



ASX RELEASE (31 JANUARY 2024)

## Quarterly Activities Report for Period Ended 31 December 2023 and Appendix 5B

### Highlights:

- Copper Sulphate Pentahydrate plant commissioning complete after additional rectification work
- Production during the quarter was 18 bags (22 tonnes) which includes off-spec copper sulphate pentahydrate with part of this off-spec product recycled to improve purity.
- Site visit by offtake Kanins reaffirms high quality saleable copper sulphate pentahydrate production. Kanins, has offered immediate payment terms at mine gate. Sale price based on LME copper price (currently around US\$8577/t or A\$13,000/t) on contained copper and an additional premium due to the quality of the product.
- Lower production impacted cash flow with R3D not meeting its expectations of being cash flow positive on an operational basis for the December quarter due to production severely curtailed due to Cyclone Jasper and further rain which has flooded the Walsh River blocking access to the mine
- Rights issue extended to 16<sup>th</sup> February 2024.
- Exploration activities are expected to step up in March – April 2024 after the current wet season.
- Name change to Tartana Minerals Limited to reflect copper producer status approved at AGM on 29 November 2023, with ASX code to be changed to ASX:TAT following close of the Rights Issue

R3D Resources Limited (ASX: **R3D**) (the **Company**) (renamed Tartana Minerals Limited) advises that it experienced a difficult quarter with the expected ramp in production in the second half of the quarter severely curtailed by Cyclone Jasper and ongoing rain. While the mine site wasn't impacted to any significant extent, it has been the lack of access to the mine that has hampered operations

The Company has continually updated the market with announcements on 12<sup>th</sup> December 2023, 4<sup>th</sup> January 2024, 15<sup>th</sup> January 2024 and 23<sup>rd</sup> January 2024 while the media has highlighted the damage from the wind and floods created by Cyclone Jasper and further rain events during the period.

It has been unfortunate that the weather has created a disruption to our production during the quarter. However the plant has been operating well and producing high quality copper sulphate pentahydrate which has been inspected on site by our offtaker, Kanins.

Exploration during the quarter was limited to project reviews and planning for drilling the Tartana open pit copper mineralisation, and Queen Grade zinc mineralisation, with the Company reporting upgraded resource statements in early 2023. A drill programme has been designed to increase the Tartana open pit mineralisation from 45,000

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

[r3dresources.com.au](http://r3dresources.com.au)

tonnes of contained copper (reported to the ASX on 9<sup>th</sup> February 2023) to potentially above 100,000 tonnes of contained copper with historically drill intersections supporting this target. At Queen Grade, we announced a maiden resource of 39,000 of contained zinc on the 14<sup>th</sup> February 2023 and further drilling is proposed to extend the high grade zone at depth.

While 2023 has been focused on the plant refurbishment, the Company expects to increase its exploration activities in 2024.

### ***Plant Refurbishment***

In the first part of the December quarter some final rectification work was completed on the following items:

1. Thickener gearbox which required a rebuild on site
2. Dryer gearbox which required bearing replacement
3. Installation of a temporary product screen
4. Acid delivery pipework repairs
5. PLS inlet leakage repairs
6. Chiller overhaul
7. Pump cabling repairs.

### **Walsh River Flooding.**

The Walsh River is one of the main river systems draining an area covering Mareeba – Atherton – Dimbulah, approximately 100 km southwest of Cairns, Far North Queensland. The river flows westward draining into the Gulf of Carpentaria.

While the mine site has not experienced significant rainfall, the rainfall in the catchment has meant that the Walsh River has maintained high flow levels which have blocked access to the mine site which lies approximately 5 km north of the river crossing on the Burke Development Road, northwest of Chillagoe.

Pending the river levels falling to allow access, we have diesel supplies and the workforce ready to return to site and commence production.

### **Copper Sulphate Production**

During the December quarter copper sulphate production commenced with the production of 18 bags (22 tonnes) which includes off-spec copper sulphate pentahydrate. This off-spec production was recycled and provides inventory for future production.

Saleable copper sulphate pentahydrate on site is 8 bags (approximately 10 t) before the closing of the Walsh River caused an extended plant shutdown. Importantly the plant has been producing high quality copper sulphate pentahydrate and which is expected to resume once there is access to the mine,

The first shipment is targeted 28 bags and with production levels at 6-8 bags per day along with the existing saleable inventory is expected to only take several days to achieve once the loaded strip aqueous solution is loaded with copper.



Figure 1. Copper Sulphate Pentahydrate ready for shipment.

### Kanins Site Visit

Principals from our offaker, Kanins Pty Ltd visited the site on the 4<sup>th</sup> and 5<sup>th</sup> December 2023 to inspect the production facilities and the copper sulphate pentahydrate product being produced. Feedback was positive as to the quality of the product which was largely 'free flowing'. Samples were taken and we have since been advised by Kanins that the product contains 25% copper which is in line with expectations.

The offtake agreement with Kanins significantly de-risks the project with Kanins to buy 100% of production during an initial period of 3 years but with flexibility around product quantities.

Overall, while Kanins are targeting the technical market for the copper sulphate pentahydrate, its quality means that it has the potential to be sold into the larger volume and more lucrative agricultural markets in southeast Asia which attract high premia.

The Tartana plant itself is recognised as having proprietary technology through years of development work since it commenced production in 2004, and the company is promoting this 'value add'.



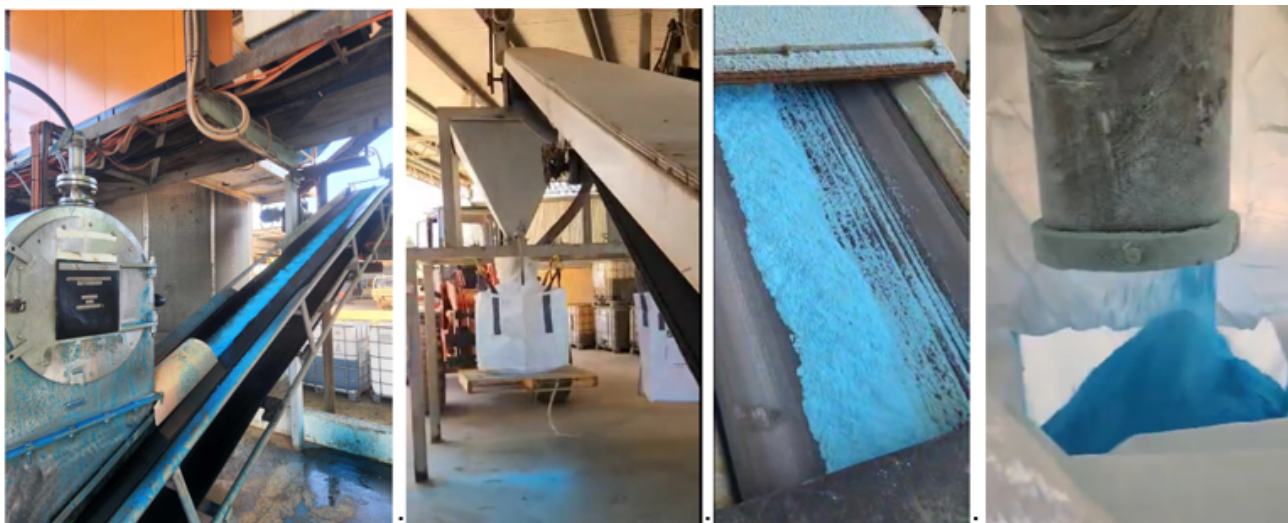


Figure 2. Centrifuge loading conveyor to dryer and bagging

Key items of the plant are depicted in Figure 4 below.



Figure 3. Tartana Solvent Extraction – Crystallisation Plant. Clockwise – New acid tanks with delivered acid, Inspection of pipework, New tanks for copper stripping, View of plant tanks and pipework, Copper sulphate crystals in crystalliser, Plant, PLS pond and heaps for leaching in distance.

### Exploration Projects

In line with the previous quarter, minimal work was carried out on our exploration projects during the December quarter with the Company's focus on ramping up production. However, further work was conducted on a drill programme designed to increase the primary copper resources at Tartana to a minimum 100,000 tonnes of contained copper as well as extending the Mountain Maid gold resource. The renewal documents for the Nightflower silver project tenement were also lodged during the quarter.

Exploration activities are expected to step up in March – April 2024 after the current wet season.

### Zeehan Zinc Project

No slag shipments occurred during the December quarter and the Company continued to explore opportunities for the sale of the remaining slag (estimated between 10,000 and 15,000 tonnes) and the underlying and neighbouring gold rich sulphide tailings from historical flotation testwork for the nearby Rosebery mine.

### Corporate & Financing

- Right issue extended to 16<sup>th</sup> February 2024.
- Name change to Tartana Minerals Limited to reflect copper producer status approved at AGM on 29 November 2023, with ASX to effect the name and ticker change following close of the Rights Issue.
- The Company is negotiating with \$1 million in secured Noteholders towards extending their Notes until 30 April 2024, which will provide sufficient time for the Company to either see material revenues from Copper Sulphate production and/or complete a refinancing event.
- Discussions with Noteholders have been positive as have been conversations with potential new investors into R3D.

### Additional Information Required under the Listing Rules

Information required under Listing Rule 5.31 – There was no exploration expenditure (refer Appendix 5B) reported during the quarter.

Information required under Listing Rule 5.31 – Production expenditure relating to Zeehan low grade furnace slag/matte shipments during the quarter totalled \$484,101 and production expenditure relating to copper sulphate totalled \$162,934 (refer appendix 5B).

Information required under Listing Rules 6.1 and 6.2 – amounts paid to related parties and their associates totalled \$76,037. This includes amounts paid under the service contracts with Troppo Resources Pty Ltd and Bruce Hills Pty Limited, amounts paid for Directors fees and consulting services to Jihad Malaeb and interest paid to Jihad Malaeb on his convertible note facility as detailed under item 7.6. This also included \$8005 paid to Bruce Hills Pty Ltd for bookkeeping services. The Company notes that these amounts reflect the savings detailed in the previous quarters report.



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

Further Information:

**Stephen Bartrop**

Managing Director

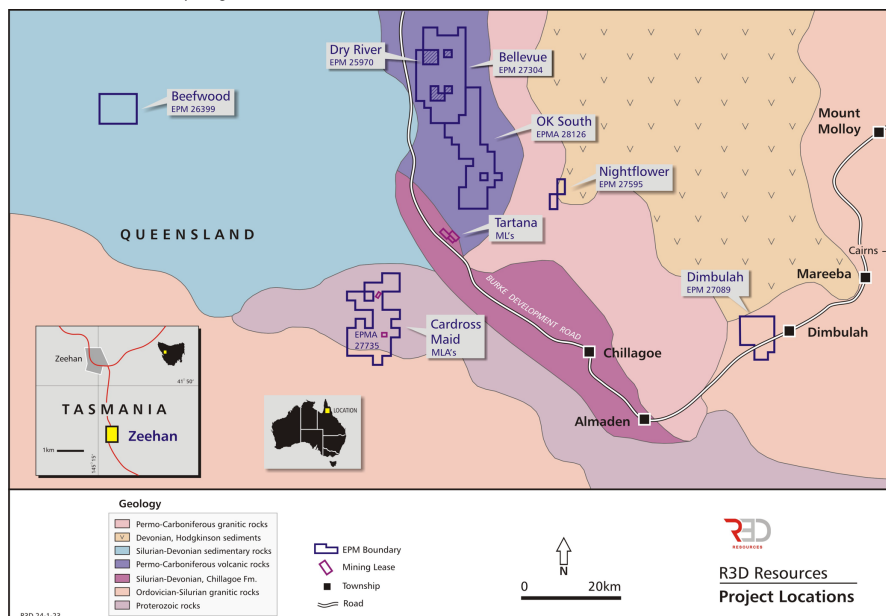
**R3D Resources Limited**

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## About R3D Resources Limited

R3D Resources (renamed Tartana Minerals Limited) is a significant copper, gold, silver and zinc explorer and developer in the Chillagoe Region of 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 nestled between its Tartana (45,000 tonnes Copper) Queen Grade (39,000 tonnes Zinc) and Mountain Maid (415,000 oz Gold) projects.



The Company confirms that in respect of the Tartana MRE dated 9 February 2023, the Queen Grade MRE dated 14 February 2023, and the Mountain Maid MRE dated 20 February 2023, it is not aware of any new information or data which materially affects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

## Competent Person's Statement

The information in this Report that relates to Exploration Information is based on information compiled by Dr Stephen Bartrop who is a fellow of the Australian Institute of Geoscientists.

Dr Stephen Bartrop, Managing Director of R3D Resources, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Stephen Bartrop is full-time personnel of R3D Resources and consents to the inclusion in this announcement of the Exploration 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 which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements.

R3D Resources does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

**Table 2: Tenement information required under LR 5.3.3**

Lease	Lease Name	Location	Ownership
<b>Mother Lode Pty Ltd</b>			
EPM25970	Dry River	90 km north of Chillagoe, Qld	100%
EPM27089	Dimbulah Copper	10 km west of Dimbulah Qld	100%
EPMA27220	Emuford	20 km SE of Petford Qld	100%
EPM27304	Bellevue Copper	90 km north of Chillagoe, Qld	100%
EPMA28126	OK South	50 km NNW of Chillagoe, Qld	100%
<b>Chillagoe Exploration Pty Ltd</b>			
EPM 26399	Beefwood	Approx 75 km NW Chillagoe Qld	100%
<b>Oldfield Exploration Pty Ltd</b>			
EPM27595	Nightflower	30 km north of Chillagoe	100%
<b>Tartana Resources Limited</b>			
ML20489	Tartana Window	40 km north of Chillagoe Qld	100%
ML4819	Tartana North	40 km north of Chillagoe Qld	100%
ML4820	Tartana West	40 km north of Chillagoe Qld	100%
ML5312	Tartana Extended	40 km north of Chillagoe Qld	100%
<b>Riverside Exploration (QLD) Pty Ltd</b>			
EPM27735	Maid	45 km west of Chillagoe	100%
MLA100270	Maid	44 km west of Chillagoe	100%
MLA100271	Cardross	45 km WNW of Chillagoe	100%
<b>Intec Zeehan Residues</b>			
3M/2017	Zeehan Zinc Project	2.5 km south of Zeehan Western Tas	100%



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

R3D Resources Limited

ABN

53 111 398 040

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	667	2,141
1.2 Payments for		
(a) exploration & evaluation	(4)	(4)
(b) development	(59)	(71)
(c) production	(650)	(1,621)
(d) staff costs	(149)	(323)
(e) administration and corporate costs	(32)	(145)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	(68)	(168)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	51	212
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(242)</b>	<b>24</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		(169)
(c) property, plant and equipment	(36)	(119)
(d) exploration & evaluation		(3)
(e) investments		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(36)</b>	<b>(291)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	191	191
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	(1)	(1)
3.5 Proceeds from borrowings	10	10
3.6 Repayment of borrowings	(26)	(36)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>174</b>	<b>164</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	107	(121)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(242)	24
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(36)	(291)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	174	164

Appendix 5B

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		(15)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3</b>	<b>107</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3	107
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3</b>	<b>107</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	76
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

*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.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	2000	2000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	2000	2000
7.5	<b>Unused financing facilities available at quarter end</b>		0
7.6	<p>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> <p>The Company presently has three outstanding facilities, one of which includes an undrawn amount:</p> <ol style="list-style-type: none"> <li>1. \$500,000 Convertible Notes: The Company has, following shareholder approval during the quarter, restructured these Notes held by Yaputri Pte Ltd to now be due in March 2025. The Notes bears interest at 15% per annum and is unsecured.</li> <li>2. \$500,000 Convertible Note: The Company has, following shareholder approval during the quarter, restructured this Note held by Mr Jihad Malaeb (a director) to now be due for repayment in November 2024. The Note bears interest at 15% per annum and is unsecured.</li> <li>3. \$1,500,000 Convertible Note Facility: \$1m was drawn and \$0.5m is undrawn. <ol style="list-style-type: none"> <li>a. The notes bear interest at 15% per annum on drawn amounts and are secured by a general security against the Company's assets.</li> <li>b. The \$1m in drawn notes is due to be repaid on 27 January 2024 however the Company is in discussions with Noteholders for a three month extension, to which it has had a positive response. No other terms of the Notes have changed other than the date they are to be redeemed by the Company.</li> <li>c. A further \$0.5 million was drawable at the Company's election, which it gave notice to drawdown in June 2023. However, as at today that party (who is not a holder of any of the \$1 million Convertible Notes discussed above) has failed to meet their obligations to R3D. Without prejudice to the Company's rights to pursue that party, and as disclosed in the 2023 Annual Report, the Company has considered that the likelihood of it receiving those funds is low, although the Company continues to consider legal action against that defaulting party. See ASX Announcements dated 16 December 2022 and 19 October 2023.</li> </ol> </li> </ol> <p>As noted in the Quarterly Report and below in response to Item 8, the Company is presently considering further non-dilutive financing which will be applied towards repayment of the existing \$1m in secured debt as well as providing working capital. These conversations have been positive to date and the Company has confidence in its ability to (a) extend the \$1m secured notes repayment date; (b) restart production of Copper Sulphate at Tartana to generate revenues; and (c) find additional financing to repay the \$1m notes and for ongoing working capital.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(242)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(242)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	3
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.01
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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. Lower cash receipts from customers and lower production costs reflect the drop off of zinc rich slag exports as detailed in the Quarterly Report and the delay in Copper Sulphate sales.</p> <p>The Company notes that production of Copper Sulphate has been delayed significantly, most recently due to the weather conditions in Far North Queensland (which have been widely reported in the media).</p> <p>Once the inclement weather subsides, the Company has the requisite workforce and diesel ready to be brought to site and for production to recommence. Production is expected to generate material revenues, noting that our 100% offtake partner, Kanins, have agreed to payment on product leaving the mine site to boost cashflows.</p> <p>The Company expects that future periods will have both a higher cash receipts from customers (as sales of Copper Sulphate increase) and higher production costs (as production increases).</p>	
8.8.2 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 exploring the refinancing of its existing debt package, has an ongoing rights issue and is also in well advanced discussions to raise further capital for the Company's continued operations, which will likely be achieved through debt or hybrid financing and the rights issue.</p>	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p>Answer: Yes. Although cash at 31 December is low, the Company has been able to appropriately manage its creditors (including secured noteholders) with a generally positive view towards repayment of these amounts through Copper Sulphate revenues and/or a refinancing event.</p> <p>The Company has confidence in its ability to (a) extend the \$1m secured notes repayment date; (b) restart production of Copper Sulphate at Tartana to generate revenues; and (c) find additional financing to repay the \$1m notes and for ongoing working capital.</p>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	



## 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: 31 January 2024

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 6: Exploration for and Evaluation of Mineral Resources* and *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 standards apply 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.