects during the FY23, in the northwest of Western Australia.
- New project work of \$140m awarded post year-end, scope of works includes construction of bridges, overpasses and structural concrete placement across the MRL Ashburton project. This ensures the construction team are busy for the entire 2023/24 year.
- The safety culture throughout Centrals is strong, with a loyal management team and workforce.
- Over the past 12 months, there has been significant capital expenditure on renewing the company's mobile equipment fleet.
- Heartfelt congratulations to our Director, Construction Gary Reid, for being the driving force behind Centrals success.



# Australian Garnet Highlights



- Garnet sold across Australia for 2023 calendar year, by end of 2023 commence selling into overseas markets.
- Plant ramp-up has been significantly slower than expected, having to carry out plant modifications during 2023 calendar year, which are now complete. During the past 8 weeks, the plant has performed to expectation, now the modifications are complete, we have been producing quality garnet for sale in the overseas market.
- Significant time and cost have been spent establishing a reliable, loyal and suitably trained workforce, who are all local living in the Kalbarri/Geraldton region. It is important that we spend locally where possible.
- Recently announced on ASX, 80.8Mt, or 18% Mineral Resource<sup>1</sup> increase.
- Customers across the world, enquiries continue to confirm strong market demand for high-quality garnet.
- Process plant ramp-up continues with target of greater than 130,000 tonnes<sup>2</sup> per annum, of quality garnet produced from Lucky Bay.

<sup>1</sup> Placer Consulting Pty Ltd Mineral Resource Estimate - 11 September 2023

<sup>2</sup> Entech Mining Consultants Ore Reserve Estimate (JORC Code 2012) – 14 September 2021



# Mineral Resource<sup>1</sup> Increase



- Total mineral resource tonnage increased 18%, from 442.5Mt to 523.3Mt.
- Total mineral resource of Heavy Minerals increased 14%, from 19Mt to 21.7Mt.
- Total mineral resource of Garnet increased 13%, from 15.9Mt to 17.9Mt.
- 90% of mineral resource tonnage (473.2Mt) is classified as Measured or Indicated.

Commodity: Mineral Sands								
Deposit	Resource Category	Type	Tonnes (Mt)	HM (%)	HM (Mt)	Slimes (%)	Garnet (%)	Garnet (Mt)
Lucky Bay and Lucky Bay North	Measured	All	41.2	4.94	2.0	5.2	83.5	1.7
	Indicated	All	432.0	4.18	18.1	5.8	82.5	14.9
	Inferred	All	50.1	3.24	1.6	5.7	79.4	1.3
<b>TOTAL</b>			<b>523.3</b>	<b>4.15</b>	<b>21.7</b>	<b>5.7</b>	<b>82.4</b>	<b>17.9</b>

<sup>1</sup> Placer Consulting Pty Ltd Mineral Resource Estimate (JORC Code 2012) – ASX announcement 11 September 2023

*Estimates subject to rounding differences.*



# Lucky Bay Operations



- ❏ The Lucky Bay processing plant is located 25 minutes drive from Kalbarri, Western Australia. All staff and workforce live locally to the plant site.
- ❏ Process Plant modifications carried out during 2023 calendar year and completed in early November. Since progressively completing, has allowed the wet plant to operate continuously and with our wind turbines coming online during October, we have observed a noticeable reduction in diesel fuel usage.
- ❏ First bulk shipment of HMC of approx. 6,000 tonnes, will be shipped out of Geraldton Port during early December 2023.



# Renewable Energy – Windfarm



- During October, seven (7) Enercon E40 Wind Turbines we purchased secondhand from Germany were commissioned at Lucky Bay. Individually rated output of 600kw and overall height of 78m, combined generate 4.2mw.
- Late October, we are already seeing a reduction in carbon emissions from the mine and cost-saving on diesel fuel usage.
- We have estimated a saving of up to 200,000 Liters of diesel per month.
- The wind turbines will produce significant savings for the 29-year, life of mine.



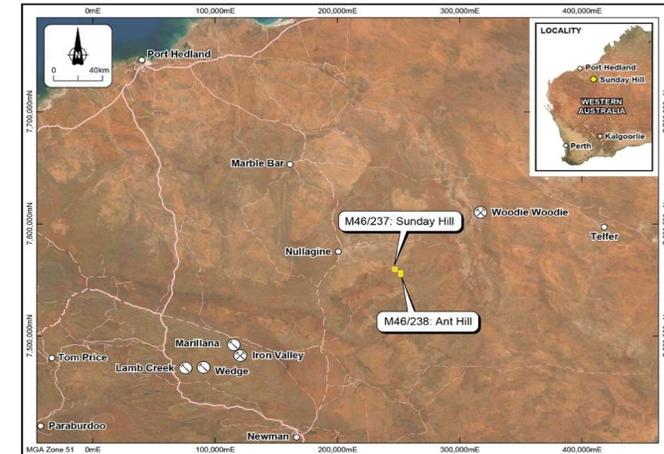
# Ant Hill/Sunday Hill HPMSM Project

## Significant progress made in advancing the project to become a Battery Minerals producer, including:

- Company name changed to Mn Battery Minerals, to align with RDG's strategy of becoming a Western Australia based producer of High Purity Manganese Sulphate Monohydrate (HPMSM).
- Successful production of HPMSM using ore from the RDG's 100%-owned Ant Hill deposit.
- Surveys recently completed and a new Mine Plan being developed.
- Ongoing discussions with Traditional Owners, Palyku Group to finalise native title negotiations.
- Progressing approvals for mining and processing operations, with the ultimate aim of producing HPMSM at a processing facility potentially located at Boodarie, approximately 19km from Port Hedland.
- High-level discussions held with the Northern Australia Infrastructure Facility (NAIF<sup>1</sup>).

<sup>1</sup> NAIF is an Australian Government financier, providing loans for the development of infrastructure projects in Northern Australia and the Australian Indian Ocean Territories.

# Mn Battery Minerals



Boodarie: Potential location of processing facility, land available approximately 49ha

# HPMSM Project Update

**Mn Battery Minerals is focused on producing High Purity Manganese Sulphate Monohydrate (HPMSM), using Ant Hill and Sunday Hill ores:**

- ❏ Battery Minerals refers to various minerals used in rechargeable batteries including manganese.
- ❏ Significant forecast growth in the use of HPMSM with demand likely to outpace supply.
- ❏ We have implemented a Three Stage development plan:
  - ❏ Stage 1: Successfully produced HPMSM during two independent runs and exceeding the China Ministry of Industry and Information Technology standard<sup>1</sup> and Fastmarkets<sup>2</sup> standard
  - ❏ Stage 2: During Q1 2024 aiming to produce samples of HPMSM to supply to vehicle and battery manufacturers
  - ❏ Stage 3: Pilot Plant to be operational in H1 2024
- ❏ We continue to have strong interest from our ongoing discussions with vehicle and battery manufacturers.

<sup>1</sup>Chemical Industry Standard of The Peoples Republic of China: HG/T 4823-2015 – Manganese Sulphate for Battery Materials issued by: Ministry of Industry and Information Technology of PRC.

<sup>2</sup><https://www.fastmarkets.com/insights/launch-of-chinese-domestic-battery-grade-manganese-sulfate-price-assessment>

## Mn Battery Minerals

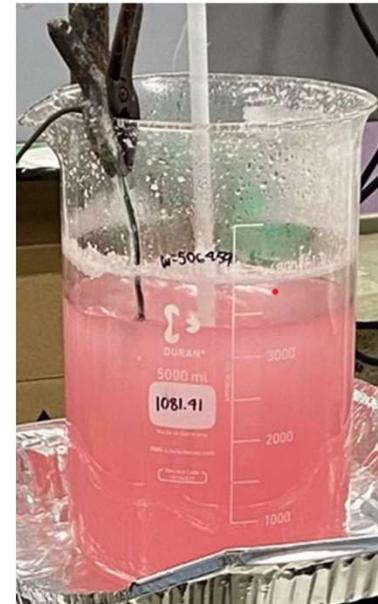


# HPMSM Summary

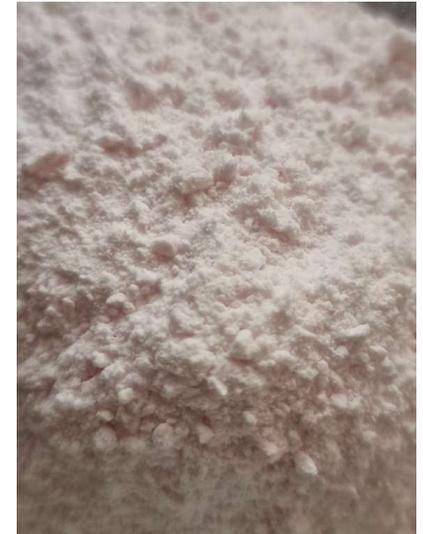
## HPMSM Project

- 📦 Battery Minerals product/s produced in Western Australia.
- 📦 Long project life – approx. 30 years.
- 📦 Excellent mining jurisdiction.
- 📦 Small mining footprint.
- 📦 Process Plant to be located at Boodarie, near Port Hedland.
- 📦 Export containers through the Port Hedland Port.
- 📦 Regional employment in a high-tech Battery Minerals Production Facility.
- 📦 Indigenous Engagement including:
  - 📦 Direct employment opportunities
  - 📦 Establishment of long-term contracting business

## Mn Battery Minerals



Intermediate manganese solution during purification



HPMSM from Run 6

# Peloton Red Mud Project

During August 2022 RDG and Peloton executed a Share Sale Agreement, providing RDG an option to acquire Peloton subject to conditions and RDG funding a Pilot Plant.

- 📦 The Pilot Plant has been fully-operational since March 2023.
- 📦 Optimisation of the Pilot Plant is intended to lead to the production of:
  - 📦 High Purity Alumina (4N)
  - 📦 Iron Oxides
    - 📦 Further test-work underway to produce samples for pelletizing trials, to produce DR Pellets.
  - 📦 Ammonium Chloride and Ammonium Sulphate – fertilizer grade.
- 📦 The Pilot Plant has processed multiple Red Muds, utilising two different processes:
  - 📦 Small-scale processing of Red Mud to produce high-value products
  - 📦 Large-scale processing of Red Mud to produce iron product and alumina precursor



Pilot Plant Red Area (Dirty)



Pilot Plant White Area (Clean)

# Future Outlook

## A period of growth ahead with exciting new opportunities.

Our safety record, our management team are excellent, so committed and hard working, it really is a pleasure to work together.

RDG continues to progress the development of our Commodities business, whilst Central Systems is busy delivering significant project work throughout FY24.

Other exciting prospects include the imminent test results from our pilot plant, producing High Purity Alumina.

Based on the successful production of HPMSM, optimise the process, construct and operate a pilot plant aimed at producing samples for vehicle and battery manufacturers and complete a Feasibility Study, all part of the plan to become an Australian based battery minerals producer.



- Our focus is to ensure the Lucky Bay Garnet mine is operating at its peak performance, with further plant modifications planned for the 2024 calendar year.
- Complete Pilot Plant test work to convert Red Mud waste into high-value products including HPA 4N.
- Continue to progress approvals, agreements and test work on Ant Hill/Sunday Hill manganese project. Continue discussions and send samples of HPMSM to EV and battery manufacturers.
- Central Systems continuing to execute significant project work through FY24 and further be selective with new construction projects.
- Continue to build on our already dedicated and committed management team, to meet our future growth plans.
- Continue to look for other boutique-style resource development opportunities, suited to the RDG business model.

Questions?



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