



Resource
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Resource Development Group Ltd

Half Year 2024 Update

1 March 2024

RDG HY2024 Update

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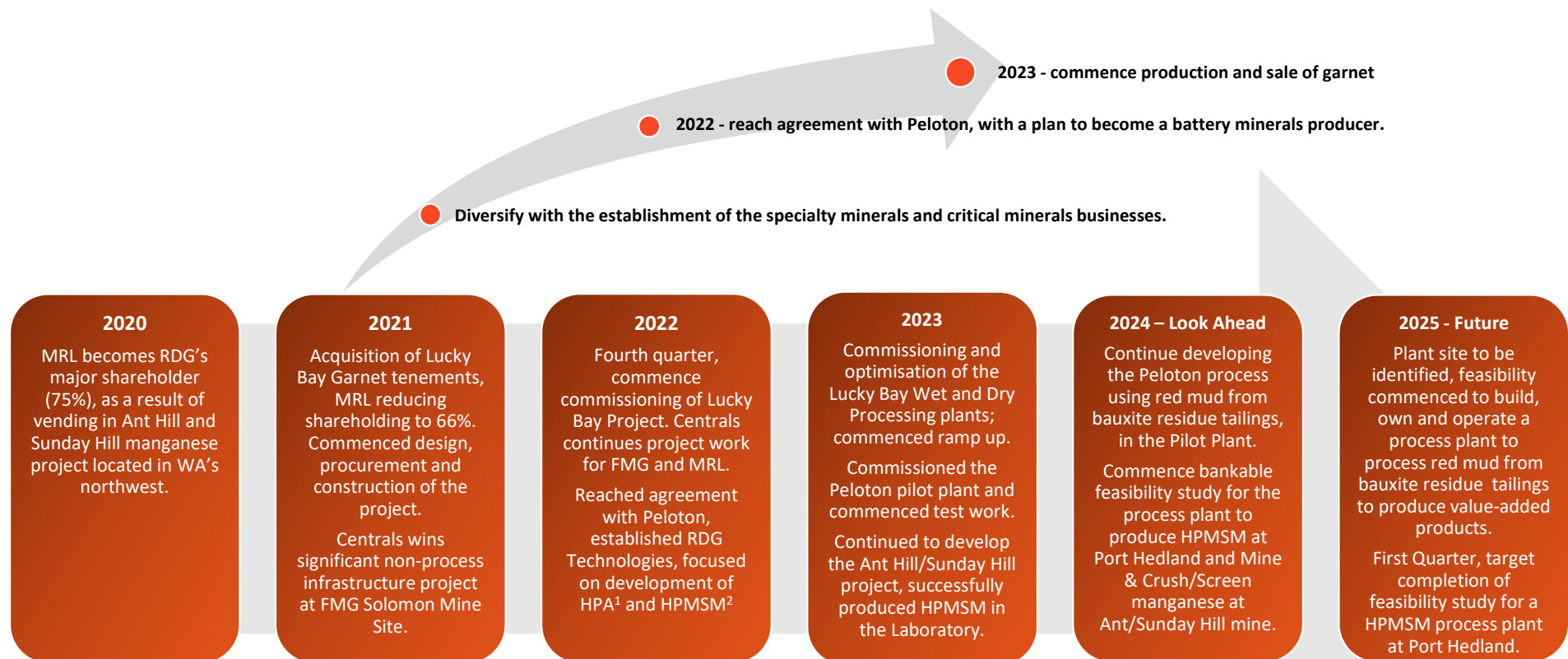
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RDG Strategic Direction



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¹HPA – High Purity Alumina

²HPMSM – High Purity Manganese Sulphate Monohydrate



Group Highlights



- ❏ Safety Performance - Zero lost time injuries for the past 3 ½ years, across the entire Group.
- ❏ Central Systems continues to execute significant projects in the North-West of Western Australia and has a full order book for the remainder of the calendar year.
- ❏ Lucky Bay Garnet Plant – identified significant modifications as part of our continuous improvement process to drive additional production and quality for new markets. We are on track to have most of the critical modifications completed by May 2024. We also commenced selling garnet to overseas markets.
- ❏ November 2023 - commissioned 7 Wind Turbines at Lucky Bay, fully operational, generating power for the process plant, replacing diesel generated power.
- ❏ Solid financial results for the half year ended 31 December 2023, compared to previous corresponding period.
- ❏ Produced multiple samples of battery grade High Purity Manganese Sulphate Monohydrate (HPMSM), in the laboratory.
- ❏ Multiple samples of iron oxide produced from our Red Mud Pilot Plant.
- ❏ The business would not operate without our loyal and hard-working management team and all employees, so a big thank you goes to them!

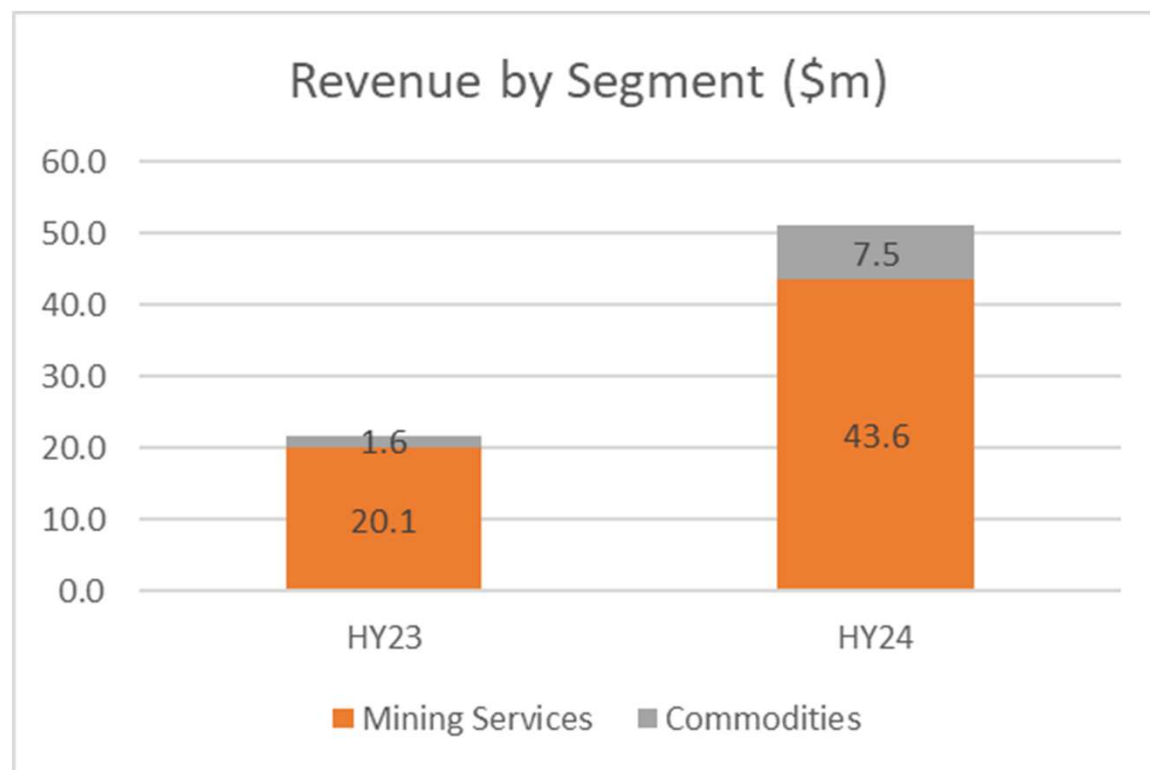
Financial Highlights HY24



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HY24 vs. HY23

Revenue			
\$51.0	Million	↑	135%
Net Profit After Tax			
\$6.2	Million	↑	4%
Earnings Per Share			
0.21	Cents	-	0%
Assets			
\$275.4	Million	↑	16%



Safety Performance



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- ❏ The safety and health of our people is always our first priority.
- ❏ Safety is a continuous improvement process across the entire Group.
- ❏ Excellent statistics, given record level of employees across the Group since 2015.

Lost Time Injuries

Zero

Past 3 ½ years

TRIFR*

1.8

12-month Rolling

LTIFR*

Zero

12-month Rolling

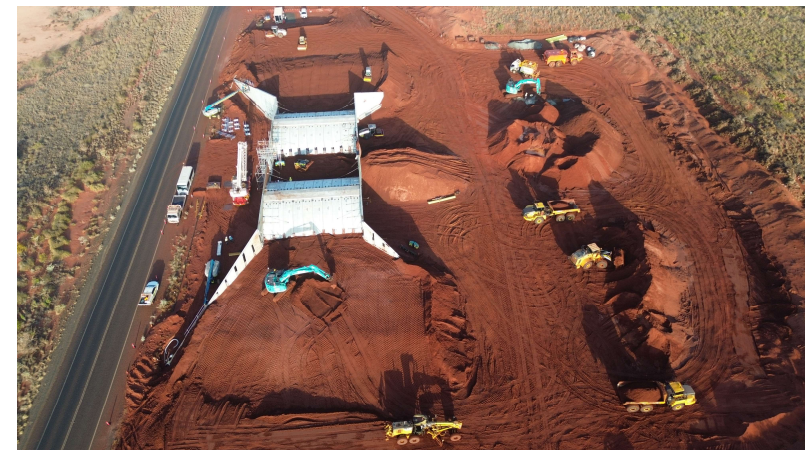
* TRIFR = Total Recordable Injury Frequency Rate as at 31 January 2024

** LTIFR = Lost Time Injury Frequency Rate as at 31 January 2024



Mining Services

- Centrals core construction disciplines include non-process infrastructure, detailed earthworks, structural concrete placement, bridges, overpasses and storm water installation.
- The company has been busy delivering projects for major clients during the FY24 in various locations across Western Australia.
- Major project works (Circa \$140m) (ASX announcement 12 October 2023) include the construction of bridges, overpasses and structural concrete placement on the Mineral Resources Limited Onslow Iron Ore Project.
- Minor project works include various packages for BCI Minerals and Mineral Resources Limited operations.
- All of our construction teams will be busy for the remainder of the FY24, with a strong order book for next financial year.
- The safety culture throughout Centrals is strong, with a loyal management team and a skilled workforce, led by our very experienced, Gary Reid.
- Over the past 12 months, we have continued to renew the company's mobile equipment fleet to ensure we maintain a reliable, modern fleet that will support our growth aspirations.



Commodities



- We are seeing strong and growing demand for garnet and have commenced working on a number of continuous improvement initiatives including increasing production, further improving product quality and improving the recovery of non-garnet heavy mineral.
- These improvements include several plant modifications throughout the wet plant that will increase the daily tonnes produced of saleable garnet, critical plant improvements are scheduled to be completed during May of this year.

- Commenced selling garnet into overseas markets.
- Recently announced on ASX, 80.8Mt, or 18% Mineral Resource¹ increase.
- Enquiries continue to confirm strong market demand for high-quality garnet.
- Process plant ramp-up continues with a target production of greater than 130,000 tonnes² per annum, of quality garnet produced from Lucky Bay.

¹ Placer Consulting Pty Ltd Mineral Resource Estimate - 11 September 2023

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



Sales and Marketing



- Global demand for quality garnet abrasive in blast and waterjet applications remains solid, driven by strong investments in energy assets, infrastructure and defence capability.
- Plant modifications made at Lucky Bay Mine during 2023 are delivering plant improvements in volume and quality, to enable us to achieve target production of greater than 130,000 tonnes¹ of packaged garnet abrasive sales per annum.
- A reduction in shipping rates ex Fremantle Port, WA, to key export markets in USA, Middle East and Europe has improved our competitive position to help us grow market share.
- The first bulk shipment of fine mineral concentrate (FMC), circa 5,500 tonnes, was shipped from Geraldton Port during December 2023. Targeting 3 FMC shipments per annum, of circa 8,500 tonnes each.
- Appointed new distributors in UAE and Qatar, both well established in their respective regions, to supply Australian Garnet abrasives in the Middle East.
- Our sales strategy for the plant at Lucky Bay to have the process plant at full capacity during calendar year 2024, is on track to be achieved.

¹ Entech Mining Consultants Ore Reserve Estimate (JORC Code 2012) – 14 September 2021



Wind Farm



- During November 2023, seven (7) Enercon E40 wind turbines that were from Germany, were commissioned at our Lucky Bay site.
- Each turbine has an individually rated output of 600 kw and overall height of 78 m, with a combined power generation capacity of 4.2MW.
- Operational from December 2023, there has been a significant reduction in carbon emissions from the operation and cost-saving on diesel fuel usage.



Ant Hill/Sunday Hill HPMSM Project

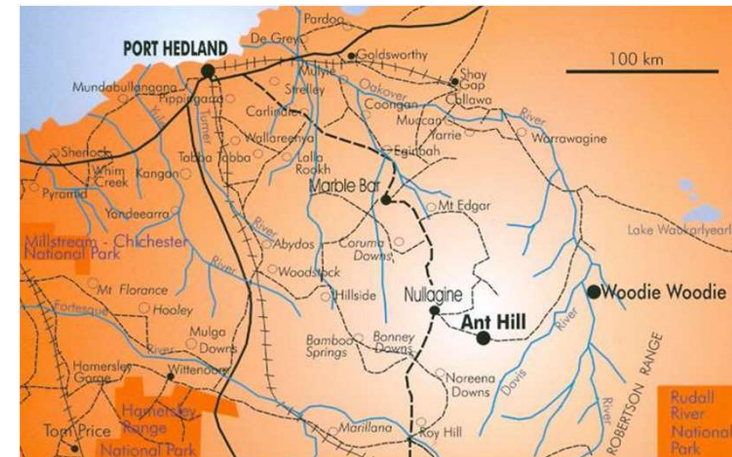


The Company continues to make progress with its stated aim of becoming a battery minerals producer, including:

Note: Battery Minerals refers to various minerals used in rechargeable batteries, such as manganese.

- Development of Mn battery minerals brand, to align with RDG's strategy of becoming a WA based producer of high purity manganese sulphate monohydrate (HPMSM).
- Following the successful production of HPMSM (ASX market announcement 15 November 2023) using ore from the RDG's 100%-owned Ant hill deposit. The next stage to construct and operate a HPMSM micro-plant is underway.
- The Micro-plant will be capable of producing samples of HPMSM on a weekly basis.
- The pool of potential offtakers for HPMSM continues to expand, with positive discussions ongoing with global battery and vehicle manufacturers.
- Development of a bankable feasibility study is underway.
- Ongoing dialogue and meetings with traditional owners, Palyku Group continuing, with an aim to finalise native title negotiations.
- Continued engagement with Northern Australia Infrastructure Facility (NAIF¹).

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



Ant Hill and Sunday Hill Manganese Deposits approximately 360km from Port Hedland.



Equipment for HPMSM Micro-plant being assembled and inspected prior to construction.

Peloton Red Mud Project

On 13 December 2023, RDG made an ASX market announcement stating, “*Completion of Peloton Resources Pty Ltd Acquisition*”. Peloton’s significant portfolio of intellectual property is now owned by RDG, who are continuing to optimise the processes, with an aim of commercialising the technologies.

- Improvements in the operation of the pilot plant housed at our Bibra Lake facility, has led to the production of high purity alumina (HPA) >99.93% Al_2O_3 .
 - Additional process improvements are underway to increase the purity of the HPA produced from Red Mud, with the target product being separator grade HPA, utilised within the battery market.
- Iron Oxides:
 - Multiple samples of iron oxide were produced (Figure 1) and delivered to our partner’s facility in the UK, where test work was carried out to find a formulation suitable for producing pellets for proof of concept.
 - A formulation was developed that produced cylindrical test specimens (Figure 2)
 - Further work is scheduled in March 2024 to produce pellets.
- Alumina Product:
 - Development work is continuing on the development of a suitable alumina product.



Figure 1 - Processed red mud samples sent to the UK.



Figure 2 - Cylindrical Test Specimen (CTS) pellets produced from red mud iron samples.

Red Mud Project - Pilot Plant

The Pilot Plant has been fully operational since March 2023, processing multiple red mud samples from bauxite residue tailings ponds.

Red Mud is an industrial waste generated when bauxite is processed into alumina using the Bayer process. There is an estimated 4 billion tonnes¹ of Red Mud stored in tailings storage facilities globally, with much more being added annually. Currently, very little Red Mud is reused, resulting in the need for long-term, costly and environmentally challenging solutions being in place to store the waste.

- Our pilot plant is capable of processing multiple red muds using proprietary technologies owned by RDG.
- In addition to acquiring the proprietary technologies, RDG has also acquired trademarks, including those associated with reversing waste. It is the company's intention to commercialise the technologies to produce multiple products, thus participating in the circular economy.
- Potential products
 - High Purity Alumina (HPA), a critical mineral used in electric vehicle batteries.
 - Aluminous product, used as a feedstock within the Bayer process.
 - Iron products, including DR Pellets participating in the drive for Green Steel
 - Fertilisers

¹ Wang, W.; Pranolo, Y.; Chu, Y.C. Recovery of scandium from synthetic red mud leach solutions by solvent extraction with D2EHPA. Sep. Purif. Technol. 2013, 108, 96–102.



Pilot Plant Red Area (Dirty)



Pilot Plant White Area (Clean)

Future Outlook

Continue to invest in the safety of all of our people – Safety is always our first priority.

Enhance the performance of each of our operating businesses whilst maintaining the momentum on our growth projects.

People are the heart of our business - continue to develop the organisation to meet the needs of the existing businesses and our growth projects.

We have significant and exciting opportunities on offer to us and it is important that we continue to be selective on what our management team focus on.



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- Maintain the momentum at Australian Garnet, implementing further modifications at the Lucky Bay Operation during this calendar year to achieve peak operating performance.
- Continue to operate the Red Mud Pilot Plant, in order to produce multiple products including High Purity Alumina (HPA) a critical mineral, targeting a purity level of 99.99% (4N).
- Operate the HPMSM Micro-plant and deliver samples to battery and vehicle manufacturers in order to gain product certification leading to Offtake Agreements.
- Aiming for Central Systems to maintain its delivery of successful projects throughout FY24 and to expand its order book, by selectively gaining new construction projects.
- Strengthen our already dedicated and committed management team, to meet our future growth plans.
- Be highly selective in considering other growth opportunities, aligned with RDG's Strategic Direction.

