R3D Resources Limited | ACN: 111 398 040 | ASX: R3D
169 Blues Point Road, McMahons Point NSW 2060 Australia | Tel: +61 2 9392 8032

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R3D Copper Sulphate Plant Restart On Track
Civil Works on Copper Sulphate Plant Commences
Resource Drilling Underway

- **R3D commences civil and electrical works toward Tartana plant refurbishment**
- **Power distribution board secured to upgrade existing circuitry to meet current safety standards**
- **Stage One key components in place towards restarting of Copper Sulphate Project**
- **Drilling commences on the Tartana leases as part of the 1800 metre programme to upgrade copper oxide, supergene and sulphide resources below the existing pit**

R3D Resources Limited (ASX:**R3D**) (the Company), a significant copper-gold explorer and developer in the Chillagoe Region in Far North Queensland, is pleased to announce that civil and electrical works have commenced as part of the plant refurbishment. The civil works along with upgrading of the power distribution system forms part of the Stage One refurbishment programme designed to recommence leaching the remaining copper from the heaps. The second stage will involve the restart of the solvent extraction – crystallisation plant to produce copper sulphate for sale into the mining industry in Northern Australia.

Additionally, AED Pty Ltd has commenced drilling an 1,800 metre RC drilling campaign to upgrade previously identified copper mineralisation on our Tartana mining leases (refer ASX announcement 28 April 2022).

R3D Managing Director Stephen Bartrop advises: *"The commencement civil and electrical works is a major step forward in the refurbishment of the copper sulphate plant. These represent some of the key components to be able to recommence copper leaching and allowing us to monitor the increase in copper level in the PLS ponds. The drilling is also important to upgrade copper mineralisation below the pit to JORC 2012 standards as well as upgrading the resource status of our current copper resources."*

Two Stage Approach to Copper Sulphate Production

As reported in R3D's Entitlement Offer Prospectus dated 19 April 2022, and earlier announcements, R3D has identified two stages to commence copper sulphate production as detailed below.

Stage 1: Re-commencing leaching of the existing heaps to increase the copper grade in the PLS pond to provide a readily available copper inventory for future crystallisation of copper sulphate. Specific work will involve:

- Civil works to restore concrete bunds – *commencing*
- Upgrading the control panel for the generators – *second-hand control panel sourced*
- Securing a sulphuric acid tank and acid supplies
- Turning over the heaps to reduce historical 'channeling' with the irrigation
- Drilling the heaps and oxide/supergene mineralisation - *commenced*

Stage 2: As the copper grade increases in the pregnant leach solution (PLS) pond, Stage 2 process will commence involving the following key items:

- Upgrade of electrical circuitry and control boards
- Installation and commissioning of the dryer
- Refurbishment of the centrifuge
- Hiring a chiller for the crystallisation of the copper sulphate
- Miscellaneous pipework and replacement of some tanks
- Miscellaneous engineering work including upgrading safety rails
- Ordering of reagents

Civil Works

The Company has contracted International Mill Relines Pty Ltd to commence the civil works. This will particularly focus on areas associated with acid storage and distribution which can support the recommencement of copper leaching. This work is expected to take around four weeks and is also a lead up to Stage 2 works associated with pipe and tank replacements.

Power Distribution Control Boards

The Company has secured a second control board which is being retrofitted with earth leakage systems in compliance with current standards. This will control generator output to the pumps and other machinery.

The current work activities align with the first two items in the Stage 1 list and the Company believes it is important to commence this work given the high demand for construction services in Far North Queensland and elsewhere.

Figure 1. (a) Civil works will include repair of the existing bunds (b) side by side generators and (c) Generator and chiller compressor housing.

Drilling Programme

R3D will commenced its initial 1,800 metre RC drilling programme to provide data for the following outcomes:

- Upgrading the current Supergene Copper Inferred Resource in the base of the open pit to Indicated Resource status
- Upgrading Copper Sulphide mineralisation below the supergene mineralisation to a depth of 80 metres to potential Inferred Resource status
- Upgrading oxide copper mineralisation north of the open pit to potential Inferred Resource status

While the upgrading of the supergene and oxide copper mineralisation is important to support future copper sulphate production, the Company is also encouraged that it will be able to report a maiden copper sulphide resource below the pit. As demonstrated with the deep drilling conducted late last year, the copper mineralisation has the potential to extend more than 450 metres below the surface (refer ASX announcement of 28 January 2022).

Figure 2 – Drill rig setting up on the rehabilitated portion of the open pit.

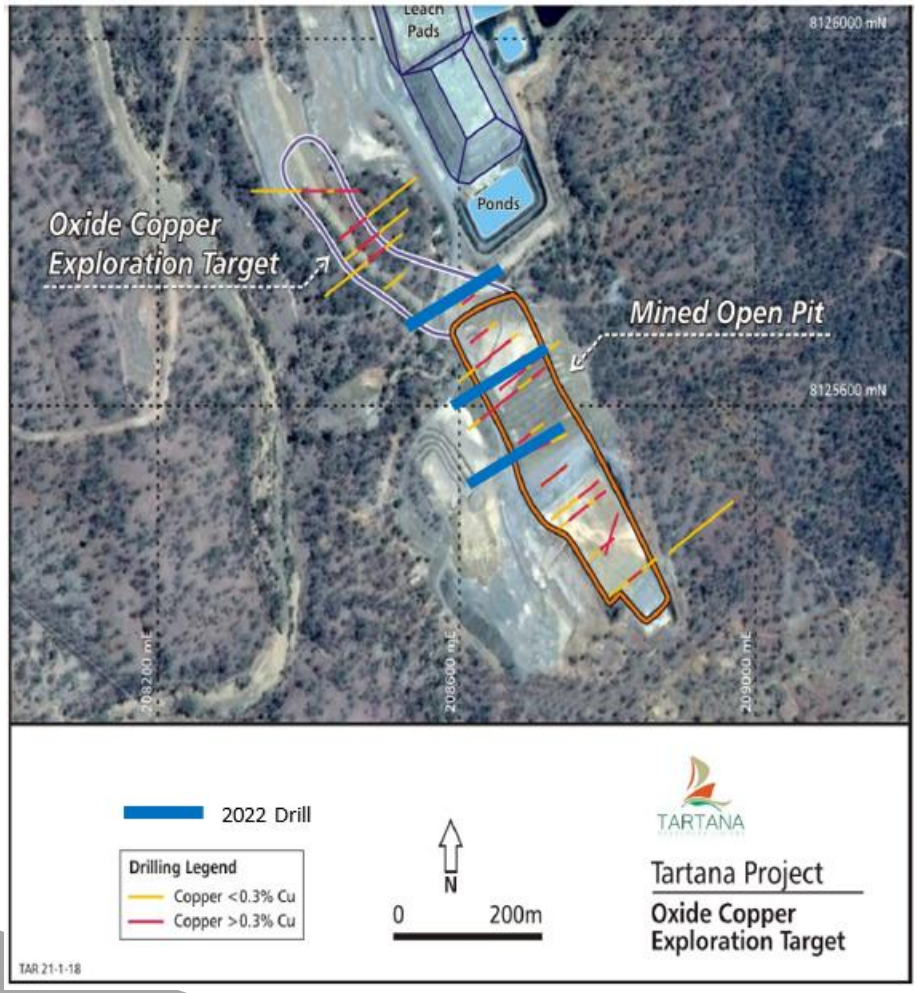


Figure 3 – Location of three drill lines and surrounding infrastructure including heap leach pads and partially rehabilitated open pit. Drill section lines represented by the blue lines.

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

Further Information:

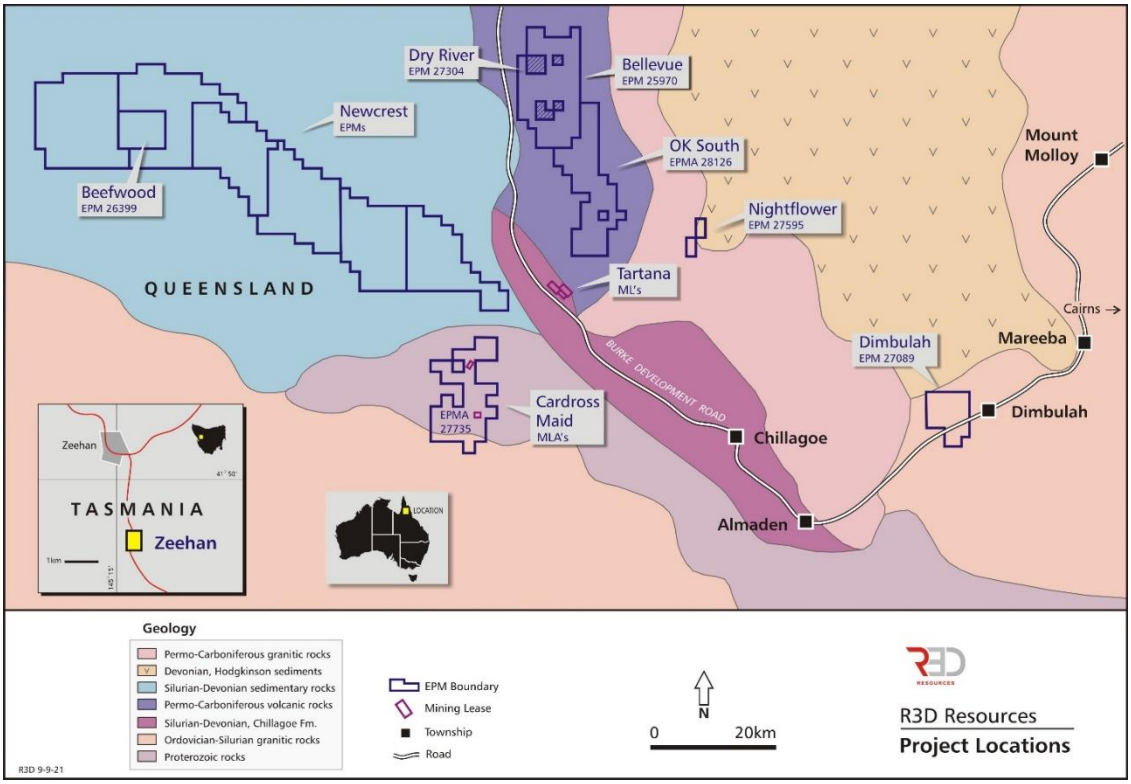
Stephen Bartrop
Managing Director
R3D Resources Limited

M: + 61 408 486 163
P: + 61 2 9392 8032

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 who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), and a Member of the Australian Institute of Geologists (AIG). Mr Saunders has 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.

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.