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Resource Development Group Ltd  
**AGM Investor Presentation**  
28<sup>th</sup> November 2022

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# Discussion Points



- 1 **Highlights**
- 2 **Safety Performance**
- 3 **Financial Performance**
- 4 **Lucky Bay Garnet Project**
- 5 **Mining Services – Central Systems**
- 6 **Ant Hill / Sunday Hill Manganese Project**
- 7 **Future Outlook**





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# Highlights





# Group Highlights



Bagging of garnet product

- Most significant year for RDG, setting the foundation for our commodities business
- Safety Performance - Zero lost time injuries for the past three (3) years
- Lucky Bay Garnet project – Plant commissioning progressing well, plant start-up during October, producing first saleable garnet
- Central Systems best financial performance since 2016 - net profit before tax of \$5m, for FY22

# Group Highlights



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- Central Systems performed all construction works at the Lucky Bay Garnet Project and other projects for FMG and MRL
- Capital investment of \$3M to update Central Systems mobile Equipment Fleet
- Executed share sale agreement with Peloton Resources Ltd, providing RDG to option to purchase and fund building & operating a pilot plant to process red mud, to refine existing process to produce High Purity Alumina (HPA 4N)
- Establishment of RDG Technologies to develop Peloton technology and develop the Ant / Sunday Hill project. We are currently running a test program to produce High Purity Manganese Sulphate Monohydrate







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# Safety Performance





# Safety Performance

- ❏ The safety and wellbeing of our employees is the utmost importance.
- ❏ Our focus is to continually improve everyday, to achieve this we encourage our employees for their involvement
- ❏ Safety performance continues to improve across the business over the past 12 months

\* TRIFR = Total Recordable Injury Frequency Rate at 31 October 2022

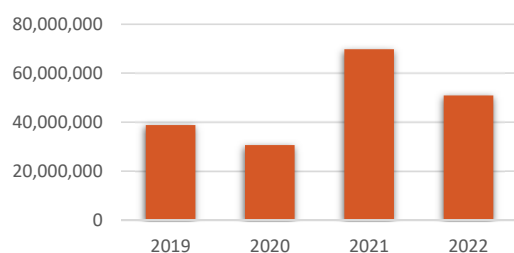
\*\* LTIFR = Lost Time Injury Frequency Rate at 31 October 2022



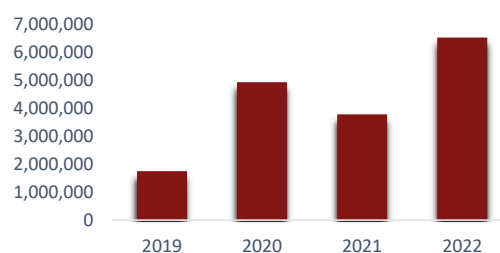
# RDG Financial Performance



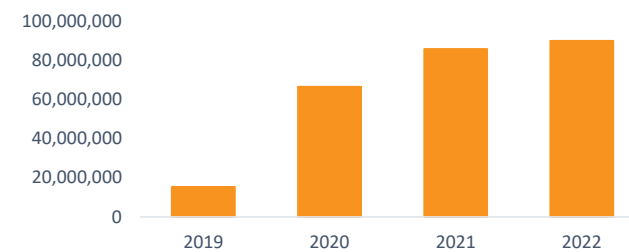
### Revenue \$



### EBITDA \$



### Net Assets \$



	2019	2020	2021	2022
Revenue & other income \$	38,852,589	30,657,249	69,768,887	50,966,634
Net Profit \$m	(2,066,923)	1,793,350	1,974,518	4,976,356
EBITDA \$	1,753,007	4,932,139	3,781,710	6,521,914
Net assets \$	15,342,838	66,461,260	85,692,530	89,846,860
Cash at bank \$	10,997,263	10,707,614	23,897,426	15,369,705

# Lucky Bay Garnet Mine





# Garnet – What is it?



- Family of complex silicate materials primarily used as an abrasive or cutting media
- Industrial garnet is a packaged industrial mineral with primary applications in the waterjet cutting and abrasive blasting industries
- Garnet is not a loose bulk commodity, it is primarily packaged and sold in 1, 2-tonne and 25kg bulk bags
- Industrial garnet is not a traded or quoted commodity and is priced on a “value in use” basis and grade quality basis
- Two commercial types – Alluvial and Hard-rock garnet, Lucky Bay Mine is Alluvial



# Australian Garnet Highlights



- Committed management team in place, focusing on establishing long term successful garnet business
- Plant commissioning well advanced, with garnet being sold to Australian customers
- All workforce employed and live locally, in the Kalbarri / Geraldton region
- Reserve estimate confirms 29-year mine life<sup>1</sup> once stage 2 expansion is in production.
- Stage 2 approval being worked on and ready for RDG board consideration in 24 months time
- Customer enquiries confirm strong market demand for high quality alluvial garnet.
- Plan to produce 130,000 tonnes<sup>1</sup> of garnet during our first year, of full operation, after commissioning is completed.

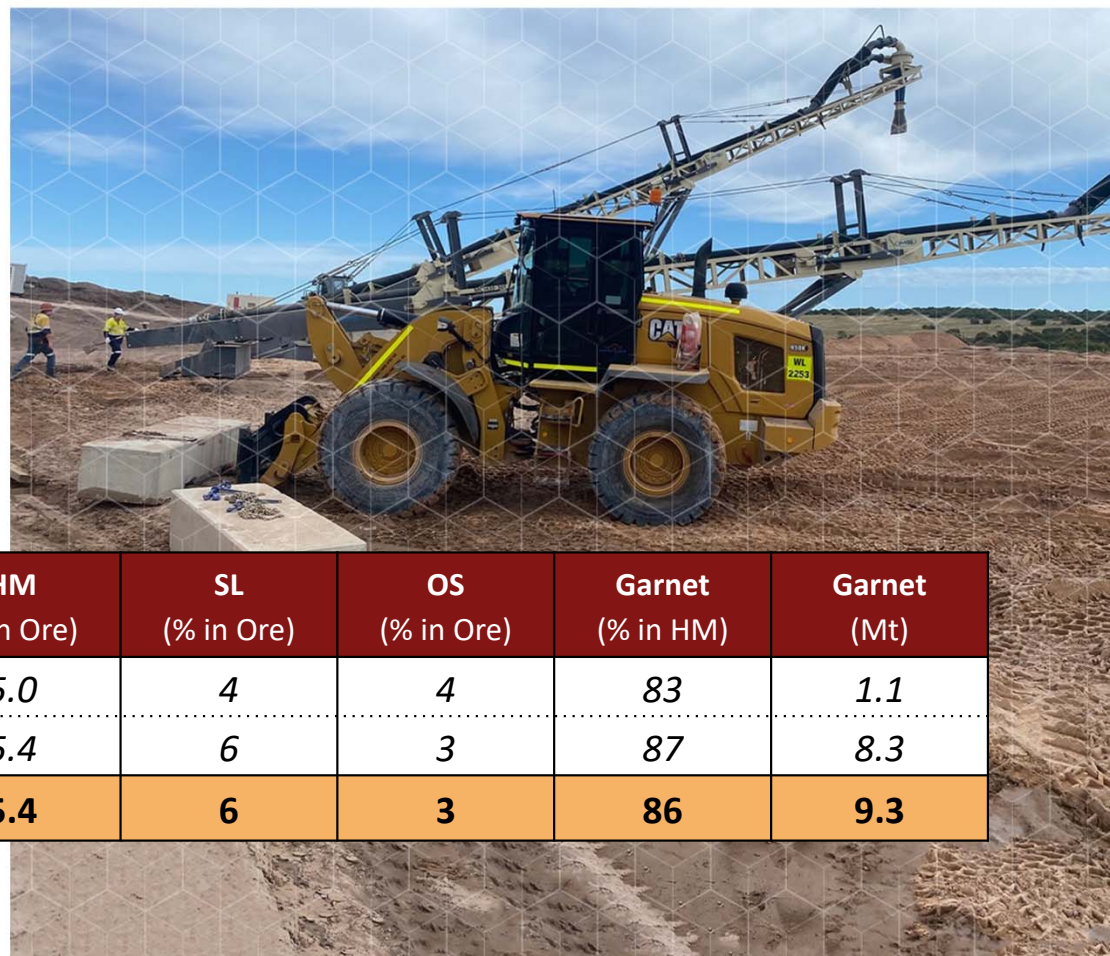
1. Entech Mining Consultants Ore Reserve Estimate (JORC Code 2012) – 14 September 2021



# Ore Reserve<sup>1</sup>



- ▣ Ore Reserve of 202Mt @ 5.4%HM
- ▣ Ore Reserve of contained Heavy Minerals 10.9Mt
- ▣ Ore Reserve of contained Garnet 9.3Mt
- ▣ Ore Reserve mine life 29 years, with further potential to increase



Area	Classification	Tonnes (Mt)	HM (% in Ore)	SL (% in Ore)	OS (% in Ore)	Garnet (% in HM)	Garnet (Mt)
Total Lucky Bay Project	<i>Proved</i>	26	5.0	4	4	83	1.1
	<i>Probable</i>	176	5.4	6	3	87	8.3
	<b>Total</b>	<b>202</b>	<b>5.4</b>	<b>6</b>	<b>3</b>	<b>86</b>	<b>9.3</b>

<sup>1</sup> Entech Mining Consultants Ore Reserve Estimate (JORC Code 2012)

Estimates subject to rounding differences



# Mineral Resource<sup>1</sup>



- 29% increase in Measured Resource Tonnes to 41.6Mt
- 31% increase in Measured Resource Heavy Minerals to 2.1Mt
- 87% of Mineral Resource tonnage (3384Mt) is classified as Measured or Indicated

Commodity: Mineral Sands								
Deposit	Resource Category	Type	Tonnes (Mt)	HM (%)	HM (Mt)	Slimes (%)	Garnet (%)	Garnet (Mt)
Menari	Measured	Dune	31.3	4.0	1.2	5.0	85.5	1.1
	Measured	Strand	10.3	7.9	0.8	5.8	80.7	0.7
Menari North	Indicated	Dune	328.2	4.1	13.4	5.9	83.5	11.2
	Indicated	Strand	14.2	9.3	1.3	6.6	85.5	1.1
	Inferred	Dune	58.3	3.8	2.2	5.2	82.6	1.8
	Inferred	Strand	0.2	4.2	0.0	6.6	89.2	0.0
TOTAL	Measured	All	41.6	5.0	2.1	5.2	83.6	1.7
	Indicated	All	342.5	4.3	14.7	5.9	83.6	12.3
	Inferred	All	58.5	3.8	2.2	5.2	82.6	1.8
<b>TOTAL</b>	<b>All</b>	<b>All</b>	<b>442.5</b>	<b>4.3</b>	<b>19.0</b>	<b>5.7</b>	<b>83.5</b>	<b>15.9</b>

1 Entech Mining Consultants Ore Reserve Estimate (JORC Code 2012)

Estimates subject to rounding differences



# Lucky Bay Operations



- ❏ The Lucky Bay processing plant is a brand-new facility located 25 minutes drive from Kalbarri, Western Australia; all staff and workforce live locally to the plant site.
- ❏ We support the local communities by buying locally, where possible
- ❏ Start-up has commenced with first revenue derived from the plant in October; product quality is second to none
- ❏ We owner-operate the mining fleet, with all processing, bagging, packing into containers onsite and loading onto trucks, then transport to Perth



# Sales & Marketing

Strong global demand for garnet from buyers as a result of increased maintenance expenditure.



- Our premium garnet abrasives for the protective coating and waterjet cutting industries will be sold to customers in Australia, NZ, Asia Pacific, USA and Europe
- In-country road & rail transport and overseas shipping are showing signs of recovering pre-COVID. We have a well established logistics plan in place and operating well
- Demand for garnet will continue to increase around the world, replacing copper slag, as each country decides to enforce not using various slags on offer today





# Renewable Energy – Windfarm



- Seven (7) Enercon E40 wind Turbines with a rated output of 600kW, with an overall height of 78m, are in the process of being shipped to Western Australia
- All in-ground services and concrete foundations are well progressed onsite, with all long lead time equipment ordered (refer picture)
- Expecting to be in operation by Q3FY23, there will be a **significant** reduction in carbon emissions from the mine, as well as cost saving on diesel fuel usage









# Mining Services - Central Systems



- ❏ Central Systems (Centrals) has been successfully delivering construction projects since 2010, being selective in the types of projects we take on
- ❏ Our core construction expertise is the disciplines of non-process infrastructure, detailed earthworks, concrete placement, bridges, overpasses and storm water works
- ❏ The FY22 year has provided continued projects, located in the northwest of Western Australia
- ❏ We spent most of FY22 constructing the Lucky Bay garnet mine and all associated works, which allowed us to keep costs as low as possible
- ❏ We have a loyal and devoted management team and workforce, who have a strong safety culture, enjoy working for our company and providing a quality job to our customers



**COMCEN**

# Ant Hill / Sunday Hill Manganese Project



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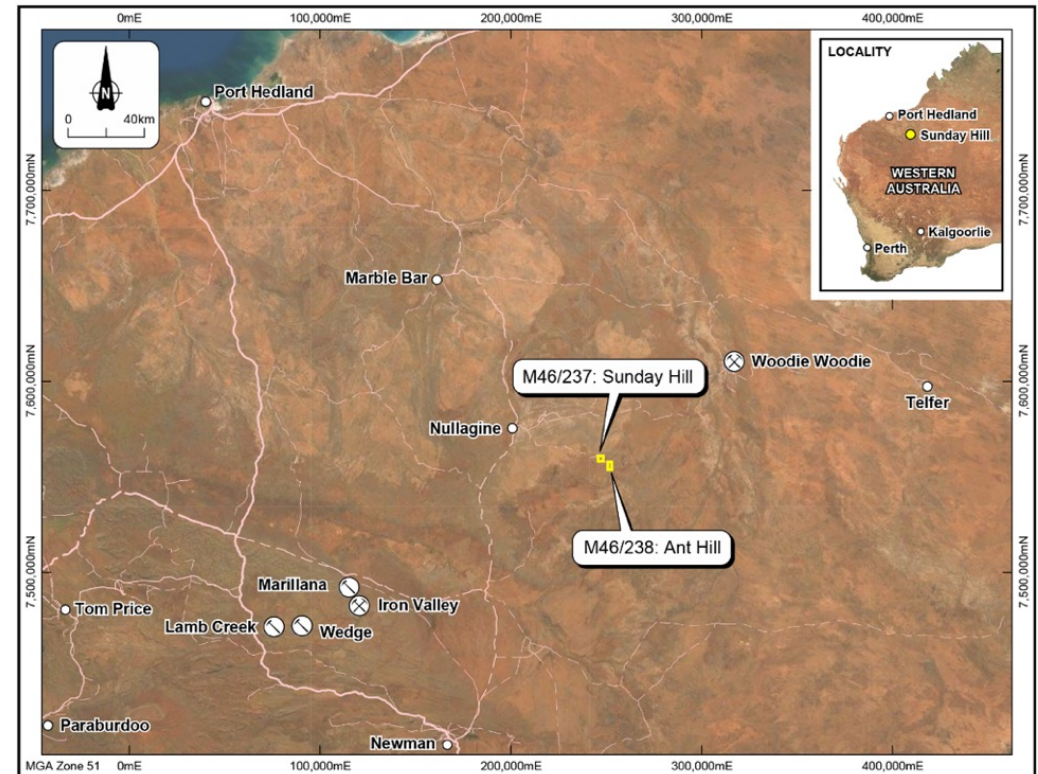
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# Overview



- Our manganese project consists of Ant Hill and Sunday Hill deposits, 2 granted mining leases
- The location is approximately 120Km south-east of the town of Marble Bar
- The topology is denoted by a prominent mesa rising 20m to 30m above the surrounding plain
- Current resource estimates are total indicated, plus inferred.
  - Ant Hill – 3.1Mt @ 24.7% Mn head grade<sup>1</sup>
  - Sunday Hill – 5.0Mt @ 18% Mn head grade<sup>2</sup>



<sup>1</sup> Mr. Matt Watson (Mineral Resources Limited) (JORC Code 2012) – 31 December 2019

<sup>2</sup> Mr. Matt Watson (Mineral Resources Limited) (JORC Code 2012) – 1 June 2021

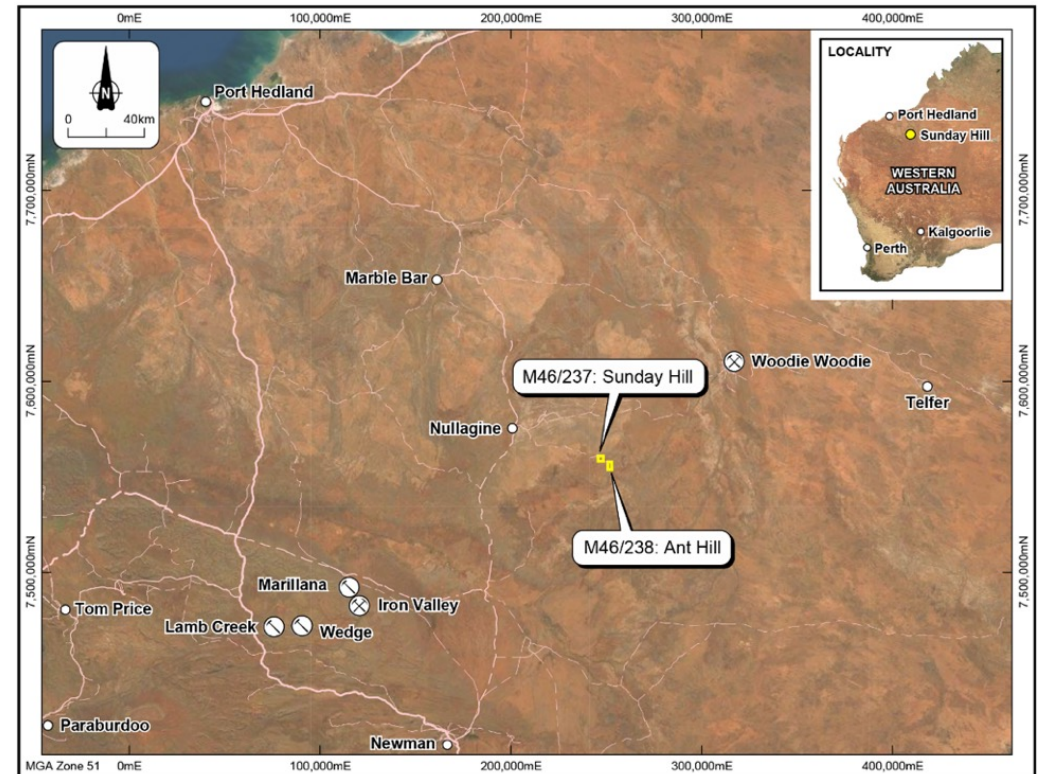


# Project Status



The project is advancing through various stages of scoping and to progress the project development:

- ❏ Drafting heritage agreements with Traditional Owners, Palyku Group to complete surveys and have been in discussions with native title negotiations
- ❏ Drafting land access agreements with third party tenement holders, for miscellaneous licenses for water supply
- ❏ Reviewing environmental approvals pathway for both mining and processing operations, pending the process design for High Purity Manganese Sulphate Monohydrate (HPMSM)



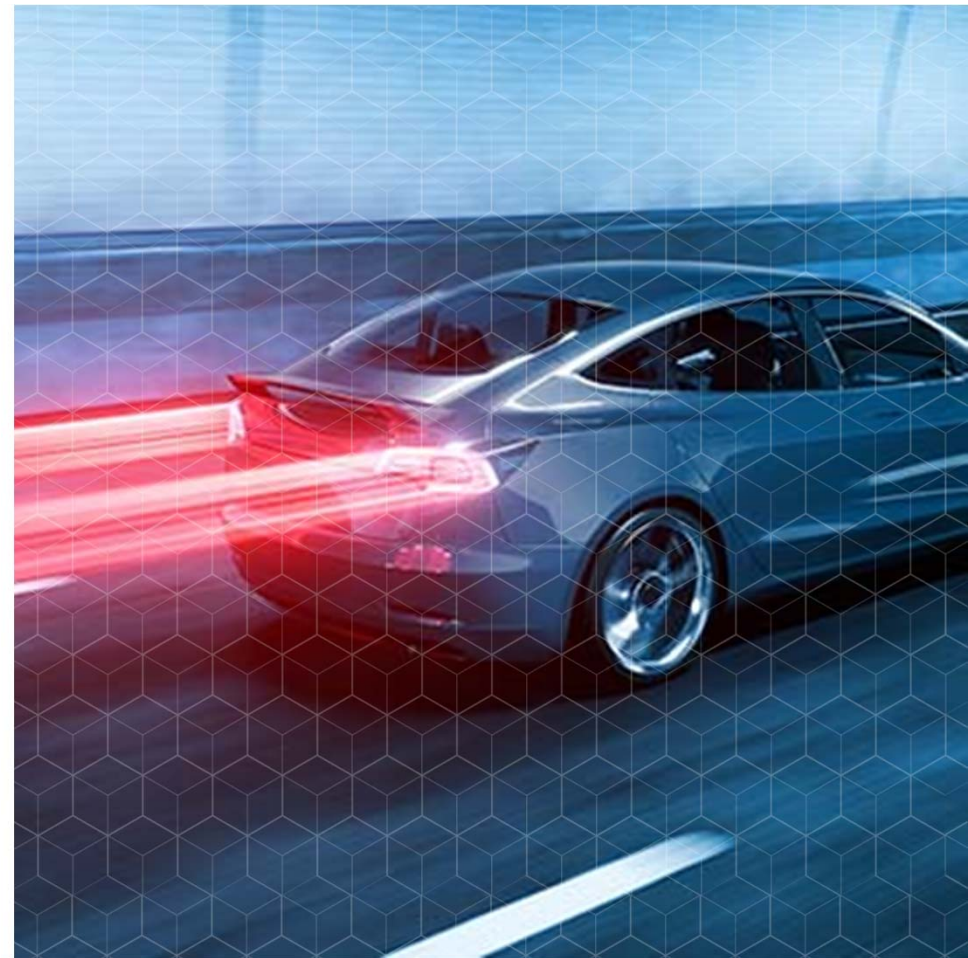


# Manganese – A Battery Mineral

**COMCEN**

**RDG Technologies is focusing on producing High Purity Manganese Sulphate Monohydrate (HPMSM) using Ant Hill & Sunday Hill ores:**

- ❏ Significant forecast growth in the use of HPMSM as a battery mineral within the electric vehicle market
- ❏ We have implemented a 3 Stage development plan:
  - ❏ Stage 1: Progressing well and due to be completed during December 2022
  - ❏ Stage 2: Aiming to produce High Purity Manganese Sulphate Monohydrate 1Q 2023
  - ❏ Stage 3: Pilot Plant 1H 2023
- ❏ We have had strong interest from our early discussions from the battery and car manufacturers



# RDG Technologies





# Peloton Red Mud Project

**On 26<sup>th</sup> August 2022 RDG and Peloton executed a Share Sale Agreement, providing RDG with an option to acquire Peloton subject to conditions, including RDG funding a Pilot Plant.**

- ❏ The Pilot Plant is currently under construction and planned to be commissioned during January 2023 and will operate in Perth
- ❏ Pilot Plant scheduled to operate for a 6–12-month period
- ❏ The Pilot Plant will be processing multiple Red Muds, with the aim of producing:
  - High Purity Alumina (HPA 4N) a Critical Mineral
  - High Purity Iron Oxide
  - Other potential products, Titanium Oxide and Rare Earth Elements.

Red & White Rotary Furnaces (NSW)



Muffle Furnace (USA)



Fan Forced Oven (NSW)





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# Future Outlook





# Future Plan.....

## Moving ahead with purpose...

RDG is progressing with the establishment of our Commodities business, with Lucky Bay Garnet mine producing garnet and ramping up production to steady state, producing an ongoing sustainable revenue stream, generated from garnet sales, across Australia and the world.

Other exciting prospects include the imminent test results from our pilot plant, under the Peloton Resources banner and our manganese sulphate monohydrate test work.

- Our focus is to ensure the Lucky Bay Garnet mine is operating at its peak performance, with works commenced on the early development of Stage 2, which will increase garnet production to over 300,000 tonnes per annum
- 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, with the aim of producing High Purity Manganese Sulphate Monohydrate (HPMSM)
- Continue to grow our mining services business, Central Systems on select construction projects
- Continue to look for other boutique-style resource development opportunities, suited to RDG business.

Thank You – Any Questions?



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