



Resource  
Development  
Group

Resource Development Group Ltd  
**AGM Investor Presentation**  
6<sup>th</sup> December 2021

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# Discussion Points



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



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# Highlights



RDG 2021 Annual General Meeting

# Group Highlights

- Safety Performance - Zero lost time injuries over past three years; TRIFR of 1.88
- RDG has a sustainable business, able to provide job security to employees
- Ant Hill – Sunday Hill tenements acquired from Mineral Resources Ltd at end of FY2020
  - Exploration results released on 30 November 2020
  - Increased Mineral Resource Statement for Sunday Hill released on 3 June 2021
- Replaced part of aged construction equipment fleet, spent over \$4m
- Record cash in bank at end FY2021, of almost \$24m



# Group Highlights



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- **Lucky Bay Garnet Project acquired in January 2021**
  - RDG Board approved development of project during June 2021, Central Systems performing all construction works on the project and the loan facility
  - Board later approved the purchase of the mining fleet
  - Ore Reserve ASX announcement released on 20 September 2021, increasing mine life to 29 years
  - Board approved during September, the purchase of 7 second-hand wind turbines from Germany for the Lucky Bay Mine
  - The Garnet sales plan is well developed, with strong customer interest in buying the garnet
- **Central Systems continues to be busy in its contracting space, with a strong forward order book**



# Aboriginal Relationships



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- Existing relationships with traditional owners and Aboriginal business, in regions we are operating and are growing these relationships
- On the Garnet project, working with the Yamatji Southern Regional Corporation (YSRC), recently signed a Heritage agreement between YSRC and Australian Garnet. Currently employing local YSRC people and will increase, when the onsite construction team numbers increase, plus looking to assist YSRC with possible tourism initiatives
- On the manganese project, working with the traditional owners, Palyku who are providing their people for heritage surveys, committed to providing employment, training and contracting work on the project
- Centrals have established relationships with Benang Energy for Electrical, EMJC for plant hire, Maramara for transport, Karlayura for temporary facilities installation and Wyndcorp for equipment hire





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# Safety Performance



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# Safety Performance

- The safety and wellbeing of our employees is paramount, our focus is to continually improve
- Safety performance continues to improve across the business, during the past 12 months

**Zero**

Lost Time Injuries in the past 3 years

**1.88**

12-month Rolling TRIFR\*

**Zero**

LTIFR\*\*

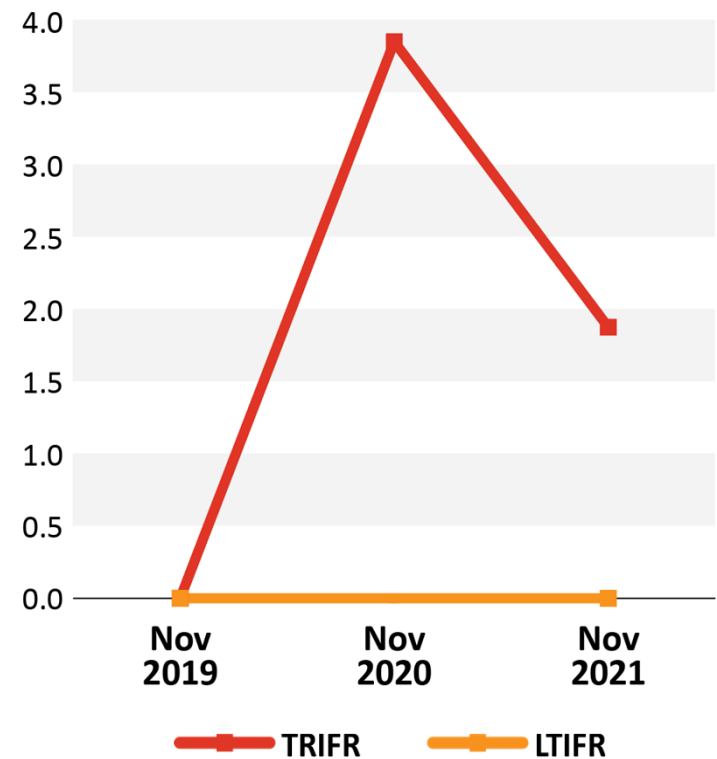
\* TRIFR = Total Recordable Injury Frequency Rate at 30 November 2021

\*\* LTIFR = Lost Time Injury Frequency Rate at 30 November 2021



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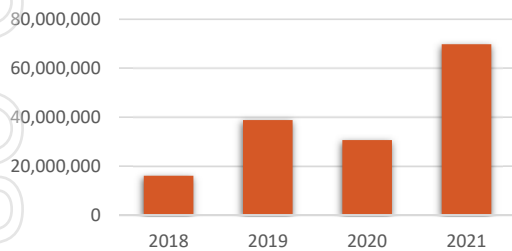
3 Year Trend



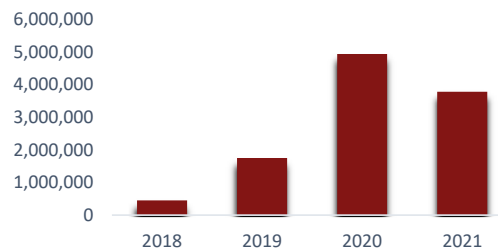
# RDG Financial Performance



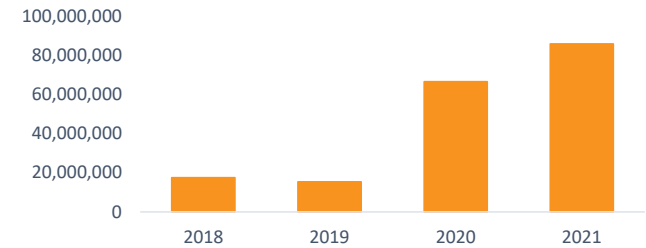
### Revenue \$



### EBITDA \$



### Net Assets \$



	2018	2019	2020	2021
Revenue \$	16,124,150	38,852,589	30,657,249	69,768,887
Net Profit \$m	(610,202)	(2,066,923)	1,793,350	1,974,518
EBITDA \$	453,922	1,753,007	4,932,139	3,781,710
Net assets \$	17,494,960	15,342,838	66,461,260	85,692,530
Cash at bank \$	13,322,300	10,997,263	10,707,614	23,897,426

# Central Systems



## Mining Services - Central Systems



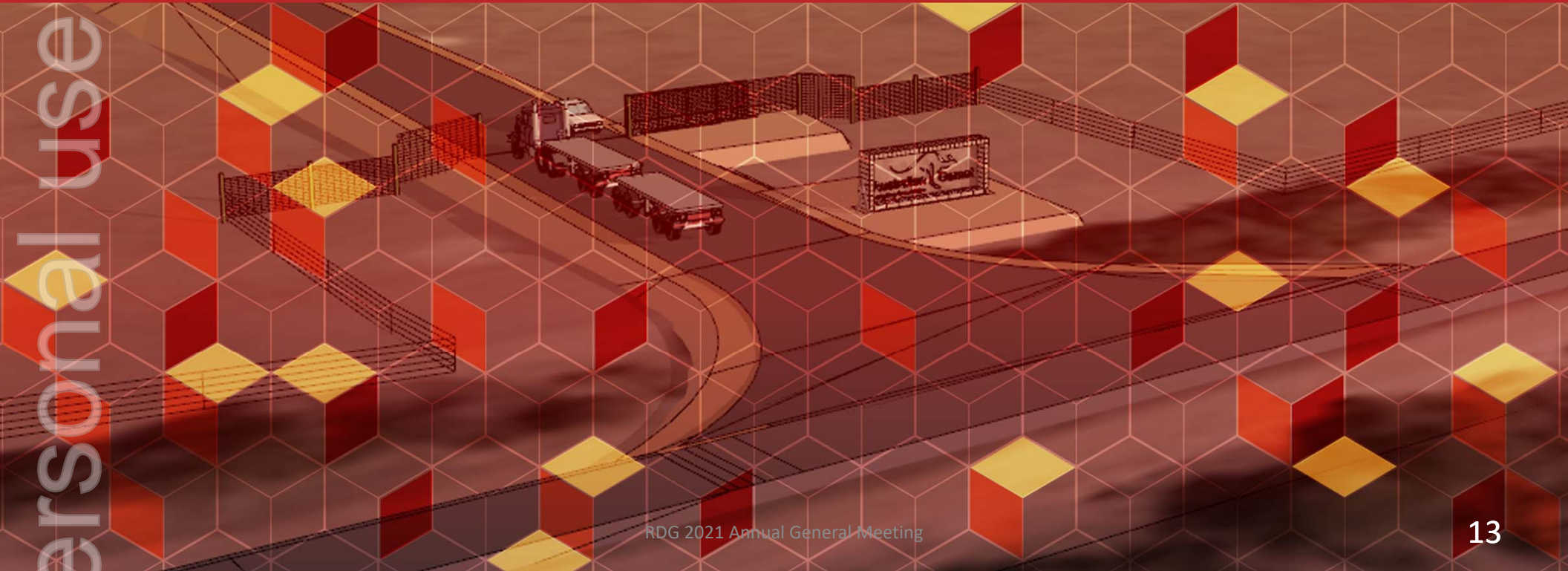
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- Central Systems (Centrals) has been the main operating entity for RDG delivering construction projects since 2010. Our plan is to continue to deliver select projects
- FY21 has seen a significant uplift in work, after 5 years of reduced revenue
- Centrals core expertise is to construct non-process infrastructure, detailed earthworks and concrete placement works
- Centrals are currently onsite constructing the Lucky Bay garnet mine, ensuring we keep our costs as low as possible
- We have an excellent management team and workforce, who like working for us and providing our customers with a safe and quality job



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# Lucky Bay Garnet Mine



# AG Highlights



- Committed management team with a focus to have a successful long term garnet business
- Design 98% complete, procurement 95% complete, construction commenced onsite early September, with plant commissioning planned to commence during Q4 FY2022
- Resource Increased by 1,800%<sup>1</sup>
- Recruitment of key operations management has commenced, all workforce will be locally employed, Kalbarri / Geraldton region
- Reserve estimate confirms 29-year mine life<sup>1</sup> with stage 2 expansion planned for consideration during year 3 of operation
  - Project NPV (8%) A\$483m<sup>1</sup>
  - Project IRR 48%<sup>1</sup>
- Customer enquiries confirm strong market demand for high quality alluvial garnet. Our plan is to produce 130,000 tonnes<sup>1</sup> of garnet in our first year of full operation

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)
<b>Total Lucky Bay Project</b>	<b><i>Proved</i></b>	26	5.0	4	4	83	1.1
	<b><i>Probable</i></b>	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*

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# Construction Progress



- Site earthworks is 60% complete, concrete foundations for the workshops and some of the plant foundations have been poured, with structural steel erection commenced
- All offices, non-process infrastructure, first aid buildings are on site and 40% complete
- Modules for the dry processing plant have started arriving onsite, site erection has commenced.
- All early works, deep and shallow production water bores are now complete
- Company owned 33-person construction camp built in Kalbarri and in operation
- Construction workforce onsite, with workforce numbers increasing weekly





# Operational Readiness



- Operational readiness plan completed, planning underway for plant start-up
- The Lucky Bay processing plant is located 25 minutes drive from Kalbarri, has a 29-year mine life<sup>1</sup> and it is brand new; this is creating a lot of interest in the region and resulting in people wanting to work on this site
- We are responsible for the mining, processing, bagging, packing into containers and loading onto trucks, then transported to Perth
- We have committed to the onsite management team and starting to interview for the locally employed workforce



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

# Sales & Marketing



- Global demand for garnet was briefly impacted as a result of Covid-19, but has since recovered to pre Covid levels
- What has helped to improve demand, Government infrastructure construction stimulus across the world, recovery of oil/gas markets resulting in increased expenditure on maintenance
- Sales & Distribution, MOUs are in place and final garnet sales agreements are well progressed
- Logistics plan, that involves road & rail transport and shipping the garnet, is well developed
- Demand for garnet will continue to increase around the world as a replacement for copper slag, as countries enforce not using the various slags on offer



# Renewable Energy – Wind

- The Kalbarri region has regular wind throughout the year
- Recently purchased from Germany, 7 Enercon E40 wind Turbines with a rated output of 600kW, each with an overall height of 78m. The 7 Turbines will generate a combined capacity of 4.2MW of power
- Most of the power produced will be used for the processing plant; the renewable energy will reduce the quantity of diesel fuel used

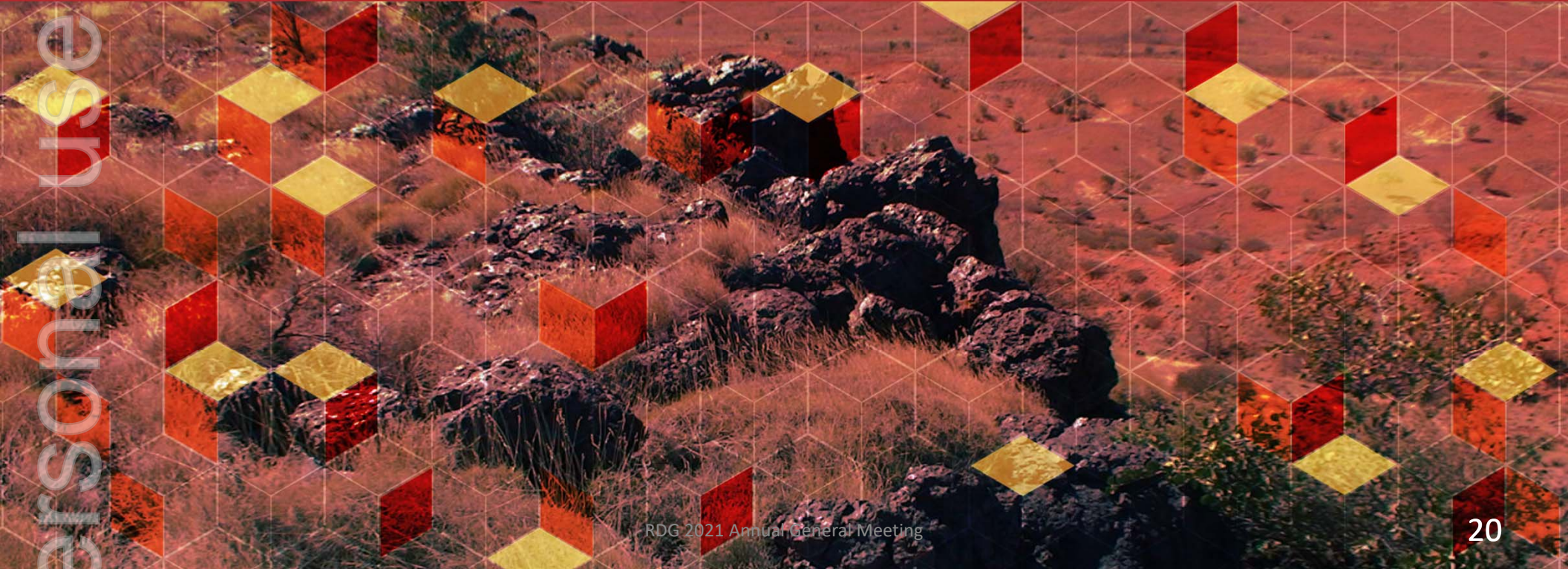


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# Ant Hill / Sunday Hill Manganese Project



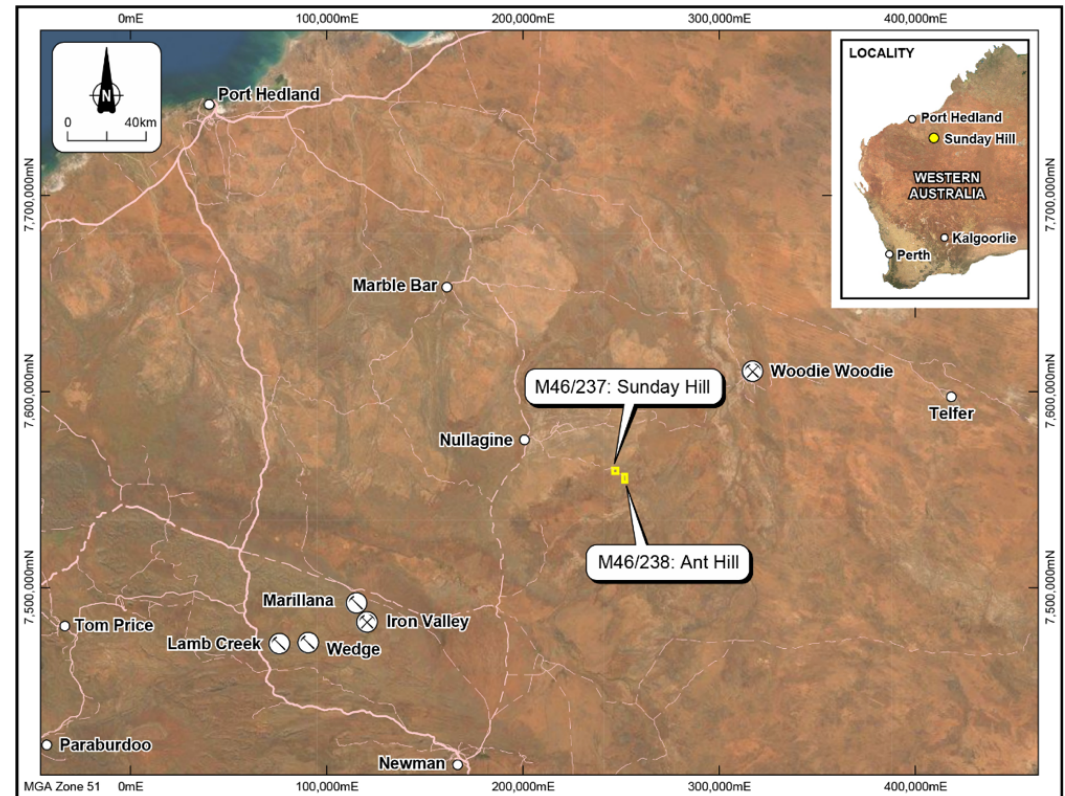
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# Overview



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- The manganese project comprises 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

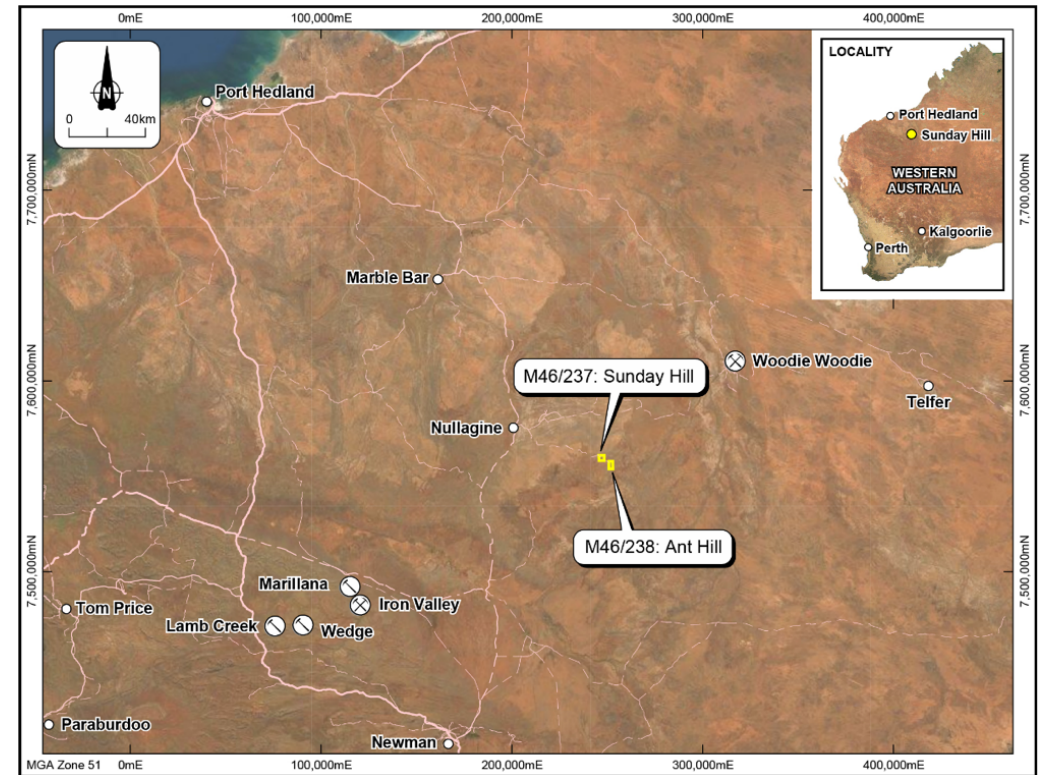
# Status



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The project is advancing through various stages of negotiations, to progress the project development:

- Native title negotiations with Traditional Owners, Palyku Group
- Land access agreements with third party tenement holders, for a miscellaneous licence to provide alternative haulage route and water supply
- Rehabilitation works for inherited historical exploration drilling, been scoped and scheduled to be executed during Q4 FY22



# Cultural Heritage & Flora Surveys

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Completed Heritage Surveys with collaboration from Palyku traditional owners. Eight representatives from Palyku conducted the survey, with the participation of RDG personnel (refer picture)

Detailed flora survey of the proposed Ant Hill haulage corridor was conducted at the latter part of FY20, this entailed collection of species composition and related from quadrants sized 50m by 50m. Approx. 185 species were identified

Local traditional owners from Palyku participated in the vegetation survey, sharing their vast knowledge in local flora, whilst inspecting botanical survey sites for cultural heritage findings



Budadee Tree (*Acacia inaequilatera*)



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# Future Outlook





# Future Outlook



## Exciting Direction

Over the next 12 months, RDG will take on a different complexion, as we commence operations and produce a saleable garnet product.

We are now close to realising our goal, which will enable RDG to have a sustainable revenue stream for the next 29 years and provide our employees with job security.

- Continue development of the Lucky Bay Garnet Project, leading to commissioning late Q4 FY22 and construction of the wind farm
- Continue to progress approvals on Ant Hill/Sunday Hill Manganese Project
- Provide support to local charities
- Ongoing construction projects by Central Systems, continuing to deliver positive cashflow
- Look for next acquisition – strategy to target boutique-style resource development opportunities

# Thank You – Change of Office address



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**Change of office location – our new address is:  
Level 3, 14 Walters Drive, Osborne Park –  
effective December 1<sup>st</sup>**

Telephone: +61 (0)8 9443 2928

**[resdevgroup.com.au](http://resdevgroup.com.au)**