



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

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29 July 2022

Quarterly Activities Report for Period Ended 30 June 2022 and Appendix 5B

Quarter Highlights

Tartana Copper Sulphate Project – Plant Refurbishment and Resource Definition

- Final bottle roll tests for copper leaching provide encouraging results.
- Margin derived from copper sulphate production utilizing copper in ponds, heaps and in pit fill likely to be more than refurbishment costs
- 1800 metre RC drilling programme completed to upgrade in pit copper resources with assays currently pending.
- Installation of new 100kVA generator in progress, new acid tank has arrived, preparatory civil works completed

Zeehan Zinc Low Grade Furnace Slag/Matte

- Zeehan low grade furnace slag/matte exports Stage 2 permitting advances with approvals from EPA and MRT.

Exploration

- 9 metre true width zinc dominant massive and semi massive sulphide intersected at Queen Grade zinc project
- Drilling new copper target on Tartana leases intersects epithermal style alteration with disseminated sulphides. Current drilling is now targeting below alteration zone
- Intention to exercise Beefwood option at reduced exercise price
- Significant upgrade to exploration target at Nightflower silver project

Finance & Corporate

- Successful entitlement issue and shortfall placement for a total of \$3.1 million
- Appointment of Scott Jones as Chief Operating Officer, Sonny Didugu as Company Secretary, Jihad Malaeb joins the Board while Robert Waring retires from Board
- Cash at 30 June 2022 was \$1.15 million with funds associated with the placement of the shortfall being received after this date.

The Company is pleased to report that there were no safety incidents during the quarter and the Company continued to operate in compliance of COVID-19 advice from the State and Federal Governments.

Tartana Copper Sulphate Project

The Company remains focused on refurbishing the existing copper sulphate plant to generate a sustainable cash flow to finance its exploration activities. First production is forecast for this half year and the production ramp up will be influenced by the combination of offtake demand and the timeframe to bring new ore sources on-line.

Element Process Pty Ltd completed its review of the bottle roll tests conducted by Core Metallurgy Pty Ltd and concluded that it the margin from ‘easily’ obtainable copper in the heaps, ponds and fill in the pit would more than cover the costs of the refurbishment (see ASX announcement dated 22 July 2022). This has confirmed the Company’s expectations and that current focus has been to establish the sequencing of copper sources to maintain ongoing production.

The Company implemented an 1850 metre RC drilling programme to prove up supergene and oxide mineralisation in the pit in early May 2022 (see ASX announcement dated 6 May 2022) and the assay results are due next week. The Company is expecting that the results from this drilling will delineate ongoing mineralisation for stacking on the heaps and provide an adequate buffer to enable ongoing copper sulphate pentahydrate production while other copper ore sources are developed.

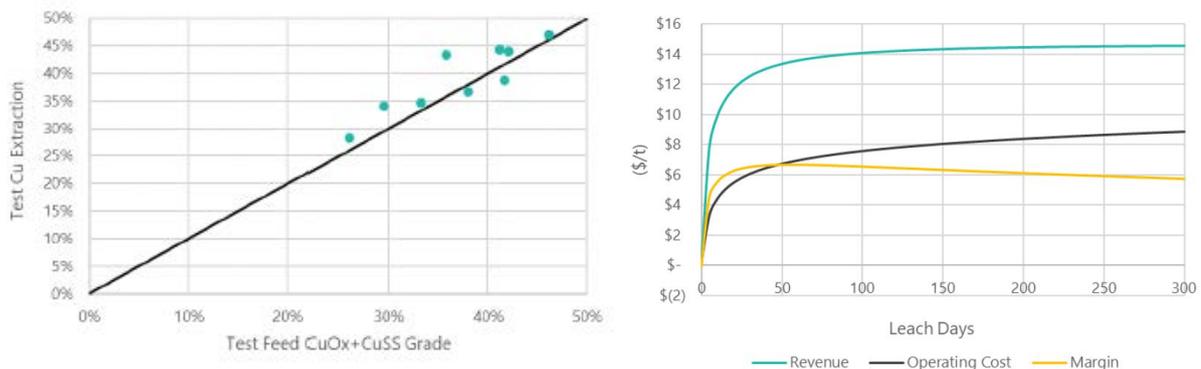


Figure 1(a): Oxide plus secondary sulphide feed grade versus copper extraction. 1(b) Upper leach pad ore revenue, operating cost and margin based on A\$12,700 copper sulphate payable price. Source: TRLO02 – Tartana Existing Leachable Copper Estimation of economically-available copper in existing heap and pit fill by Element Process

In terms of the plant refurbishment, during the quarter International Mill Relines Pty Ltd commenced civil works including the repair of the acid storage area with a new acid tank expected to arrive in July. The sourcing of a control panel for the generators was completed and the board was upgraded to include earth leakage. In addition, a new 100kVA generator has been purchased and is now positioned within the generator shed.

The focus of the next month will be on the refurbishment of the pipework as well as sourcing a new chiller unit for crystallisation. The crystal dryer has been purchased and is awaiting delivery to site.



Figure 2(a): New 100kVA generator on route to Tartana mine site. 2(b) Resource drilling in May 2022 on the Tartana Mining leases.

Zeehan Zinc Low Grade Furnace Slag/Matte

During the quarter only one 22,000 tonne shipment of zinc low grade furnace slag/matte was exported to South Korea as the Company progresses its Stage 2 permitting application.

The Stage 2 permit will allow the Company to crush the slag as well access the northern stockpile. Agreement has been reached with Mineral Resources Tasmania (MRT) and the Environment Protection Agency (EPA) on an increase in the rehabilitation bond to approximately \$200,000 to reflect potential rehabilitation costs at the completion of the slag shipments. This additional cost has been incorporated into negotiated revenue increases on future slag shipments. The Company expects the Stage 2 permit to be granted during the current quarter and will resume production shortly thereafter.

Shipment No.	Date of Departure	Ship	Zeehan Low Grade Furnace Slag/Matte (tonnes)
14	04-May-22	M/V Southgate	22,000

Figure 3: Zeehan zinc low grade furnace slag/matte shipments during the June quarter.

Exploration

Exploration activities during the quarter primarily focused on drilling on projects within the Tartana mining leases.

Queen Grade Zinc Project

The first diamond drill hole (TDH24) testing depth extensions to the Queen Grade zinc project intersected a 12 metre downhole intersection of sphalerite dominant massive and semi massive sulphides from 160.7 metres. With an estimate true width of 9 metres, it comprised 4.5 metres of massive sulphide dominated by sphalerite (zinc sulphide) followed by a further 4.5 metres of semi massive and banded sulphide which is also dominated by sphalerite (see ASX announcement dated 11 July 2022).



Figure 4. Massive sulphide dominated by sphalerite (zinc sulphide) (red-brown), pyrrhotite (brass colour) and calcite (white).

The Queen Grade Zinc Project covers a separate zone of zinc-rich skarn mineralisation which outcrops as discontinuous gossan with a strike of over 300 metres on a chert-dominated ridge. It is located northwest of the open pit and is within the Tartana mining leases.

Previous drilling has return highly encouraging intersections including:

- TDH 15: 33 metres @ 12 % Zn
- TDH 22: 6 metres @ 12.8% Zn
- NARC17: 60 metres @ 3.7% Zn including 14 metres @ 7.7% Zn

The results of the current drilling (TDH24) are encouraging as while assays are pending, the depth and thickness of the mineralisation demonstrates that mineralisation is likely to continue down dip, potentially in line with other zinc skarns in the area such as King Vol or Monte Video (see Figure 5).

A follow up hole (TDH 25) was commenced but due to technical difficulties, veered to the north and missed the target. It was decided to review the opportunities to wedge a new hole from TDH 25 which would be designed to intersect the original target. However due to a lack of wedging equipment on site, the rig has been moved to drill the new copper target as discussed below and is expected to return to drilling Queen Grade in early August.

In summary the TDH24 mineralised intersection is highly encouraging because when it is combined with the historical drill intersections, it reaffirms that Queen Grade represents a significant zinc target. Further drilling will enable the upgrading of the zinc mineralisation to resource status and a preliminary assessment of development opportunities.

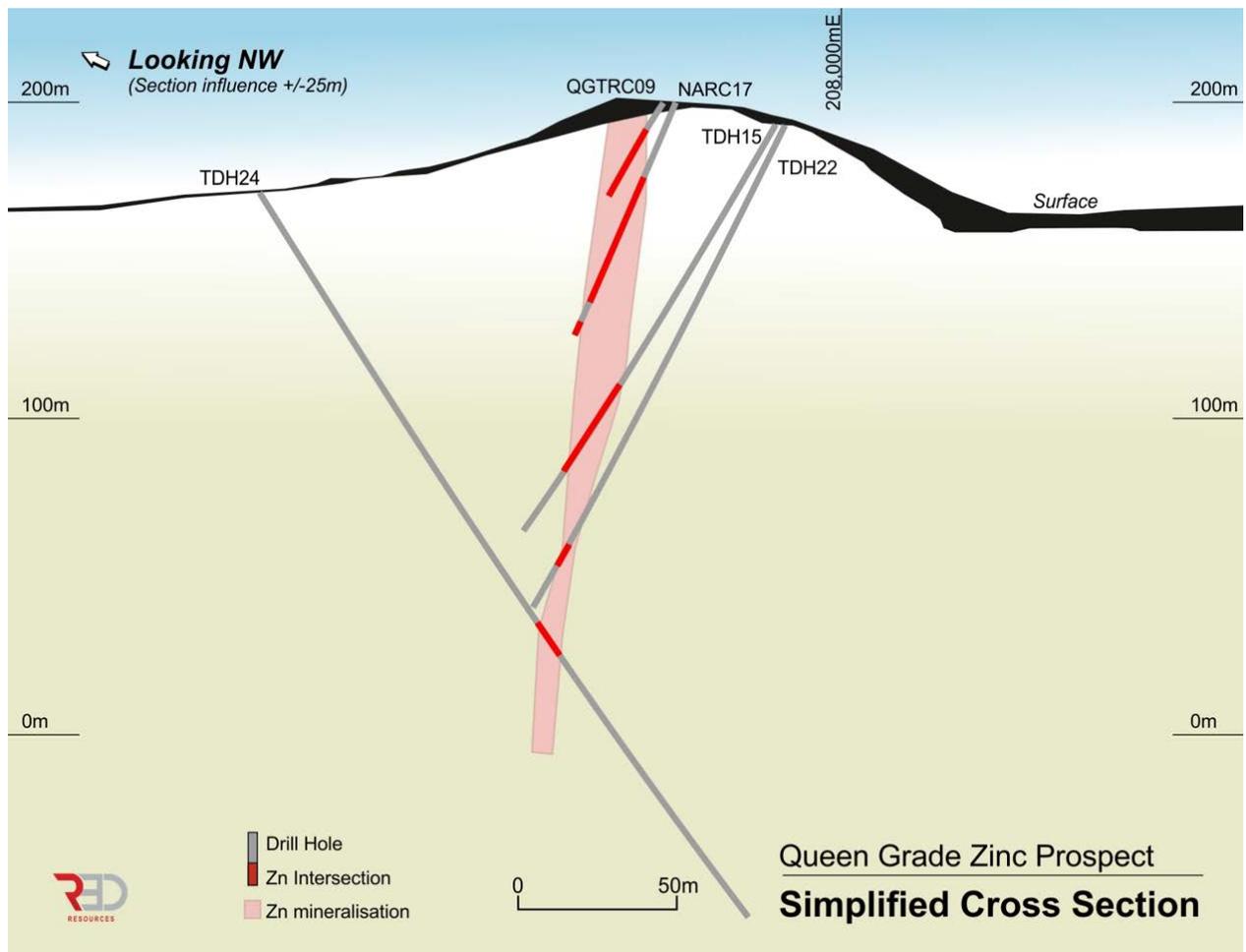


Figure 5 – Simplified cross section through the Queen Grade Zinc Project showing the new drillhole (TDH 24).

New Copper Target

A new copper target has been identified from historical IP and Resistivity anomalies, surface mineralisation trends and historical drilling data including the Company’s recent scout drilling programme completed in 2H CY2021 (see ASX announcement dated 23 June 2022). The copper target is located west of the open pit mineralisation and has potential similarities to ‘Mungana style’ copper porphyry mineralisation with its associated zinc skarns.

The Company is undertaking a two hole programme to test this target and is utilizing RC pre-collars to reduce drilling costs. The first hole skimmed the top of the anomaly and as it contained epithermal alteration and brecciation with low to moderate levels of sulphide concentrations, it led to the second hole being designed to test the target deeper and towards the centre of the target. This exciting drilling is currently in progress.

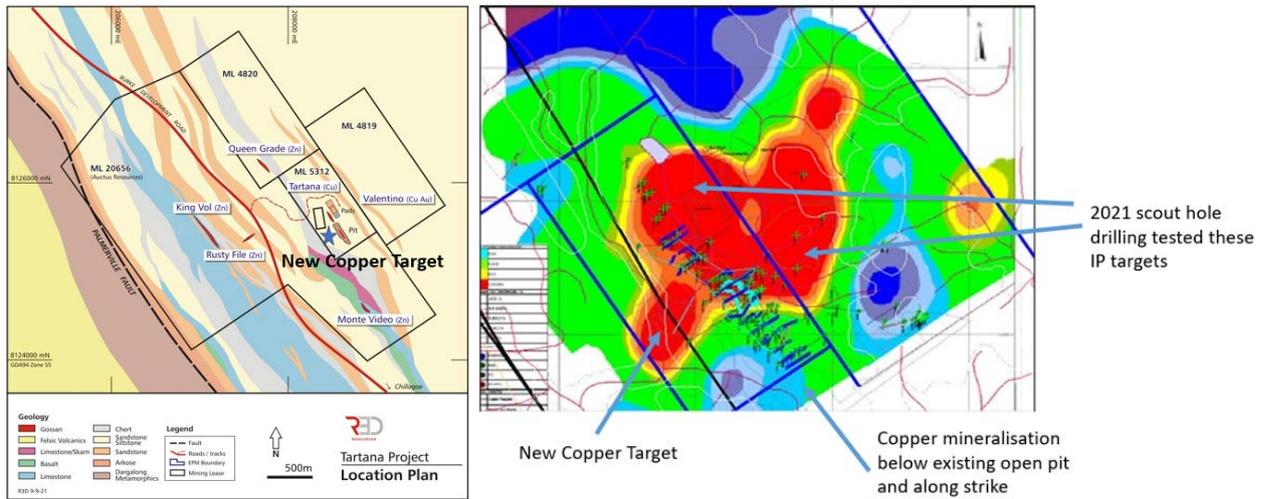


Figure 6. 6(a) Location of the new copper target relative to the Queen Grade zinc project ((500m north) and the open pit mineralisation to the east. 6(b). The IP anomaly contributing to the identification of the new copper target.

Beefwood Option

As advised to the ASX on the 29 June 2022, the Company intends to exercise its option over the Beefwood project (EPM 26399). 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.

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.

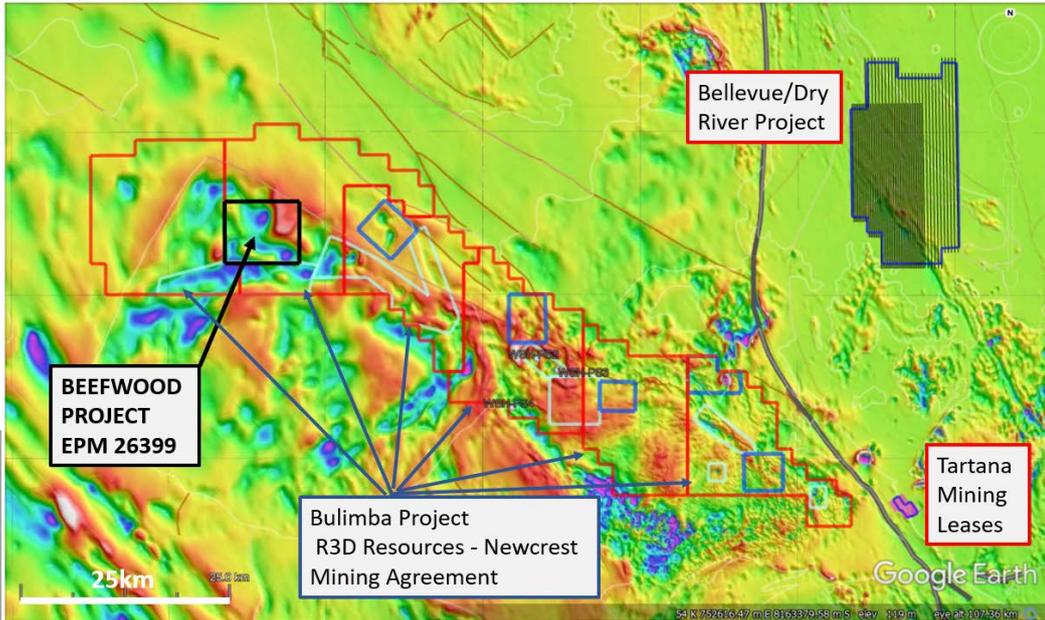


Figure 7. Locations of the Beefwood Project within the Bulimba tenement package

Several key exploration targets which have the potential to be large scale intrusion related gold systems (IRGS) are outlined on Figure 8.

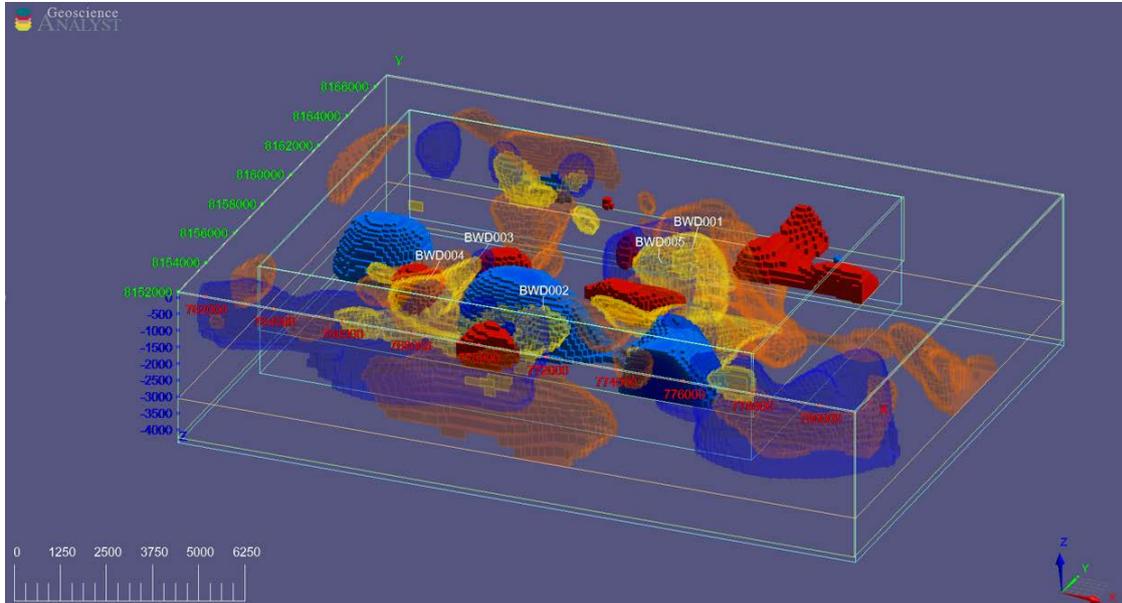


Figure 8 – Drill targets on the Beefwood project.

Nightflower Silver Project Exploration Target Increase

As advised to the ASX on the 2 and 6 June 2022, R3D revised its Exploration Target for the Digger Lode in Nightflower Silver Project following remodelling of historical drill intersections by BMS Pty Ltd. The exploration target was estimated using Ag Equivalents based on average metal prices and exchange rates for 2021 and metal recovery assumptions presented in Askew Report on Stage 2 Reserves (1991) and which was commissioned by Risla Enterprises Pty Ltd. The Exploration Target is outlined in Figure 9 and is conceptual in nature and it is uncertain if further exploration will result in the estimation of a mineral resource.

Exploration Target Tonnage		Ag Grade (g/t)		Au Grade (g/t)		Ag Eq (g/t)		Ag Eq Contained Metal	
Low	High	Low	High	Low	High	Low	High	Low (Moz)	High (Moz)
2,749,081	5,360,372	89	146	0.35	0.42	134	193	17.0	23.0

Figure 9. Digger Lode Exploration Target for the Digger Lode. Note that the potential quantity and grade is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Tables 1 & 2 JORC 2012 are available on the ASX announcements dated 2nd and 6th June. Comp Person: BMS – Geoff Reed, R3D – Tom Saunders. $Ag\ Eq = Ag + (Au * 56) + (Cu * 10) + (Pb * 3) + (Zn * 1) + (Sb * 11)$.

The Exploration Target relates to the Digger Lode and differs from the Terrace Lode, a southern extension of the Digger Lode, and both are part of the Nightflower Silver Project.

The Nightflower Silver Project is subject to the Nightflower Option Agreement with Mr Tom Saunders which expires on the 23 February 2023 (exercise price \$1m in one-month VWAP priced shares, minimum spend required of 150 metres RC drilling).

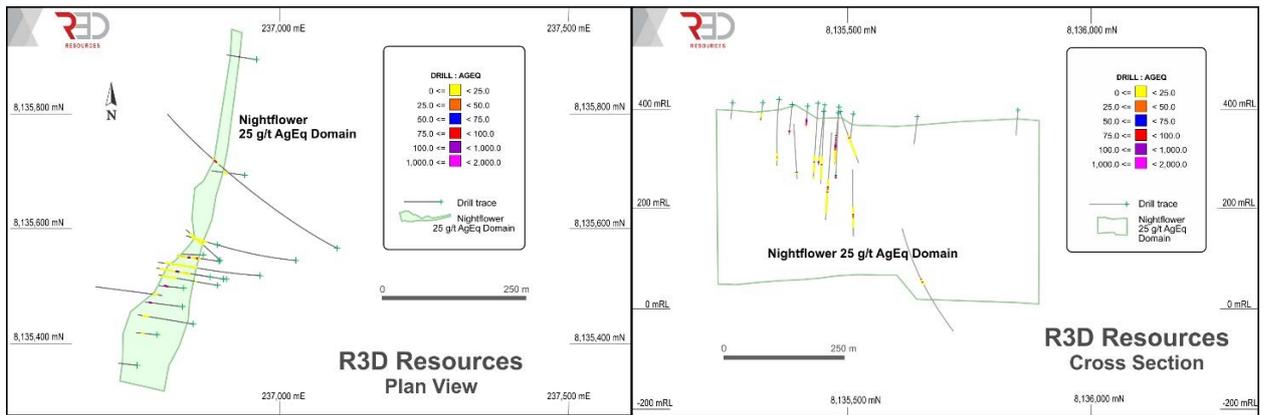


Figure 10: Outline of the 25 g/t AuEq model used to estimate the exploration target (Source: BMS).



Figure 11. Surface of the Digger Lode and a grab sample (May 2022).

Corporate & Financing

The Company is pleased to confirm the completion of its recent capital raising activities, with a total of \$3.11 million raised (before costs) at \$0.10 – including \$1 million in a private placement, ~\$879,000 from existing shareholders in a Rights Issue, and \$1.23 million in a final Rights Issue shortfall placement. The total amount raised includes \$330,000 raised from directors that will require shareholder approval to be sought no later than the 2022 Annual General Meeting.

The Company has also seen a number of recent executive management and Board changes including the appointment of Mr Jihad Malaeb as a Non-Executive Director, Mr Scott Jones as Chief Operating Officer, Mr Sonny Didugu as Company Secretary, and the resignation of Mr Rob Waring as a Director and Company Secretary.

The Company notes cash at 30 June 2022 was \$1.15 million excluding \$0.75 million not yet received pursuant to the capital raising activities noted above as at 30 June.

Use of Funds

The table below outlines the use of funds as compared to the Company's prospectus dated 26 May 2021:

	Prospectus	Quarter 4 2022 ⁴	Total to Date
Exploration	2,750,000	533,206	2,663,318
Expenses of the Offer	265,000	0	275,111
Administration	800,000	398,466	979,573
Repayment of Convertible Notes ¹		0	527,616
Repayment of Other Loans		21,904	170,398
Prepayment on Service Contracts ²		0	165,000
General Working Capital ³	484,551	128,210	(195,767)
Brokerage	170,000	0	145,114

During the quarter R3D completed spending all the money raised in 2021 via the Company's Prospectus dated 26 May 2021. Also, during the quarter the Company commenced utilising funding raised from the 2022 Rights Issue and Placement via the Prospectus dated 19 April 2022.

The key variances to the spending as outlined in the prospectus are:

¹ The repayment of Tartana Convertible Notes plus accrued interest and other loans from plus accrued interest clears the long-term debt inherited in the takeover of Tartana and strengthens R3D's balance sheet going forward

² During the Offer period the Company entered into two marketing agreements with Market Index and Advisir

³ General working capital reflects the funding of the opening position of receivables due to Tartana and payables owing by Tartana and it also reflects timing differences between receipts from customers under the

MCC contract and production related payments on the export zinc low-grade furnace slag/matte as part of our Zeehan project and GST refunds primarily comprising the GST on purchases against GST free export sales.

⁴Expenditure for the quarter doesn't include the costs associated with the 2022 Rights Issue and Placement via the Prospectus dated 19 April 2022

Additional Information Required under the Listing Rules

Information required under Listing Rule 5.31 – Exploration expenditure of \$202,000 (refer Appendix 5B) reported during the quarter primarily related to cost of the drilling programme announced on 28 April 2022 designed to upgrade the Supergene Copper Resource and the Oxide Copper mineralisation.

Information required under Listing Rule 5.31 – Production expenditure relating to Zeehan low grade furnace slag/matte shipments during the quarter totalled \$1,721,000 (refer appendix 5B).

Information required under Listing Rules 6.1 and 6.2 – amounts paid directors and former directors totalled \$411,079, including amounts under the service contracts with Troppo Resources Pty Ltd, Bruce Hills Pty Limited, Warinco Services Pty Ltd and Michael Thirnbeck. Additionally, \$29,386 was paid to Breakaway Research Pty Ltd and Bruce Hills Pty Ltd for office and bookkeeping services respectively. As noted in the Appendix 5B amounts paid include legacy amounts that were outstanding from previous unpaid services from Troppo Resources Pty Ltd, Bruce Hills Pty Limited, Warinco Services Pty Ltd, Michael Thirnbeck, Breakaway Research Pty Ltd and Bruce Hills Pty Ltd including prior to the Tartana acquisition. All payments received related to the legacy amounts were subsequently reinvested in R3D as part of the 2022 Rights Issue and Placement.

For further information:

Stephen Bartrop

Managing Director

R3D Resources Limited

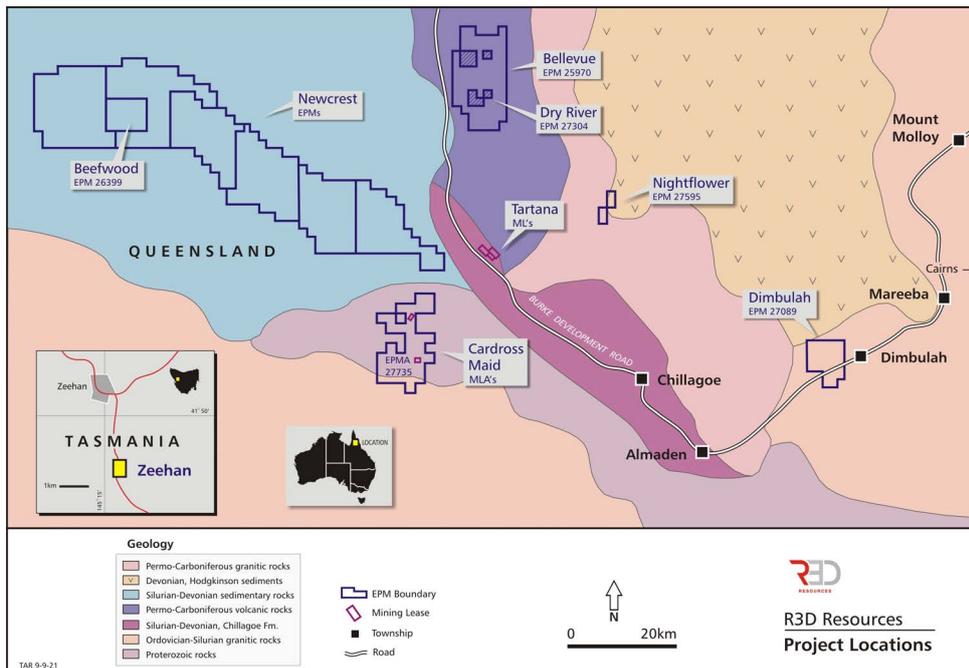
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This announcement has been approved by the Board of R3D Resources Limited.

About R3D Resources

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.



Qualifying 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
Mother Lode Pty Ltd			
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%
Chillagoe Exploration Pty Ltd			
EPM26530	Bulimba 3	Approx 75 km NW Chillagoe Qld	Subject to Bulimba agreement with Newcrest Mining
EPM26531	Bulimba 1	Approx 75 km NW Chillagoe Qld	
EPM26532	Bulimba 4	Approx 75 km NW Chillagoe Qld	
EPM26533	Bulimba 2	Approx 75 km NW Chillagoe Qld	
EPM26738	Bulimba 5	Approx 75 km NW Chillagoe Qld	
EPM26740	Bulimba 7	Approx 75 km NW Chillagoe Qld	
EPM 26399	Beefwood	Approx 75 km NW Chillagoe Qld	
Oldfield Exploration Pty Ltd			
EPM18864	Mount Hess	95 km southwest of Mackay, Qld	100%
EPM18865	Amber Creek	Approx 35 km south of Chillagoe	100%
Tartana Resources Limited			
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%

Table 2: Tenement information (continued)

Wayne Thomas Saunders			
EPM27595	Nightflower	30 km north of Chillagoe	Subject to Option Agreement with Tom Saunders
Riverside Exploration (QLD) Pty Ltd			
EPM27735	Maid	45 km west of Chillagoe	100%
MLA100270	Maid	44 km west of Chillagoe	100%
MLA100271	Cardross	45 km WNW of Chillagoe	100%
Intec Zeehan Residues			
3M/2017	Zeehan Zinc Project	2.5 km south of Zeehan Western Tas	100%

Notes:

No tenements were relinquished during the quarter.

All tenements are in good standing.



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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,349	9,219
1.2 Payments for		
(a) exploration & evaluation	(29)	(149)
(b) development	(45)	(59)
(c) production	(1,721)	(9,974)
(d) staff costs	(518)	(1,315)
(e) administration and corporate costs	(332)	(748)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	-	(33)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (includes GST refund linked to export sales)	243	994
1.9 Net cash from / (used in) operating activities	(1,052)	(2,056)

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

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	(22)
	(c) property, plant and equipment	(152)	(252)
	(d) exploration & evaluation	(202)	(1,546)
	(e) investments	-	-
	(f) other non-current assets	-	-
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)	-	291
2.6	Net cash from / (used in) investing activities	(354)	(1,529)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,413	6,663
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	(132)	(813)
3.5	Proceeds from borrowings		48
3.6	Repayment of borrowings	(22)	(675)
3.7	Transaction costs related to loans and borrowings	(100)	(100)
3.8	Dividends paid	-	-
3.9	Other	(12)	(338)
3.10	Net cash from / (used in) financing activities	2,147	4,785

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	434	51
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,052)	(2,056)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(354)	(1,529)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,147	4,785
4.5	Effect of movement in exchange rates on cash held	(22)	(98)
4.6	Cash and cash equivalents at end of period	1,153	1,153

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	1,153	434
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)	1,153	434

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	440
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. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	450	450
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	450	450
7.5 Unused financing facilities available at quarter end		0
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.	
	The Company, as borrower, entered into a loan agreement with Yaputri Pte Ltd (Yaputri) on 14 January 2021 for the sums of \$250,000 advanced in September 2020 and \$200,000 advanced in February 2021. The loan bears interest at 10% pa and is unsecured. The loan is repayable on 28 February 2023.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,052)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(202)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,254)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,153
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	1,153
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.92
<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?
	Answer: <i>No – as highlighted last quarter the net operating cash flows continue to reflect our exploration programme costs being offset against the net positive cash flow from slag/matte sales. As reported in the previous quarter the cash flow from slag matte is subject to differences driven by the timing of shipments and related payments around quarter end. During the June quarter only 1 shipment of slag matte was completed while we wait on the Stage 2 permit to allow access to the Northern stockpile of its Zeehan Zinc Project in western Tasmania. The June quarter Staff and Administration and Corporate costs were impacted by the settlement of one off amounts owing to legacy creditors of R3D Global and R3D directors.</i>

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?

Answer: *Yes – As separately reported on 15 July 2022, the Company has raised \$3.11m through a combination of a placement and rights issue. Of the amount raised, \$749,000 was raised after 30 June 2022. As highlighted in the Quarterly Report, the Company expects to resume export of slag/matte once the Stage 2 permit is granted during the September quarter.*

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?

Answer: *Yes – as detailed in the prospectus dated 19 April 2022 the funds raised as outlined in 8.8.2, will be used to accelerate the refurbishment and restart of the heap leach – solvent extraction – crystallisation plant on the Company's Tartana mining leases and complete the drilling programme. In addition, R3D expects to continue with the export of slag / matte subject to the Company receiving a Stage 2 permit to allow access to the Northern stockpile of its Zeehan Zinc Project in western Tasmania.*

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.

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: **29 July 2022**

Authorised by: **Authorised for release to the market by the R3D Resources Board of Directors**

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.