



R3D Resources Limited | ACN: 111 398 040 | ASX: R3D

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30 April 2021

R3D Business Update & Appendix 4C

R3D Resources Limited (ASX: R3D) (R3D Resources or Company) provides an update on the Company's operations and business activity, as well as the Appendix 4C for the March 2021 quarter.

Reinstatement Update

On 26 March 2021, the Company again sought in-principle advice from the ASX as to the suitability of R3D Resources for re-admission to the official list of ASX Limited (**ASX**).

The Company continues to consider that a combination of it and the Tartana business makes strategic and operational sense. Accordingly, the Company is keen on proceeding with a new application for admission together with a new prospectus in due course.

In-Principle Advice

On 26 April 2021, the ASX confirmed that "ASX is not aware of any reasons that would cause R3D not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the official list under Listing Rule 1.19."

The ASX in particular noted that the Company would require a fresh spread under a new prospectus to meet Listing Rule 1.1 condition 8; and that on Readmission, the Company would have a majority of independent directors and an independent chair. The Company together with Tartana are working to meet these requirements.

ASX Waiver

The Company has received a waiver of Listing Rule 14.7 to enable shares to be issued under the Prospectus outside the three-month period approved by members.

Tartana Takeover

Acceptances of 93.26% of Tartana shareholders and 100% of Optionholders have been received for the Tartana takeover offer to date.

Revised Prospectus

R3D Resources proposes to lodge a further Prospectus with ASIC mid-May 2021 inviting investors to apply for 21,250,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$4,250,000 with attaching Options on a 1 for 5 basis, exercisable at \$0.40 within 5 years from the date of issue.

The Company has commenced revision of the earlier prospectus and is awaiting completion of the half year audit review by Tartana to update the financial reports in the revised prospectus. The revised prospectus is proposed to be lodged with ASIC mid-May and application made to the ASX for quotation of new securities and Readmission within a week of lodgement.

Corporate

On 8 January 2021, the Company advised the resignation of Florence Fang as CEO of the Company. Pending Completion of the Acquisition, Non-Executive Chairman, Daniel Yeo has assumed responsibilities as acting CEO.

On 27 January 2021 the Company held its AGM where all resolutions were passed by an overwhelming majority; the Company's name was changed to R3D Resources Limited.

On 4 February 2021, the Company commenced the formal process of the acquisition of Tartana Resources.

On 8 February the Company lodged a prospectus with ASIC inviting investors to apply for 21,250,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$4,250,000 with attaching Options on a 1 for 5 basis, exercisable

at \$0.40 within 5 years from the date of issue. The prospectus was subsequently withdrawn, and a revised prospectus is proposed to be lodged with ASIC on or around 12 May 2021.

On 11 February 2021, the Company applied for official quotation by ASX of the Shares offered by the Prospectus.

On 22 February 2021, the Company lodged its Bidders Statement in respect of its all-scrip takeover offer for 100% of the fully paid shares and options in Tartana Resources Limited.

On 26 February 2021, the Company lodged its Half Year Report and Accounts.

On 12 March 2021, the Consolidation of the Company's shares on a 1 for 4 basis was completed.

On 17 March 2021, the Company was advised that the ASX had declined R3D Resource's application for Readmission; the Prospectus was withdrawn, and all application monies were subsequently returned.

On 23 March 2021, the Company advised the appointment of Robert Waring to replace Henry Kinstlinger as Company Secretary. The Company changed its address and telephone number.

On 26 March 2021, the Company applied for in-principal advice as to the suitability of R3D for re-admission to the official list of ASX Limited.

On 26 April 2021, the Company received conditional advice that the ASX is not aware of any reasons that would cause R3D not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse re-admission to the official list under Listing Rule 1.19.

For further information, please contact:

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Company Secretary

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ASX release authorised by the R3D Resources Board.

+Appendix 4C**Quarterly cash flow report for entities
subject to Listing Rule 4.7B****Name of entity****R3D Resources Limited****ABN**

53 111 398 040

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10	290
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(4)	(96)
(f) administration and corporate costs	(286)	(667)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	3	3
1.8 Other (provide details if material)		
- legal costs	(12)	(29)
1.9 Net cash from / (used in) operating activities	(289)	(499)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	69	69
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	69	69

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	200	450
3.6 Repayment of borrowings	(62)	(62)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	22	22
3.10 Net cash from / (used in) financing activities	160	410

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	168	131
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(289)	(499)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	69	69

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	160	410
4.5	Effect of movement in exchange rates on cash held	-	(3)
4.6	Cash and cash equivalents at end of period	108	108

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	108	168
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	108	168

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	625	450
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	625	450
7.5 Unused financing facilities available at quarter end		175
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The Company procured a loan of \$175,000 from takeover target Tartana Resources to enable funding of costs associated with the reinstatement of the Company's securities to the Official List of the ASX.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(289)
8.2 Cash and cash equivalents at quarter end (item 4.6)	108
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	108
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	<1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No. Operating cash flows will increase following acquisition of Tartana Resources, to be funded through a \$4.25 million Public Offer.</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: Yes. The Company is about to embark on a \$4.25 million Public Offer, which the Company is confident will be successful.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company is confident it will be able to meet its new business objectives following completion of the \$4.25 million Public Offer.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **30 April 2021**

Authorised by: **R3D Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.