



Monday 28 October 2024

**ASX Market Announcements
Via e-lodgment**

Lucky Bay Garnet Update

Resource Development Group Limited (**ASX: RDG**) (**RDG** or the **Company**) is pleased to provide the following update on its Lucky Bay Garnet operations.

Rotary kiln dryer

Further to the Company's announcement on 22 August 2024, the Company can advise that the new rotary kiln HMC¹ dryer was installed and commissioned during the last week at its Lucky Bay mine site, which is owned and operated by its wholly owned subsidiary, Australian Garnet Pty Ltd (**Australian Garnet** or **AGPL**).



Figure 1 Lucky Bay Garnet – New dryer and baghouse (foreground) and original dryer and baghouse (background)

A decision was made over eight months ago to invest in a larger capacity dryer, with the original dryer to remain as a standby dryer for future expansion and a backup to the new dryer during periods of routine maintenance.

The new dryer has been designed and manufactured by Consep Engineering in New South Wales, with an operating capacity of 40 tonnes per hour and currently operating on diesel fuel, although has been designed to run on liquified natural gas (**LNG**) in the future. The commissioning of the new dryer will remove the bottleneck in the plant, significantly increase garnet production and provide increased tonnes of garnet to our customers.

¹ HMC: Heavy Mineral Concentrate



The Company has the option to consider installing a gas storage facility onsite to run the dryer on gas in the future, given how much “cleaner” gas is compared to diesel. As previously mentioned, the Company is focussed on having a sustainable mine site and to this end the Lucky Bay Wind Farm (**Wind Farm**) has seven 600kwh wind turbines that provide power to the process plant power grid, deferring a significant quantity of diesel consumption and lowering the site’s overall greenhouse emissions.

Fine Mineral Concentrate (FMC) Shipment

The Company made a shipment of just over 7,500 tonnes of FMC to a customer in China during September. FMC is produced at the Lucky Bay plant and was transported to a leased storage facility in Geraldton, from where it was subsequently loaded onto a vessel destined for the Chinese customer. This was the second of such shipments to that customer with the first occurring in December 2023, of a much smaller volume. Due to the relatively larger size of the most recent parcel, gross revenue of AUD\$1.8m was realised. The Company will continue to export bulk shipments of FMC and its more valuable non-magnetic (non-mag) products, which it hopes to start exporting sometime in 2025.

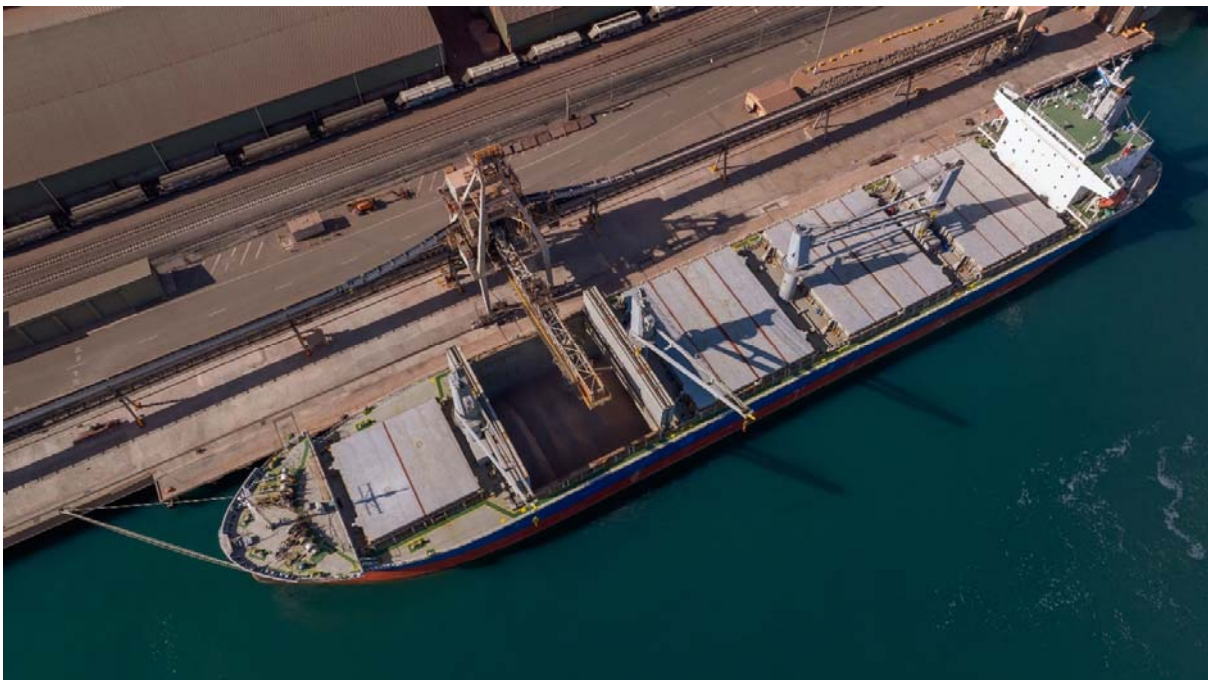


Figure 2 Loading of the Company’s FMC bulk product at Geraldton Port

Sales

As mentioned in the Company’s last update, the Company was upgrading parts of its processing plant to improve Heavy Mineral (**HM**) recoveries and enable higher throughput. These upgrades are now largely complete, and the Company looks forward to increased production and sales revenue.



Australian Garnet products contain single-sourced Australian beach alluvial garnet of the highest specification which are now exported to across the world. Global demand for garnet products remains strong and the Company is seeking to capitalise on this as production increases at its Lucky Bay plant.

Sales have been steadily increasing over the past year, which can be evidenced in the table and graph below:

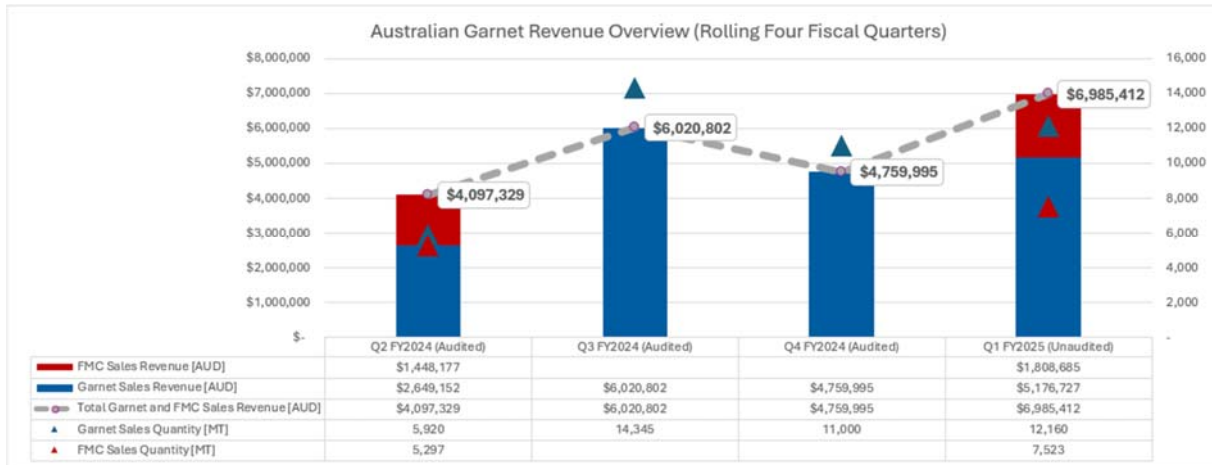


Figure 3 Graph depicting revenue (AUD) and quantity (tonnes) over the last four quarters

Lucky Bay Overview

Lucky Bay is located approximately 530km north of Perth and 35km south of Kalbarri. Australian Garnet is a wholly owned subsidiary of Resource Development Group, which Australian Garnet 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 deposits, as shown Figure 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.

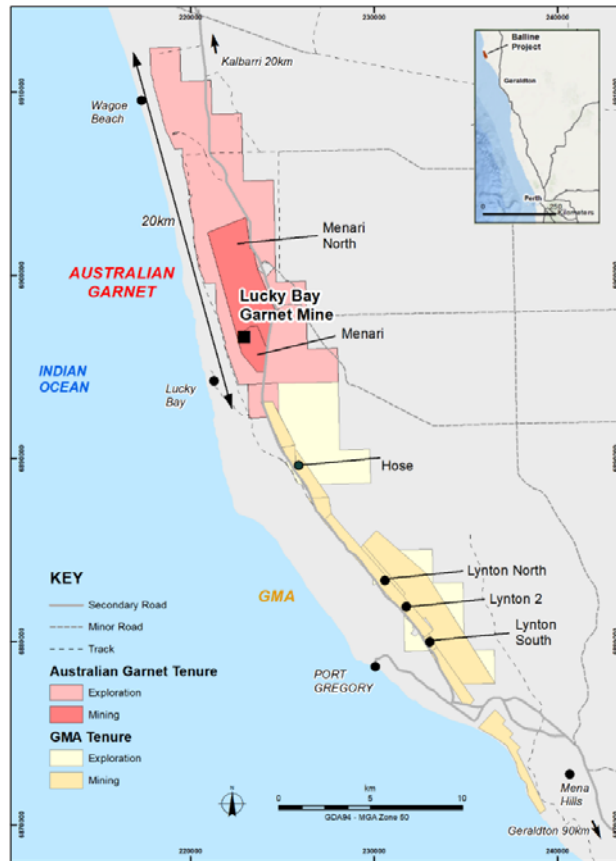


Figure 4 Lucky Bay Garnet Project location

This announcement dated 28 October 2024 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.