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29 June 2022

## **R3D Resources Exercises Beefwood Gold Exploration Option**

- **R3D continues to secure quality exploration targets with the intended exercise of its option over the Beefwood Project under improved terms**
- **Seven key targets identified Falcon Gravity/Magnetic Survey**
- **Several targets have encouraging surface geochemical anomalies including one reporting 282 g/t Au in overlying limonitic sediments**
- **Beefwood is within the broader 1250 km<sup>2</sup> Bulimba project which is subject to agreement with Newcrest Mining Limited**
- **HelitEM survey planned to identify conductors below targets in both Beefwood and Bulimba project areas.**

R3D Resources Limited (ASX:**R3D**) (the Company), is pleased to announce that it has renegotiated a lower exercise price and subsequently provided notice of its intention to exercise the Beefwood Option which covers the Beefwood Project (EPM 26399).

### **Intention to Exercise Beefwood Option**

The original terms of the Beefwood Option, as disclosed on 3 and 31 August 2021 provided for an exercise price of \$385,000 to be paid in Shares in the Company priced at the one-month VWAP immediately prior to the Option exercise. The Company has successfully renegotiated the exercise price down to \$192,500 (a 50% reduction) but is otherwise on the same terms.

The Beefwood Option exercise is subject to the Vendors successful renewal of the EPM, which has been commenced and is expected to take several weeks. Upon the Vendors notifying the Company of the successful renewal of the EPM, the Company will confirm the exercise of the Beefwood Option and issue the Shares within 14 days of such notification. Additionally, the Vendors have agreed to a 12-month escrow following the issue of the Shares.

As reported in R3D's Quarterly Report for the period ended 30 June 2021 (ASX: 29 July 2021), R3D commissioned Xcalibur/CGG Aviation Pty Ltd to fly a Falcon Gravity and Magnetic Survey over the Western Bulimba and Beefwood tenements. The 1574-line kilometres were flown at 200 metre (m) spacing on NS Lines. After data acquisition and processing was completed by Xcalibur, Consultant Geodiscovery Pty Ltd provided an independent review which identified seven priority targets based on structurally favourable settings

and/or areas of intrusion or alteration which have associated potential zones that may host economic mineralisation.

**R3D Managing Director Stephen Bartrop advises:**

“We are delighted to have consolidated the Bulimba – Beefwood project into one of the largest tenement positions in the Chillagoe region via the exercise of the Beefwood option. Our geophysics has identified seven prospective targets and, in some cases, these are supported with anomalous surface geochem including gold recording up to 282 g/t Au in pisolitic cover.”

**Beefwood/Bulimba Projects**

The Beefwood project provides the Company with a prospective tenement which complements the existing Bulimba package. The area has received little exploration in the past and historical drilling is limited to three shallow holes drilled by North Limited in the early 1990s which were well to the east of EPM26399. The deepest hole was 152m in depth but did not intersect basement (Reference: QDEX CR26209 – McInnes, 1994). The limited exploration appears to reflect explorers being discouraged by Carpentaria Basin sedimentary sequences overlying and obscuring the basement geology. However, the discovery of outcropping basement rocks by Three Rivers Prospecting Pty Ltd within the tenement suggests that the thickness of cover sequences may have been historically over estimated and may in fact be quite variable. This is supported by regional AUSAEM 20km survey lines immediate North and South of the tenement and also by 3D modelling of regional magnetic and gravity data, as well as the outcropping ignimbrite formations.

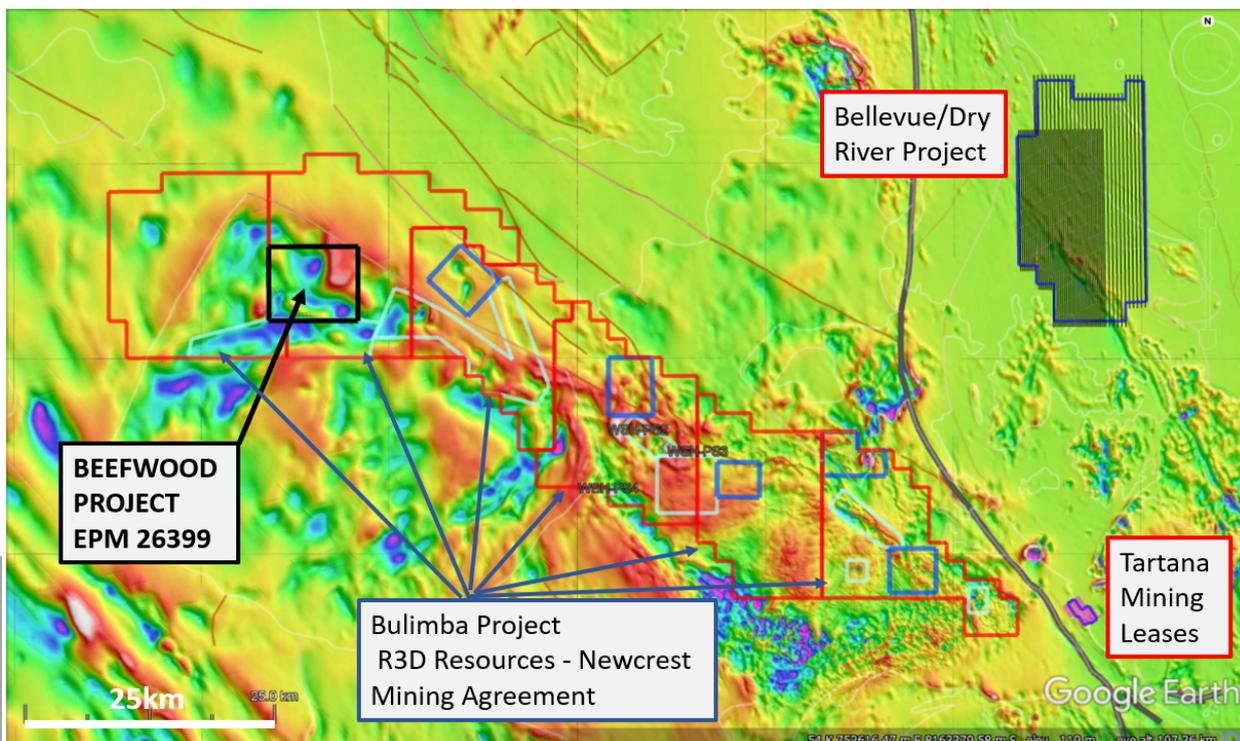


Figure 1. Location of the Beefwood Project in relation to the Bulimba tenements and R3D Resources’ Tartana Mining Leases and Bellevue/Dry River Project. Plotted on RTM Mag QLD DNRM.

The Beefwood project was originally selected due to a modelled density anomaly in the middle of the tenure (Figure 2a), in a region of complex magnetics (Figure 2b) and close to the Gamboola Fault zone which has been interpreted as a western extension to the Palmerville Fault zone – a major crustal feature. Newcrest Mining has also originally targeted this zone with its Bulimba project which is now part of the Bulimba agreement with R3D Resources.

Further south the Tartana copper project, the King Vol Zinc Mine, the Mungana Copper/Gold Mine and Red Dome Gold mine all lie near the northwestern trend of the Palmerville Fault.

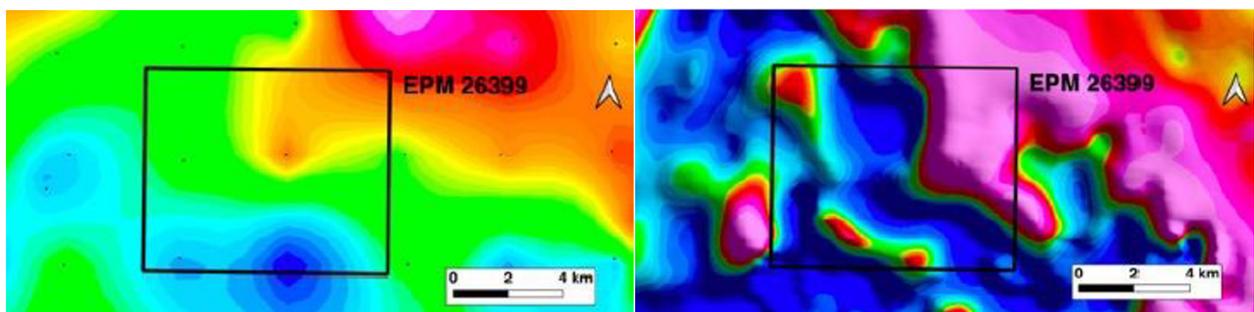


Figure 2. 2a. Bouguer Gravity 1VD, 2b. Magnetics – RTP (red – high, blue -low) overlain by Bouguer Gravity data which reinforces co-incident gravity/mag high in the centre of the tenement. (Source: TRP).

Landsat imagery combined with the identification of outcropping basement (rhyolitic ignimbrites) supports an interpretation of a series of nested calderas with a later one in the southwest corner of the Beefwood project (see Figure 3).

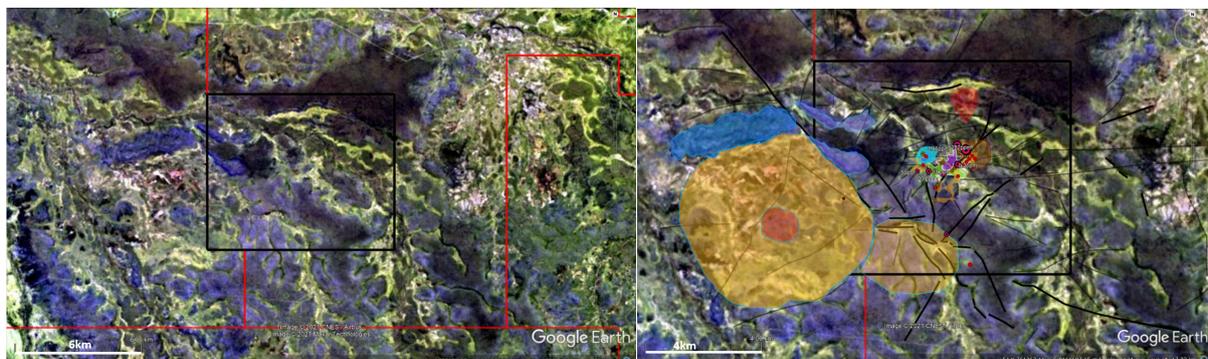


Figure 3. 3a Landsat enhanced bands 7/6/2 'Geology'. 3b. Landsat enhanced bands 7/6/2 Outcrops and inferred sub-cropping ash flow caldera's (yellow/orange). Outcropping rhyolitic ignimbrites overlain as blue polygons in figure 5b. (Source: TRP)

Three Rivers Prospecting Pty Ltd's structural interpretation is presented in Figure 6 and shows the potential later caldera in the southwest and high intensity of faulting proximal to the gravity/mag high complex in the centre of the tenement.



Figure 4. 1:100K GSQ Surface Geology. Overlain polygons (blue) represents mapped extents of outcropping felsic volcanic breccia and ignimbrite. Orange polylines represent sub-cropping (hypothesised) collapse cauldron with possible resurgent dome in centre. Black polylines are hypothesised sub-surface penetrative structures interpreted from combinations of remotely sensed data and field observations – particularly sub-surface influences on cover. The outcropping felsic volcanics may represent a partially exposed and structurally disrupted ring-dyke complex associated with collapse of the sub-circular feature. Landsat bands 7/6/2 and 5/6/2 highlight the outcrops and inferred sub-crops against the more extensive unconsolidated cover (Wyaaba beds and Bulimba formation) particularly well. (Source TRP).

Soil geochemistry surveys carried out by TRP have identified anomalous gold values and other pathfinder elements (Figure 5) which tend to be higher tenor in the region of the gravity/mag high.

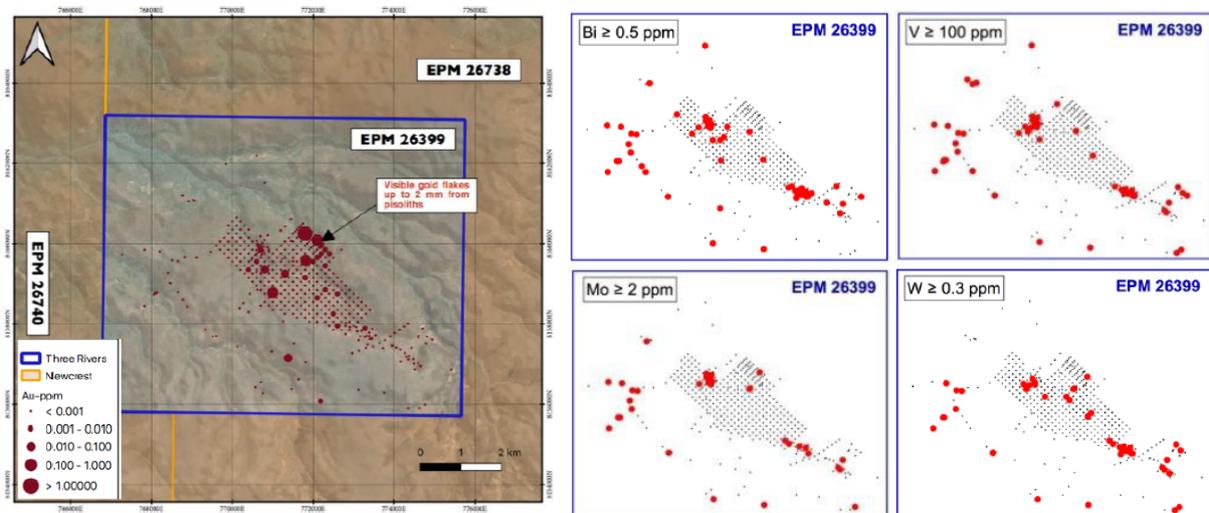


Figure 5. Soil Geochem Survey with anomalous path finder elements including gold. (Source: TRP).

The anomalous gold is particularly encouraging with crushed iron pisolite gold samples containing ragged visible gold flakes up to 2 mm in length (Figure 6).



Figure 6. Crushed Iron pisolith sample containing gold grading up to 282 g/t in iron pisolites. (Source: TRP)

TRP has also identified an array of breccias in regolith samples which are interpreted to be derived from basement lithologies. The regolith contains mineralised breccia clasts. The breccia fragments contain a haematite and goethite matrix with angular quartz and volcanic clasts and in some cases are a quartz-carbonate rich breccia with tourmaline and occasional chalcopyrite in the matrix (see Figure 7).

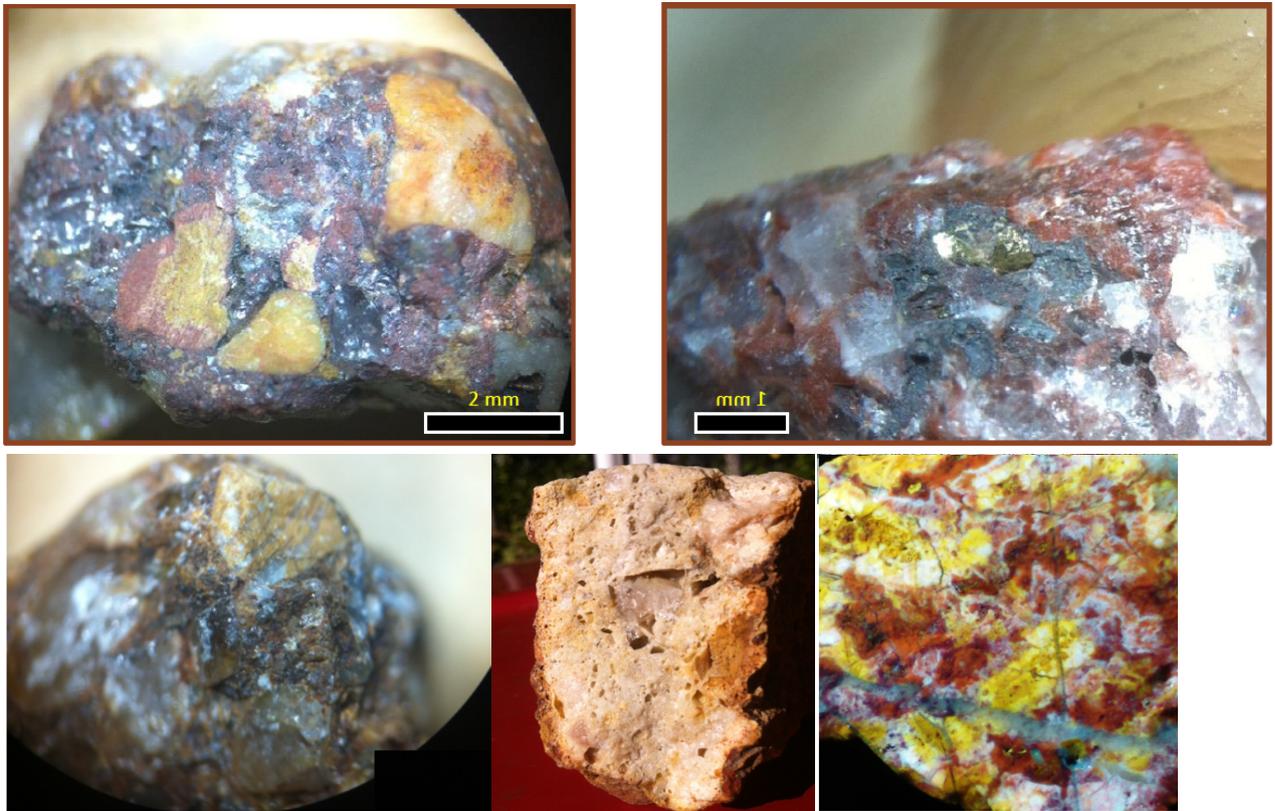


Figure 7. Clockwise from top left. 7a. Breccia fragments with haematite and goethite matrix with angular quartz and volcanic clasts. 7b. Quartz-rich breccia with tourmaline and chalcopyrite in the matrix. 7c. Low temp high acid steam alteration of intense silica stockwork breccia 9d. Possible leached cap vuggy silica and specimen (150mm across) with possible alunite growths in cavities. 9e. Epithermal sheeted veining clast in tourmaline shingle breccia fragment (Source TRP).

The distribution and composition of the pathfinder elements, the breccia regolith samples and the presence of outcropping ignimbrites suggest both the geophysical and geochemical anomalies could relate to mineralisation in the basement rocks which may not be excessively deep within the broader Beefwood/Bulimba project area.



Figure 8. Outcropping ignimbrites, which have previously been mapped as deep (non-prospective) cover by the Geological Survey of Queensland and Geoscience Australia. The volcanic lithologies include brecciated rhyolitic ignimbrite.

The Falcon gravity/magnetic survey flown in 2021 determined a number of coincident gravity and magnetic anomalies with the Beefwood project and which has assisted in identifying other targets within the project area.

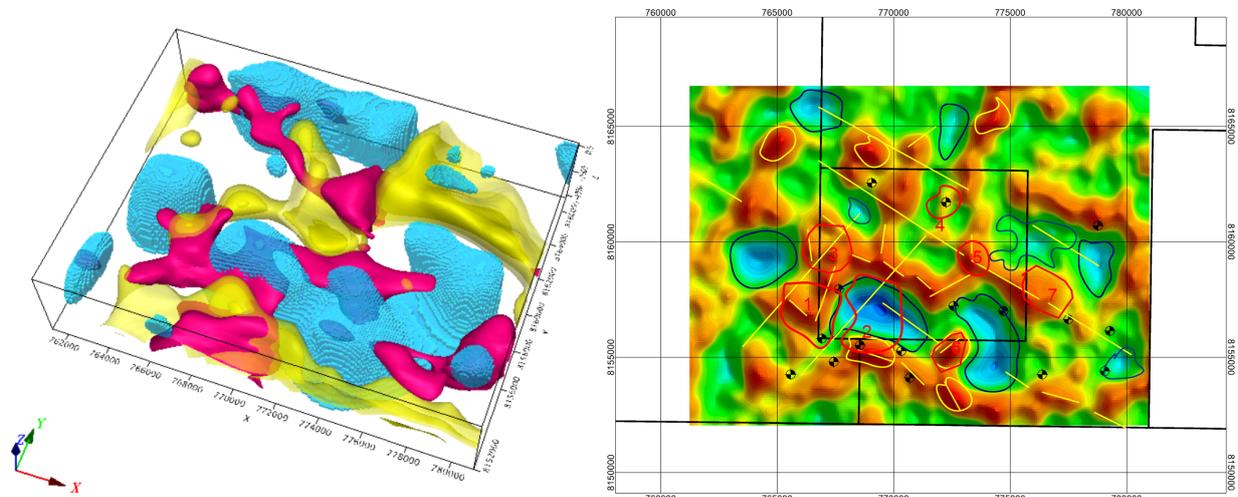


Figure 9. 9(a) Isosurfaces from the 3D model output. Low density shown in blue, high density in yellow and high magnetic susceptibility in pink. 9(b) Depth Slice through Gravity Model at 300m below surface. Black dots indicate the presence of magnetic remanence, low density zones circled in blue, high-density zones circled in yellow and potential structures shown in yellow. Potential zones of interest circled in red and labelled 1 – 7.

In summary, the Beefwood project is highly prospective based on geophysics, geochemical surveys and its proximity to a splay of the Palmerville Fault – a major structural feature. The next phase will be to fly a Helitem survey later in 2022 to determine which targets have underlying conductors and these will be prioritised for drilling.



This announcement has been approved for release by the Board of R3D Resources Limited.

**Further Information:**

**Stephen Bartrop**  
Managing Director

**R3D Resources Limited**

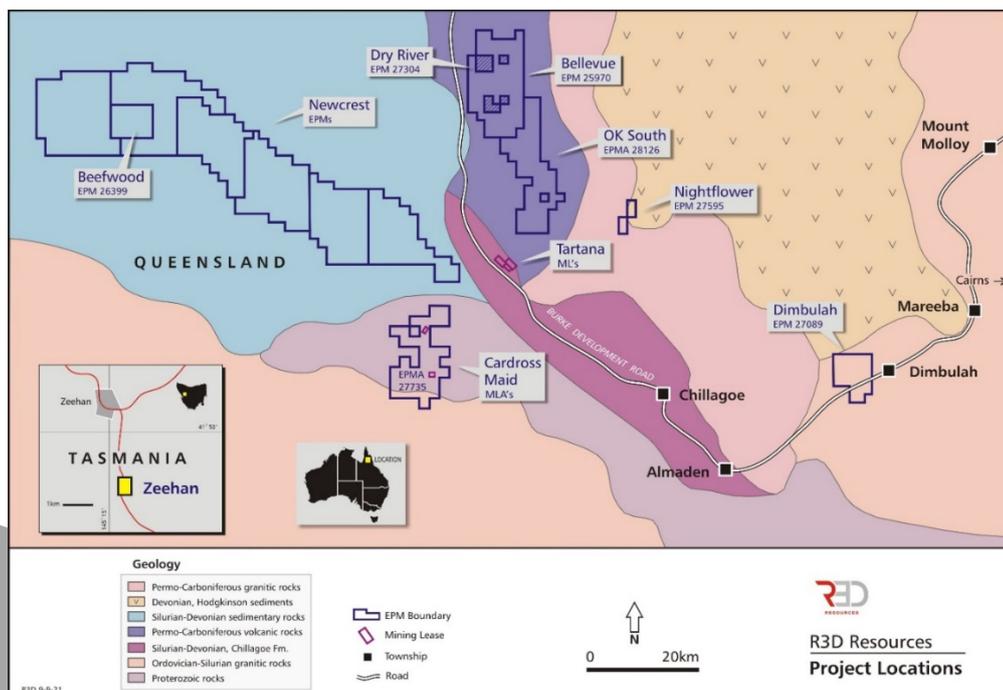
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**About R3D Resources Limited**

In July 2021 R3D Resources Limited acquired Tartana Resources Limited, a significant copper-gold explorer and developer in the Chillagoe Region in Far North Queensland. R3D owns several projects of varying maturity, with the most advanced being the Tartana mining leases, which contain an existing heap leach – solvent extraction – crystallisation plant. Work has commenced to restart this plant to provide future cash flow through the sale of copper sulphate. In Tasmania, Tartana has secured permitting to excavate and screen for export low-grade zinc furnace slag/matte from its Zeehan stockpiles in Western Tasmania and has been shipping zinc slag to South Korea. The next stage in this project requires Stage 2 permitting to crush the slag and access the northern stockpile.

These two projects have the potential to generate a cash flow to underpin the R3D’s extensive exploration activities in the Chillagoe region.





### ***Competent Person's Statement***

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Wayne (Tom) Saunders and Mr Geoff Reed. Mr Sanders is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), and a Member of the Australian Institute of Geologists (AIG). Mr Reed is Member of the Australian Institute of mining and Metallurgy (AusIMM (CP)), and a Member of the Australian Institute of Geologists (AIG). Both Mr Saunders and Mr Reed have sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity that is being undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Saunders is an employee of R3D Resources Limited, and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Reed is a consultant to R3D Resources Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

### ***Disclaimer Regarding Forward-Looking Statements***

This ASX announcement contains various forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors that could cause actual values or results, and performance or achievements to differ materially from the expectations described in such forward-looking statements. R3D does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.