



21 June 2021

ASX Market Announcements

Via e-lodgement

RETRACTION OF CERTAIN STATEMENTS

Resource Development Limited (ASX: RDG) (**RDG** or the **Company**) refers to its announcement titled "Resource Development Group Approves Lucky Bay Garnet Project" dated 10 June 2021 ("10 June Announcement").

The 10 June Announcement stated that:

- *"Previously disclosed Mineral Resources indicate an eight-year mine life ..."*
- *"Capital cost is estimated at \$60 million..."*
- *"The project is targeting production of 130ktpa garnet ..."*
- *"...we are targeting a greater than 20 per cent return on capital investment."*
- *"The table below (Table 1) providing a breakdown of the overall estimated cost to build the plant and commence operations."*
- *"The plant is designed to produce 125,000 – 135,000t of bulk garnet and 30,000t of Fine Heavy Mineral Concentrate per year."*

(collectively, the "**Statements**").

The Statements comprise production targets, forecast financial information and/or forward-looking statements for the purposes of the ASX Listing Rules.

The Company formally retracts the Statements as set out in the 10 June Announcement and notes that:

- The production target, forecast financial information and forward-looking statements contained in the Statements were not reported in accordance with the requirements of the ASX Listing Rules;
- The Company does not have a reasonable basis that is consistent with the requirements of ASIC Regulatory Guide 170 and Information Statement 214 for the forward-looking statements contained in the Statements;
- The Statements were not based on a feasibility study; and
- Investors should not rely on the Statements as a basis for any investment decision concerning the Company.



The Company wishes to emphasise, as disclosed in the 10 June Announcement, that it has recently undertaken a drilling program and expects to provide a resource update within the next month. Furthermore, subject to successful construction of the plant, commissioning is scheduled for Q1 2022.

The 10 June Announcement also stated that *“funding had been secured through commissioning and first production via a \$60 million loan”*. The Company advises that the loan is provided by its major shareholder, Mineral Resources Limited (ASX: MIN) (**MRL**) and is an extension of the existing loan from MRL (refer to RDG’s ASX Announcement dated 19 March 2020 and Notice of General Meeting dated 1 May 2020). As stated in the ASX Announcement dated 10 December 2020, MRL has agreed to extend the scope of the existing loan to include the Lucky Bay Garnet Project. The Company advises that MRL has also agreed to extend the loan amount from \$35 million to up to \$60 million. The other terms of the loan and the related security documents are set out in Annexure C of the Notice of General Meeting of 1 May 2020 and remain unchanged.

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

Michael Kenyon
Company Secretary

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