Appendix 4D

Resource Development Group Limited

ABN 33 149 028 142

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Results for announcement to the market

Extracts of the Resource Development Group Limited results for the half-year ended 31 December 2024

Revenues from continuing activities	Up	10.0%	to	$56,091,845
Profit from ordinary activities after tax attributable to members	Down	4.7%	to	$5,884,567
Comprehensive income for the period attributable to members	Up	13.0%	To	$5,884,567

Dividends	Amount per share	Franked amount per share
Interim dividend	Nil	Nil
Final dividend	Nil	Nil

Record date for determining entitlements to the dividend	N/A

Other information

Net asset backing per ordinary share	$0.049 per share (31 Dec 2023: $0.041 per share)
Net tangible asset backing per ordinary share	$0.047 per share (31 Dec 2023: $0.034 per share)

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2024 half-year financial statements.

Resource Development Group Limited

ABN 33 149 028 142

Interim Financial Report
31 December 2024

Resource Development Group Limited

ABN 33 149 028 142

Half-Year Financial Report

31 December 2024

Contents

CORPORATE INFORMATION

ABN 33 149 028 142

Directors

Mr Mark Wilson, Chairman, Non-Executive Director
Mr Andrew Ellison, Managing Director
Mr Mike Grey, Non-Executive Director

Company secretary

Mr. Michael Kenyon

Registered office

Level 3, 14 Walters Drive
OSBORNE PARK WA 6017
Telephone: +61 8 9443 2928
Facsimile: +61 8 9443 2926

Principal place of business

Level 3, 14 Walters Drive
OSBORNE PARK WA 6017
Telephone: +61 8 9443 2928
Facsimile: +61 8 9443 2926
Website: www.resdevgroup.com.au

Share registry

Automic Share Registry
126 Phillip Street
SYDNEY NSW 2000
Telephone: 1300 288 664

Solicitors

Steinepreis Paganin
Level 14, 250 George's Terrace
PERTH WA 6000

Bankers

ANZ Banking Group Limited
Level 5, 240 St George's Terrace
PERTH WA 6000

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Securities exchange listing

Resource Development Group Limited shares are listed on the Australian Securities Exchange (ASX: RDG)

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (or "Group") consisting of Resource Development Group Limited ("Company" or "RDG") and the entities it controlled during the period for the half-year ended 31 December 2024. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office throughout the period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Andrew Ellison	(Managing Director)
Mr Mark Wilson	(Chairman, Non-Executive Director)
Mr Mike Grey	(Non-Executive Director)

Principal Activities

The principal activities of the entities within the Group during the year were the provision of contracting and construction services to the mining sector within Australia, in the disciplines of detailed earthworks, structural concrete placement, bridges and overpasses, non-process infrastructure, structural and mechanical works. Other key activities were the development of the Company's Lucky Bay Garnet Project including and continued progress of the Ant Hill/Sunday Hill manganese project.

Review of operations

RDG reported a net profit after tax from its continuing operations of $5.9m (2023: $6.2m). Its underlying Earnings before interest, depreciation, amortisation, and taxation (EBITDA) from its continuing operations for the period, was $10.6m (2023: $10.2m).

The Group's operating cash inflow was $11.9m (31 December 2023: $13.4m) and outflows from investing activities, largely related to mine development was $12.8m, resulting in cash at bank at 31 December of $5.9m (30 June 2024: $8.3m).

The Group is now in the final stage of completing its modifications and upgrade works at its Lucky Bay Garnet mine (30 kilometres from Kalbarri, Western Australia), as it advances towards commercial production. Sales activity is rising steadily as production volumes start to increase on the back of the aforementioned works. Sales for the half year ended 31 December 2024 were $15.6m (2023: $7.5m).

Several large projects were completed during the period by the Central Systems Pty Ltd (Centrals) business in the northwest of Western Australia. Smaller projects were also awarded during this period and are currently being undertaken by the business.

In line with the Group's diversification strategy, research and development activities also continued at its pilot plant facility located south of Perth, Western Australia. This included the focus on further developing the technology to extract high value products from waste red mud, including High Purity Alumina, iron oxides and an aluminous product. The team also continued its focus on refining the process to produce High Purity Manganese Sulphate Monohydrate, a battery mineral produced by using ore from the Company's own Ant Hill / Sunday Hill manganese deposits located in the Pilbara region of Westen Australia.

In addition to the Group's hire purchase liabilities at 31 December 2024 of $5.2m (30 June 2024: $5.1m), the Group also increased its loan facility with its parent entity, Mineral Resources Limited. This facility, described further at Note 14, had a balance of $130.7m at 31 December 2024 (30 June 2024: $117.2m) and relates to the development of Lucky Bay and associated infrastructure, including its own wind farm with a 4.2MW capacity.

Significant Events

There were no significant events during the half-year ended 31 December 2024.

Operations

Headquartered in Perth, RDG provides diversified mining services to the resources, infrastructure, and energy sectors within Australia, as well as owning manganese and garnet mines located in the north-west of Western Australia. RDG has offices/facilities located in Perth and Newman.

RDG had six wholly owned subsidiaries as at 31 December 2024 and an 80% equity interest in another subsidiary, Mineral Solutions Australia Pty Ltd (whose operations have been discontinued):

DIRECTORS' REPORT (continued)

- Central Systems Pty Ltd (Centrals) provides multi-discipline construction and plant modification services to the resources, energy, and infrastructure sectors in Australia. Centrals has a successful track record of delivering difficult projects, with long-standing customers;
- Australian Garnet Pty Ltd (AGPL), is the holder of the Lucky Bay Garnet mine and wind turbines;
- Mn Battery Minerals Pty Ltd (formerly Comcen Pty Ltd), is the holder of the Ant Hill and Sunday Hill manganese mining leases. Having produced High Purity Manganese Sulphate Monohydrate (HPMSM) (15 November 2023 ASX Announcement), work is continuing on developing the project. The Board have decided it is their preference to not own 100% of this project and the Company is about to look for interested parties who have a desire to own a significant shareholding of this project.
- RDG Technologies Pty Ltd (technology department), owns and operates a pilot plant, developing opportunities related to critical battery minerals; and
- Peloton Resources Pty Ltd, an entity acquired on 15 December 2023, is the owner of several patents associated with the processing of waste red mud, including a process developed to extract iron oxide and an aluminous product from waste red mud on a very large scale.

Centrals provide a 'whole of project' solution to the customer including:

- Multi-disciplinary construction services (detailed earthworks, civil, structural, mechanical, bridges, overpasses, piping, non-process infrastructure building works, plant upgrade / modifications, procurement, project management and ownership of a large fleet of mobile equipment to support the Company's construction projects. The Company works with its customers on various commercial models such as lump sum, target incentive and working in an integrated project delivery team with the client.

AGPL has developed a world class integrated mining, processing, packaging and distribution operation at the Lucky Bay Mine in Western Australia. It is supplying premium garnet abrasive to the protective coating and waterjet cutting industries around the world.

The Company has recently established an incorporated joint venture, with a 49% ownership, named KingCentrals JV Pty Ltd (KingCentrals).The Company has established this joint venture with an entity wholly-owned by Ms Tammy O'Connor, who is the founder and managing director of leading Aboriginal-owned business, KingKira Group Pty Ltd (KingKira). The new joint venture is seeking seek out prospective projects in the resources sector in the Pilbara region of Western Australia and has already been actively tendering on various opportunities. The full capabilities of both KingKira and Centrals will be drawn on to ensure that the partnership identifies, wins and executes projects successfully in the future.

Events after the reporting period

There are no matters or circumstances that have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

Workforce Capacity and Capability

On 31 December 2024, the Company employed approximately 166 people (2023: 332 people).

Strategy and Outlook

The Company's key strategic focus continues to be growing its Lucky Bay Garnet business and ensuring nameplate capacity is achieved at its plant is reached during the second half of FY25. Current production volumes suggest that the ramp-up to nameplate is within reach, with the business then setting its sights on achieving positive operating cashflow.

The Company is also progressing approvals on its Ant Hill/Sunday Hill manganese project and continues to refine the production of High Purity Manganese Sulphate Monohydrate (HPMSM), a critical battery mineral, in its pilot plant. The Company has sent various samples of its HPMSM to battery producers and car manufacturers and will continue to explore opportunities to fund and de-risk this business through potential partnerships.

Other areas of focus across the RDG business are as follows:

- Continue to actively pursue and deliver construction projects for our long-term customers in structural concrete placement, detailed earthworks and non-process infrastructure works which is aligned with our traditional skills and market sectors that generate acceptable profit margins. This will include performing any of our own multi-disciplined projects, such as Lucky Bay and projects for our other key customers; and
- Continue to develop and advance the technology to produce high value products from waste red mud.

Auditor’s Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors’ report for the half-year ended 31 December 2024.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

Mr Andrew Ellison
Managing Director
Perth, Western Australia
27 February 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Resource Development Group Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
27 February 2025

D B Healy
Partner

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A Western Australian Partnership
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

		Consolidated	
		31 December 2024	31 December 2023
	Notes	$	$
Continuing operations			
Revenue	2(a)	56,091,845	51,011,042
Other income	2(b)	163,185	61,323
Profit/(Loss) on sale of assets		60,469	(84,136)
Cost of sales		(18,979,223)	(18,967,955)
Employee benefits expense		(16,707,493)	(15,977,416)
Depreciation and amortisation expense	2(c)	(1,934,527)	(1,005,244)
Finance costs		(258,286)	(225,171)
Share-based payments	2(c)	(308,832)	(153,318)
Other expenses	2(c)	(9,525,120)	(5,651,662)
Profit before income tax		8,602,018	9,007,463
Income tax expense		(2,717,451)	(2,829,410)
Profit after income tax from continuing operations		5,884,567	6,178,053
Discontinued operations			
Loss before tax from discontinued operations		-	(6,861)
Income tax benefit/(expense)		-	-
Loss after tax from discontinued operations		-	(6,861)
Net profit for the year		**5,884,567**	**6,171,192**
Other comprehensive income for the period			
Income tax expense		-	(963,111)
Other comprehensive income for the period, net of income tax		-	(963,111)
Total comprehensive income for the period from continuing operations		5,884,567	5,208,081
Total profit/(loss) for the year is attributable to:			
Non-controlling interests		-	(1,372)
Owners of Resource Development Group Limited		5,884,567	6,172,564
		5,884,567	6,171,192
Total comprehensive income/(loss) for the year is attributable to:			
Non-controlling interests		-	(1,372)
Owners of Resource Development Group Limited		5,884,567	5,209,453
		5,884,567	5,208,081
Earnings per share for the period attributable to the members of Resource Development Group Ltd:			
Basic earnings per share (cents per share) – continuing operations		0.20	0.21
Basic earnings per share (cents per share)		0.20	0.21
Diluted earnings per share (cents per share) – continuing operations		0.20	0.21
Diluted earnings per share (cents per share)		0.20	0.21

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Consolidated	
Assets	Notes	31 December 2024 $	30 June 2024 $
Current assets			
Cash and cash equivalents	3	5,866,020	8,317,566
Trade and other receivables	4	8,511,389	23,779,931
Current tax assets	5	18,518	18,518
Inventories	6	11,651,477	9,464,136
Total current assets		26,047,404	41,580,151
Non-current assets			
Property, plant and equipment	7	26,667,511	16,257,012
Right of use asset	8	397,311	-
Intangible assets	9	3,789,198	3,889,198
Deferred exploration and evaluation expenditure	10	29,733,870	29,178,127
Development expenditure	11	247,083,772	227,574,907
Deferred tax assets	5	36,816,488	34,418,651
Total non-current assets		344,488,150	311,317,895
Total assets		370,535,554	352,898,046
Current liabilities			
Trade and other payables	12	23,972,672	35,122,768
Borrowings	14	52,280,930	-
Hire purchase liabilities	13	2,344,146	2,307,660
Lease liabilities	8	319,859	-
Provisions	22	2,499,273	3,982,707
Total current liabilities		81,416,880	41,413,135
Non-current liabilities			
Hire purchase liabilities	13	2,893,161	2,788,419
Trade and other payables	12	-	200,000
Lease liabilities	8	90,174	-
Borrowings	14	78,421,387	117,200,190
Provisions	22	3,448,697	3,388,756
Deferred tax liabilities	5	60,161,248	55,045,960
Total non-current liabilities		145,014,667	178,623,325
Total liabilities		226,431,547	220,036,460
Net assets		**144,104,007**	**132,861,586**
Equity			
Contributed equity	15	77,990,375	77,990,375
Share-based payments reserve		1,592,395	1,283,563
Capital contribution reserve		13,528,485	8,479,463
Retained earnings		51,013,086	45,128,519
Equity attributable to owners of the parent		144,124,341	132,881,920
Non-controlling interests	21	(20,334)	(20,334)
Total equity		**144,104,007**	**132,861,586**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Consolidated	Contributed equity	Retained earnings	Share-based payments reserve	Capital Contribution Reserve	Attributable to the owners of the parent	Non-controlling Interest	Total equity
	$	$	$	$	$	$	$
Balance as at 1 July 2023	74,990,375	27,740,375	973,000	3,540,140	107,243,890	(18,970)	107,224,920
Profit/(loss) for the period	-	6,172,564	-	-	6,172,564	(1,372)	6,171,192
Other comprehensive income/(loss) for the period	-	-	-	(963,111)	(963,111)	-	(963,111)
Total comprehensive income/(loss) for the period	-	6,172,564	-	(963,111)	5,209,453	(1,372)	5,208,081
Transactions with owners in their capacity as owners:							
Share-based payments	-	-	153,318	-	153,318	-	153,318
Share issue to vendors of Peloton Resources Pty Ltd	3,000,000	-	-	-	3,000,000	-	3,000,000
Fair value adjustment to parent entity borrowings	-	-	-	3,210,370	3,210,370	-	3,210,370
Balance at 31 December 2023	77,990,375	33,912,939	1,126,318	5,787,399	118,817,031	(20,342)	118,796,689
Balance as at 1 July 2024	77,990,375	45,128,519	1,283,563	8,479,463	132,881,920	(20,334)	132,861,586
Profit/(loss) for the period	-	5,884,567	-	-	5,884,567	-	5,884,567
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	5,884,567	-	-	5,884,567	-	5,884,567
Transactions with owners in their capacity as owners:							
Share-based payments	-	-	308,832	-	308,832	-	308,832
Fair value adjustment to parent entity borrowings	-	-	-	5,049,022	5,049,022	-	5,049,022
Balance at 31 December 2024	77,990,375	51,013,086	1,592,395	13,528,485	144,124,341	(20,334)	144,104,007

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Consolidated 31 December 2024 $	Consolidated 31 December 2023 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Receipts from customers		59,888,544	50,635,892
Payments to suppliers and employees		(48,756,739)	(38,697,581)
Interest received		148,934	60,708
Finance costs paid		(201,841)	(18,790)
Income tax (paid)/refunded		-	-
GST refunded/(paid)		794,101	1,462,984
Net cash inflow from operating activities		11,872,999	13,443,213
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		106,375	17,555
Purchase of property, plant & equipment		(1,366,014)	(435,612)
Payment for the acquisition of Peloton Resources Pty Ltd	24	-	(1,000,000)
Payment for exploration costs		(49,728)	(353,007)
Payment for development costs		(11,510,051)	(11,191,630)
Net cash outflow from investing activities		(12,819,418)	(12,962,694)
Cash flows from financing activities			
Lease repayments		(294,167)	-
Repayments of finance lease and hire purchase liabilities		(1,210,960)	(1,459,763)
Net cash outflow from financing activities		(1,505,127)	(1,459,763)
Net decrease in cash held		(2,451,546)	(979,244)
Cash and cash equivalents at the beginning of the period		8,317,566	3,923,482
Cash and cash equivalents at the end of the period	3	5,866,020	2,944,238

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

a) Reporting entity

Resource Development Group Limited ("RDG" or "Company") is a company domiciled in Australia. The consolidated balances of the Company for the half-year ended 31 December 2024 include the Company and its subsidiaries, including Central Systems Pty Limited ("Centrals"), Concrete Construction (W.A) Pty Ltd, Australian Garnet Pty Ltd, Mn Battery Minerals Pty Ltd, Mineral Solutions Australia Pty Ltd ("MSA"), RDG Technologies Pty Ltd and Peloton Resources Pty Ltd.

b) Statement of compliance

These half year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 '*Interim Financial Reporting*', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 '*Interim Financial Reporting*'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the consolidated financial statements of Resource Development Group Limited for the year ended 30 June 2024 and any public announcements made by Resource Development Group Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

c) Basis of preparation

This half-year report has been prepared as described in Note 1(b). Cost is based on the fair value of the consideration given in exchange for assets and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing this report, the half-year has been treated as a discrete reporting period.

d) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

e) Significant accounting judgements and key estimates

The preparation of half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2024.

Determining the beginning of commercial production

Judgement is required to determine when capitalisation of development costs ceases, and amortisation of mine assets commences upon the start of commercial production. This is based on the specific circumstances of the project and considers when the specific asset is substantially complete and becomes 'available for use' as intended by management which includes consideration of completion of reasonable testing of the mine plant and equipment, throughput levels at or near expected levels, the ability to produce garnet in saleable form and other factors such as cashflow. Based on these factors, it was determined that commercial production has yet to be achieved at the Company's Lucky Bay garnet plant.

Key assumptions used to determine recoverable amount

The table below summarises the key assumptions used in the assessment of the recoverable amount of the Company's Lucky Bay Garnet project under the Value-in-Use (VIU) method:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

e) Significant accounting judgements and key estimates (continued)

	Lucky Bay Garnet
Lucky Bay Garnet CGU carrying value ($m)	265.0
Headroom ($m)	42.6
Average price Garnet (AU$/dmt FOB Base Price)	369.6
Average A$:US$ foreign exchange rate	0.70
Ore to be mined (Mwmt)[1]	199.0
All-in cash cost (AU$/wmt)	250.4
Discount rate (pre-tax)	15.7% (30 June 2024: 15.0%)
Discount rate (post-tax)	11.0% (30 June 2024: 10.5%)

[1] Ore to be mined is derived from regularised resource model conversion and the application of tonnage and grade modifying factors. Final outcomes and economic limits are defined through a value maximising pit optimisation and strategic mine planning process.

f) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2024

In the half-year ended 31 December 2024, the Directors have reviewed any new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2024. There are none that have a material impact on the Company.

New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2024. As a result of this review, the Directors have determined that there is no material impact of the Standard and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to its accounting policies.

No other new standards, amendments to standards or interpretations are expected to affect the Company's financial statements.

g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Resource Development Group Limited. Details of the Group’s segments are set out in Note 20.

h) **Going concern**

The financial statements are prepared on a going concern basis.

The Group made a profit after tax of $5.9m for the half year ended 31 December 2024 (31 December 2023: $6.2m). At balance date, the Group had a working capital deficit of $55.4m (30 June 2024: $0.2m surplus) and cash balances of $5.9m (30 June 2024: $8.3m). The working capital deficit includes a current liability owing to the Group’s parent, Mineral Resources Limited (MRL) as a result of scheduled quarterly instalments of the loan due to commence being repaid on 30 September 2025.

MRL has provided a loan facility to complete the construction and development of the Group’s Lucky Bay Garnet project (Lucky Bay). The facility was drawn to $130.7m (30 June 2024: $117.1m) as at balance date. MRL is currently not charging interest on the loan.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Prior to balance date, MRL formally advised the Group that it will further support the Group with its loan facility up to an approximate value of $135m, as well as maintaining the extension of the first repayment date out to September 2025. MRL also advised the Group that it will not however seek repayment of the loan facility until such time as the Lucky Bay mine transitions to commercial production and generates positive operating cashflow.

The Board considers that based on its assessment of operating cash flows and available financing facilities, it is appropriate in the Group's current circumstances to prepare its financial statements on a going concern basis. Notwithstanding this, the Board acknowledges that it will need to consider its future funding options, which could include renegotiating the repayment terms of its loan with MRL before it falls due or raising sufficient funds to repay the loan to MRL when it falls due through a combination of completing an equity raise, alternative debt funding or selling assets.

Should the Group not be able to renegotiate the repayment terms of its loan with MRL or raise sufficient funds as outlined above, there will exist a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	31 December 2024 $	31 December 2023 $
(a) Revenue		
Rendering of services – over time	40,446,999	43,557,180
Sale of goods – point in time	15,644,846	7,453,862
	56,091,845	51,011,042
Geographical split		
Australia/New Zealand	44,967,716	47,771,459
North America	830,766	739,722
Asia	2,202,340	1,524,311
South America	90,712	24,938
Europe	3,076,004	204,394
Middle East	4,924,307	746,218
	56,091,845	51,011,042
(b) Other income		
Interest income	148,934	61,323
Other	14,251	-
	163,185	61,323
(c) Expenses		
Depreciation and amortisation of non-current assets	(1,934,527)	(1,005,244)
Short term rental expense	(2,243)	(261,935)
Share based payments expense	(308,832)	(153,318)

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2024 $	30 June 2024 $
Cash at bank and on hand	5,866,020	8,317,566

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 4: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Trade receivables	7,380,993	22,437,530
Allowance for expected credit losses	-	-
	7,380,993	22,437,530
Other receivables	60,356	62,302
Prepayments	1,070,040	1,280,099
	8,511,389	23,779,931

NOTE 5: INCOME TAX

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Current tax assets/(liabilities) comprise:		
Net income tax receivable/(payable)	18,518	18,518
Deferred tax assets comprise:		
Provisions – employee benefits	1,785,474	1,949,394
Tax losses	34,851,445	32,469,257
Lease liability	119,803	-
Other	59,766	-
	36,816,488	34,418,651
Deferred tax liabilities comprise:		
Prepayments	58,928	57,277
Right of use asset	119,193	-
Stock on hand	62,487	88,337
Development and exploration expenditure	57,451,514	52,266,183
Depreciable property, plant and equipment	2,469,126	2,634,163
	60,161,248	55,045,960
Net liability	(23,344,760)	(20,627,309)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 6: INVENTORIES

	Consolidated	
	31 December 2024	30 June 2024
	$	$
At cost:		
Raw materials and stores	3,610,122	2,774,433
Stockpile inventory – garnet (at net realisable value)	1,117,506	1,167,908
Finished goods inventory – garnet (at net realisable value)	1,783,697	1,597,657
Work in progress (i)	5,140,152	3,924,138
	11,651,477	9,464,136
(i) Construction contracts - work in progress		
Contract costs incurred	133,012,097	103,361,441
Recognised profits	28,990,068	21,882,565
	162,002,165	125,244,006
Progress billings	(171,090,377)	(141,006,023)
Work in progress	(9,088,212)	(15,762,017)
Contract liabilities - income in advance	14,228,364	19,686,155
	5,140,152	3,924,138

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Consolidated				
	Motor vehicles	Property, plant and equipment	Land and buildings	Leasehold Improvements	Total
	$	$	$	$	$
Half-year ended 31 December 2024					
At 1 July 2024, net of accumulated depreciation and impairment	1,560,115	11,870,211	2,826,612	74	16,257,012
Additions	551,387	12,047,420	-	-	12,598,807
Disposals	-	(30,652)	-	-	(30,652)
Depreciation/amortisation charge for the year[1]	(192,388)	(1,936,291)	(28,963)	(14)	(2,157,656)
At 31 December 2024, net of accumulated depreciation and impairment	1,919,114	21,950,688	2,797,649	60	26,667,511
At 31 December 2024					
Cost or fair value					51,260,440
Accumulated depreciation and impairment					(24,592,929)
Net carrying amount					26,667,511

[1] $607,590 of the above depreciation charge was capitalised to Development Expenditure during the period

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated				
	Motor vehicles	Property, plant and equipment	Land and buildings	Leasehold Improvements	Total
	$	$	$	$	$
Year ended 30 June 2024					
At 1 July 2023, net of accumulated depreciation and impairment	1,807,662	10,724,618	2,887,331	124	15,419,735
Additions	270,671	3,698,303	4,729	-	3,973,703
Disposals	(11,210)	(148,859)	-	-	(160,069)
Depreciation charge for the year[1]	(507,008)	(2,403,851)	(65,448)	(50)	(2,976,357)
At 30 June 2024, net of accumulated depreciation and impairment	1,560,115	11,870,211	2,826,612	74	16,257,012
At 30 June 2024					
Cost or fair value					39,070,412
Accumulated depreciation and impairment					(22,813,400)
Net carrying amount					16,257,012

[1] $281,143 of the above depreciation charge was included in development expenditure during the year

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 8: RIGHT OF USE ASSETS AND LEASE LIABILITIES

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Right of use asset		
Opening balance	-	-
Additions	681,772	-
Accumulated amortisation	(284,461)	-
	397,311	-
Lease liabilities		
Opening balance	-	-
Additions	681,772	-
Interest	22,428	-
Lease payments	(294,167)	-
	410,033	-
Current	319,859	-
Non-current	90,174	-
	410,033	-

NOTE 9: INTANGIBLE ASSETS

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Intellectual property/patents		
Opening balance	3,889,198	-
Additions	-	4,005,865
Less: amortisation	(100,000)	(116,667)
	3,789,198	3,889,198

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Exploration and evaluation costs	29,733,870	29,178,127
Opening balance	29,178,127	28,374,317
Additions	555,743	803,810
Closing balance	29,733,870	29,178,127

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 11: DEVELOPMENT EXPENDITURE

	Consolidated	
	31 December 2024	30 June 2024
	$	$
Cost	247,083,772	227,574,907
Accumulated amortisation	-	-
	247,083,772	227,574,907
Reconciliation:		
Opening balance	227,574,907	173,185,228
Additions	19,508,865	54,389,679
Closing balance	247,083,772	227,574,907

Development expenditure incurred by or on behalf of the Group is accumulated separately for each of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as development properties.

A development property is reclassified as a mining property at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

Depreciation will be charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved, probable and estimated reserves. Development properties are tested for impairment in accordance with the policy on impairment of assets.

The Group has reviewed the Lucky Bay Garnet Project for indicators of impairment in accordance with AASB 136 and concluded that impairment indicators existed at year end. The impairment indicators include, but are not limited to, commercial production yet to be achieved and the Company's market capitalisation is below the net asset position. An assessment for impairment for the Lucky Bay Garnet Project cash generating unit has been undertaken under the requirements of AASB 136 utilising the value in use method and no impairment was recognised as a result of this assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 11: DEVELOPMENT EXPENDITURE (continued)

Sensitivity Analysis

Lucky Bay Garnet

The Lucky Bay Garnet recoverable value was determined under the VIU method. The below movements in assumptions would, in isolation, result in the recoverable value being equal to the carrying value:

- A 5% decrease in the forecast price assumptions
- A 5% increase in the forecast operating cost assumptions
- An increase in the discount rate to 17.1% pre-tax / 12.0% post-tax
- A 10% unfavourable change in the AUD:USD exchange rate.

Typically, changes in any of the assumptions mentioned above would be accompanied by a change in another assumption, which may have an offsetting impact. Action is usually taken to respond to adverse changes in assumptions to mitigate the impact of any such change.

It is considered that there are no reasonably possible changes in other key assumptions underpinning the recoverable amount that, in isolation, would result in the recoverable amount being equal to the carrying value.

NOTE 12: TRADE AND OTHER PAYABLES

	31 December 2024	30 June 2024
Current	$	$
Trade payables	4,882,253	9,588,362
Other payables	2,162,055	3,148,251
Transaction costs accrual	2,500,000	2,500,000
Contract liabilities - income received in advance (Note 6)	14,228,364	19,686,155
Deferred land acquisition payments[1]	200,000	200,000
	23,972,672	35,122,768
Non-Current		
Deferred land acquisition payments[1]	-	200,000
	-	200,000

Current trade payables are non-interest bearing and are normally settled on 30-day terms.

[1] The Group has the following final payment to make under a sale of land agreement:

- Payment 3 $200,000 on 1 July 2025

NOTE 13: HIRE PURCHASE LIABILITIES

	Consolidated	
	31 December 2024	30 June 2024
Current	$	$
Hire purchase liabilities	2,344,146	2,307,660
Non-current		
Hire purchase liabilities	2,893,161	2,788,419
Total hire purchase liabilities	5,237,307	5,096,079
Secured		
Hire purchase liabilities	5,237,307	5,096,079

Assets under hire purchase contracts are pledged as security for the related hire purchase liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 14: BORROWINGS

	Consolidated	
	31 December 2024	30 June 2024
Current	$	$
Loan – parent entity	52,280,930	-
Non-current		
Loan – parent entity	78,421,387	117,200,190
Total borrowings	**130,702,317**	**117,200,190**
Secured		
Loan – parent entity	130,702,317	117,200,190
Total secured borrowings	**130,702,317**	**117,200,190**

There were no cash loan drawdowns during the period, as the increase in the loan came about by the financing of the majority of capital expenditure at the Company's Lucky Bay Garnet operations by Mineral Resources Limited (MRL).

Bank facility

Following a review of the Company's banking facilities, the ANZ Bank provided a variation letter to the Company dated 12 April 2024, which included the following facilities that the Company has agreed to:

- Commercial card (ANZ Corporate Card) facility limits at 31 December 2024: $200,000 (30 June 2024: $200,000).
- Standby Letter of Credit/Guarantee facility of $2,500,000 (30 June 2024: $2,500,000).

The commercial card facility is secured by way of a cash term deposit as is the letter of credit/guarantee facility, on the drawn amount only. Guarantees in the sum of $804,298 were drawn as at 31 December 2024 (30 June 2024: $504,450).

Loan – parent entity

The Group entered into a secured loan of $35 million with Mineral Resources Limited (MRL) on 17 June 2020. The loan had a 5-year term with an interest rate of 8.125% per annum. The loan is secured by a general security agreement over the assets of Mn Battery Minerals Pty Ltd (Mn Battery Minerals) (formerly Comcen Pty Ltd) and Resource Development Group Limited, as well as a mining mortgage over Mn Battery Minerals mineral assets.

On 17 June 2021, the Company executed a variation to this secured loan. In this variation, MRL agreed to extend the advance to $60 million and allocate the funds to the development of the Company's Lucky Bay Garnet project.

During the year ended 30 June 2023, MRL and the Company agreed to vary the first repayment date of the abovementioned loan from the first full quarter after the first shipment of product from the Lucky Bay mine to September 2025.

On 31 December 2024, an amount of $130,702,317 (30 June 2024: $117,200,1907) was drawn. There also continued to be an interest-free period from 1 July 2023 to 31 December 2023, which subsequently continued until 31 December 2024.

Prior to balance date, MRL formally advised the Company that it will further support the Company with its loan facility up to an approximate value of $135m, as well maintaining the extension of the first repayment date out to September 2025. MRL will not however seek repayment of the loan facility until such time as the Lucky Bay mine transitions to commercial production and generates positive operating cashflow. MRL advised the Company it will not call for payment of the loan to the detriment of the Group's working capital position. The loan also remains on an interest-free basis until at least 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 15: CONTRIBUTED EQUITY

	31 December 2024		30 June 2024	
	Number of shares	$	Number of shares	$
(a) Paid up capital:	2,950,858,124	77,990,375	2,885,116,268	74,990,375

Movements in ordinary share capital:

	31 December 2024		30 June 2024	
	Number of shares	$	Number of shares	$
Balance at beginning of financial period	2,950,858,124	77,990,375	2,885,116,268	74,990,375
New share issue for acquisition of Peloton Resources Pty Ltd	-	-	65,741,856	3,000,000
Balance at end of financial period	2,950,858,124	77,990,375	2,950,858,124	77,990,375

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. A poll is conducted at every meeting, where each shareholder is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

	31 December 2024		30 June 2024	
	Number of options	$	Number of options	$
Director options	24,486,468	971,454	24,486,468	971,454
KMP options	3,816,893	126,190	3,816,893	126,190
	28,303,361	1,097,644	28,303,361	1,097,644
Movement in options:				
Balance at beginning of period	28,303,361	1,097,644	29,342,321	973,000
Options lapsed	-	-	(8,311,688)	-
Options issue	-	-	7,272,728	124,644
Balance at end of period	28,303,361	1,097,644	28,303,361	1,097,644

Performance Rights

	31 December 2024		30 June 2024	
	Number of options	$	Number of options	$
Director rights	17,344,789	264,161	17,344,789	69,708
KMP rights	15,023,619	230,590	3,284,388	116,211
	32,368,408	494,751	20,629,177	185,919
Movement in rights:				
Balance at beginning of period	20,629,177	185,919	-	-
Issue of rights to director and KMP	11,739,231	308,832	20,629,177	185,919
Balance at end of period	32,368,408	494,751	20,629,177	185,919

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 15: CONTRIBUTED EQUITY (continued)

KMP were issued with Performance Rights as part of their overall salary package, to incentivise both performance and tenure with the Company. The Performance Rights were issued to the Director, Construction and the Chief Financial Officer for the FY24 year.

The FY24 Performance Rights represents 35% of the Chief Financial Officer's base fees for the FY24 year and 45% of the Director, Construction's base salary or the FY24 year, with an effective grant date of 9 October 2024. The FY24 Performance Rights were subject to vesting conditions tied to the KMP's and the Company's FY24 performance, which are as follows:

1. Tenure (3 years from start of FY) (30% weighting);
2. EBITDA @ 90% of FY Budget (25% weighting);
3. Safety and Environmental (15% weighting); and
4. Personal performance (30% weighting).

The FY24 Performance Rights will vest on 30 June 2026.

NOTE 16: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or contingent liabilities at or after balance date.

NOTE 17: FINANCIAL INSTRUMENTS

The directors consider that the carrying value of financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

NOTE 19: COMMITMENTS

Capital commitments

Capital expenditure commitments of $Nil have been made for items of plant and machinery as at 31 December 2024 (30 June 2024: $Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 20: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating decision maker in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue, results, assets and liabilities by reportable segment provided to the Board for the half years ended 31 December 2024 and 31 December 2023.

31 December 2024	Construction $	Discontinued Operations (Contracting) $	Mining $	Other $	Corporate $	Consolidated $
Revenue	40,446,999	-	15,644,846	-	-	56,091,845
Profit/(loss) before income tax	5,131,140	-	7,138,252	(1,274,505)	(2,392,869)	8,602,018
Income tax (expense)/benefit	-	-	-	-	(2,717,451)	(2,717,451)
Profit/(loss) after income tax	5,131,140	-	7,138,252	(1,274,505)	(5,110,320)	5,884,567
Interest revenue	130,657	-	17,263	1,014	-	148,934
Interest expense	218,438	-	17,214	-	-	235,652
Depreciation & amortisation	1,341,619	-	-	592,908	-	1,934,527
Segment assets	18,617,018	16,971	305,322,247	4,891,370	41,687,948	370,535,554
Segment liabilities	22,136,065	-	142,423,821	100,251	61,771,410	226,431,547

31 December 2023	Construction $	Discontinued Operations (Contracting) $	Mining $	Other $	Corporate $	Consolidated $
Revenue	43,557,180	-	7,453,862	-	-	51,011,042
Profit/(loss) before income tax	9,187,667	(6,861)	2,850,124	(131,639)	(2,898,689)	9,000,602
Income tax (expense)/benefit	-	-	-	-	(2,829,410)	(2,829,410)
Profit/(loss) after income tax	9,187,667	(6,861)	2,850,124	(131,639)	(5,728,099)	6,171,192
Interest revenue	51,160	401	9,123	1,040	-	61,724
Interest expense	193,033	-	13,864	-	-	206,897
Depreciation & amortisation	1,005,244	-	-	-	-	1,005,244
Segment assets	33,087,511	16,935	232,043,796	6,025,963	4,263,169	275,437,374
Segment liabilities	23,538,937	-	115,537,646	35,657	17,528,445	156,640,685

Major Customers

The Group has two customers to whom it provides services where the revenue generated from those customers was 67% of the Group's revenue. In December 2023, there was one customer who generated 86% of the Group's revenue for the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 21: NON-CONTROLLING INTEREST

The non-controlling interest of 20% in Mineral Solutions Australia Pty Ltd (MSA) recognised at the acquisition date was measured by reference to the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Summary financial information for MSA is found below:

	31 December 2024 $	30 June 2024 $
Assets		
Current assets	16,971	16,971
Non-current assets	-	-
Total assets	16,971	16,971
Liabilities		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Equity		
Issued capital	420	420
Reserves	285,975	285,975
Accumulated losses	(269,424)	(269,424)
Total equity	16,971	16,971

Non-controlling interest movement schedule

Opening balance	(20,334)	(18,970)
Non-controlling interest share of profit	-	(1,364)
	(20,334)	(20,334)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 22: PROVISIONS

31 December 2024	Restoration and rehabilitation	Employee benefits	Total
Consolidated	$	$	$
Current	-	2,499,273	2,499,273
Non-current	3,339,828	108,869	3,448,697
	3,339,828	2,608,142	5,947,970

30 June 2024	Restoration and rehabilitation	Employee benefits	Total
Consolidated	$	$	$
Current	-	3,982,707	3,982,707
Non-current	3,339,828	48,928	3,388,756
	3,339,828	4,031,635	7,371,463

Employee entitlements	31 December 2024	30 June 2024
	$	$
Opening balance	4,031,635	1,764,288
Net movements	(1,423,493)	2,267,347
Closing balance	2,608,142	4,031,635

Restoration and rehabilitation	31 December 2024	30 June 2024
	$	$
Opening balance	3,339,828	3,360,000
Net movements	-	(20,172)
Closing balance	3,339,828	3,339,828

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 23: RELATED PARTIES

Lease agreements
The Company has entered into a lease agreement for rental premises with the following KMP-related entities:

(i) Newman, Western Australia
Grisam Investments Pty Ltd as trustee for the Grisam Property Trust (Allmont Pty Ltd as trustee for the Allmont Trust (Andrew Ellison, Gary Reid as trustee for the Gary Reid Family Trust, and other non-related parties).

The original lease for the property located in Newman, Western Australia commenced on 1 October 2014 with a termination date of 30 September 2019. The lease has been on a rolling month-by-month arrangement since that date until 1 March 2024, when a new lease agreement was entered in to. The owners of the property had spent considerable capital to refurbish and upgrade the property. The terms of the new lease agreement were independently assessed and are on an arm's length basis.

Lease payments made for the six-month period ended 31 December 2024 were $176,502 (31 December 2023: $105,000). At balance date, $Nil (31 December 2023: $Nil) was payable to Grisam Investments Pty Ltd.

(ii) Bibra Lake, Western Australia
The Company has a rolling month-by-month lease arrangement with OPS Screening & Crushing Equipment Pty Ltd, a company which is jointly owned by an entity controlled by Andrew Ellison, for part of the premises located at 40 Miguel Road, Bibra Lake. The Company uses these premises for the storage and maintenance of its assets, as well as a staging post for its internal logistics.

Lease payments made for the six-month period ended 31 December 2024 were $42,504 (31 December 2023: $42,504). At balance date, $Nil (31 December 2023: $Nil) was payable to OPS Screening & Crushing Equipment Pty Ltd.

Key Management Personnel (KMP) Performance Rights
A total of 11,739,231 performance rights were issued to two of the Company's KMP for FY24. The rights are exercisable at nil cost to the holders, once the vesting condition has been met. Refer to Note 15 for full detail.

Transactions with parent entity (Mineral Resources Limited (MRL)
The Group had the following transactions with MRL during the period ended 31 December 2024:

- The Group invoiced project work to MRL in the sum of $24.7m (31 December 2023: $51.2m)
- MRL invoiced services and equipment in relation to the Group's Lucky Bay Garnet Project in the sum of $13.5m (31 December 2023: $13.3m).

The Group entered into a secured loan of $35 million with Mineral Resources Limited (MRL) in June 2020. The loan has a 5-year term with an interest rate of 8.125% per annum. The loan is secured by a general security agreement over the assets of the subsidiary, Mn Battery Minerals Pty Ltd (formerly Comcen Pty Ltd) and Resource Development Group Limited as well as a mining mortgage over the mineral assets.

During the year ended 30 June 2023, MRL and the Company agreed to vary the first repayment date of the abovementioned loan from the first full quarter after the first shipment of product from the Lucky Bay mine to September 2025.

On 31 December 2024, an amount of $130,702,317 (30 June 2024: $117,200,190) was drawn. There also continued to be an interest-free period from 1 July 2023 to 31 December 2023, which subsequently continued until 31 December 2024.

Prior to balance date, MRL formally advised the Company that it will further support the Company with its loan facility up to an approximate value of $135m, as well maintaining the extension of the first repayment date out to September 2025. MRL will not however seek repayment of the loan facility until such time as the Lucky Bay mine transitions to commercial production and generates positive operating cashflow. Subsequent to balance date MRL also advised the Company it will not call for payment of the loan to the detriment of the Group's working capital. On 31 December 2024, an amount of $130,702,317 (30 June 2024: $117,200,190) was drawn. The loan also remains on an interest-free basis until at least 30 June 2025.

The Company also occupies office space at a building located at 14 Walters Drive, Osborne Park. The building is leased by MRL, and the Company has no formal lease agreement in place however pays monthly rent of approximately $13,000, assessed on an arms-length basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 24: BUSINESS COMBINATION

Acquisition of Peloton Resources Pty Ltd

On 26 August 2022, the Company entered into a Share Sale Agreement to acquire an Australian-based business, Peloton Resources Pty Ltd (Peloton). Pursuant to this agreement, the Company had the option to acquire all of the issued capital of Peloton, subject the achievement of certain outcomes or if the Company simply wished to exercise the option.

On 24 November 2023, the Company announced that it had exercised the option and subsequently announced on 13 December 2023 that it had completed the acquisition and Peloton became a wholly-owned subsidiary of the Company.

Peloton Resources Pty Ltd is the holder of several patents associated with the production of High Purity Alumina and extraction of Iron Oxide and Aluminous product from tailings waste red mud.

Details of the purchase acquisition and net assets acquired are as follows:

	$
Cash consideration paid to the vendors	1,000,000
65,741,856 fully paid ordinary share in the capital of the Company issued to the shareholders of Peloton Resources Pty Ltd, valued at 4.563 cents per share	3,000,000
Total purchase consideration	4,000,000

The assets and liabilities recognised from the acquisition were as follows:

	Fair value $
Cash and cash equivalents	29,265
Intangible assets – Intellectual property/patents	4,005,865
	4,035,130
Trade and other payables	(35,130)
Fair value of net assets acquired	4,000,000

DIRECTORS' DECLARATION

In the opinion of the directors of Resource Development Group Limited (the 'Company'):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
    a. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year then ended; and
    b. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.

Andrew Ellison

Managing Director

Dated this 27th day of February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Resource Development Group Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Resource Development Group Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Resource Development Group Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(h) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 February 2025

David Healy

D B Healy
Partner