



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

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29 April 2022

Quarterly Activities Report for Period Ended 31 March 2022 and Appendix 5B

Quarter Highlights

Tartana Copper Sulphate Project – Plant Refurbishment and Resource Definition

- Key milestones in preparation for the re-start of the copper sulphate plant achieved.
- Subsequent to quarter end, the funding strategy to support the plant re-start has been put in place.
- Copper resource drilling to commence in the week beginning 2 May 2022.

Exploration

- Exploration planning finalised, with activities expected to accelerate after wet season.
- Zeehan low grade furnace slag / matte exports shipments for the quarter totalled 30,646 tonnes.

Finance

- Cash at 31 March 2022 was \$434,000.
- Subsequent to quarter end a Prospectus issued for Non-Renounceable Entitlement Offer capital raising of up to \$2.3 million, and a \$1,000,000 Placement announced, with First Tranche of \$500,000 completed.

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 – Plant Refurbishment and Resource Definition

The cornerstone of the Company's corporate strategy and its primary focus is to advance its Copper Sulphate Project into production in the 2H CY2022. This is forecast to create a sustainable cash flow to finance R3D's exploration activities in the Chillagoe region. The copper sulphate plant on R3D's Tartana mining leases comprises a heap leach – solvent extraction – crystallisation plant which operated for a decade before being placed on care and maintenance in 2014 but with many components remaining functional and in reasonable condition. Environmental approvals are in place to re-commence the operation. As highlighted in the Company's announcement to the market on 23 March 2022, R3D achieved significant progress on this project during the quarter. This included:

Process flowsheets have been finalised

The simplified process flowsheet is outlined below. Key components are:

- The storage of copper in solution in the Pregnant Leach Solution (PLS) pond ready for extraction;
- The extraction and upgrading of the copper grade in solution using organic solvent extraction;
- The crystallisation of copper sulphate crystal by chilling the solution;
- Drying and bagging the copper sulphate for sales.

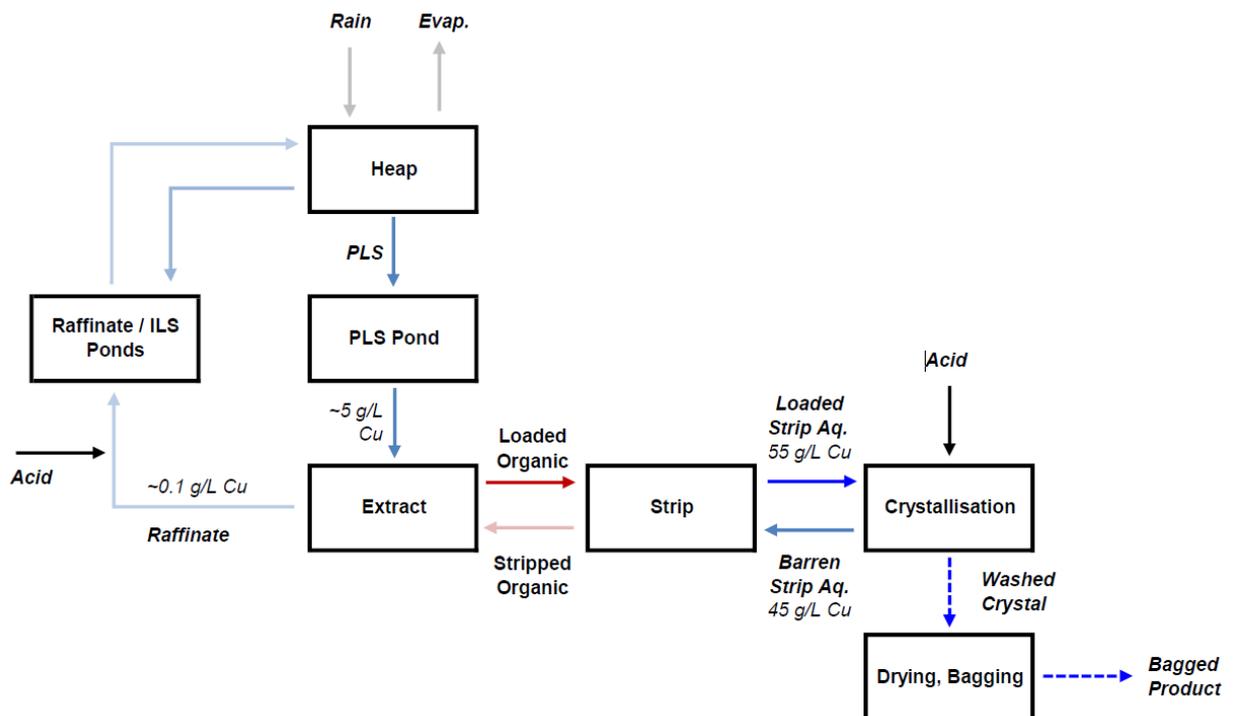


Figure 1 – Simplified Tartana flow sheet.

The supporting detailed flow sheets were also finalized together with component listings and electrical drawings to facilitate the coming refurbishment. Other than some civil repair work and upgrading the electrical control panels to meet current safety standards the plant appears in reasonable order.

Initial Scoping Study Parameters Announced

On 28 January 2022 the Company provided initial scoping study parameters for the restart of the plant.

Project Parameters

Production Rate	6,000 - 7,000 tpa
Pre-production time	6 months
Refurbishment capex excluding working capital	\$1.21 million
Working capital	\$205,000
Indicative copper sulphate price (based on US\$9,741/t Cu price)*	\$3,513 A\$ per tonne
Preliminary copper sulphate production costs excluding copper sourcing	\$854 A\$ per tonne

* the price of copper sulphate is based on the LME copper price plus a premium

Figure 2 – Initial scoping study parameters.

The Scoping Study referred to in this report is based on low-level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

Staged Programme to Commence Copper Sulphate Production announced

In the Prospectus issued on 19 April 2022 the Company outlined 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
- Upgrading the control panel for the generators
- Securing a sulphuric acid tank and acid supplies
- Turning over the heaps to reduce historical ‘channeling’ with the irrigation

As the copper grade increases in the PLS pond R3D will commence the **Stage 2** process 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

Additional Sampling on heaps to upgrade resource status to Indicated or Measured and enable further metallurgical test work

During the quarter the Company has conducted a second round of sampling of the heaps to test observed grade increases with depth in the earlier sampling. In addition, composite samples were collected for further metallurgical bottle roll testing to confirm leaching parameters and to upgrade the resource status.

As advised on the 28 April 2022, R3D announced that it is commencing an 1800 metre RC drilling campaign early next week to upgrade previously identified copper mineralisation on its Tartana mining leases. The drilling is planned to occur concurrently with metallurgical testwork on the existing heap leach material and the overall refurbishment of the copper sulphate plant.



Figure 3 – 3(a) PLS ponds containing residual copper, 3(b) metallurgical and electrical team on site with R3D personnel, 3(c) Sampling the heap leach material to upgrade the resource status and conduct further metallurgical test work.

Copper Sources Identified

As detailed in the presentation to the AGM, the Company has identified further sources of copper units for the solvent extraction – crystallisation plant which can support its future production, as follows:

Copper sources

Copper already contained in ponds
Copper contained in heaps on the pad (inferred resource)
Supergene copper mineralisation within open pit (inferred resource)
Oxide copper exploration targets north and east of the open pit
Supergene exploration target at Valentino
Cardross oxide mineralisation on the Cardross mining lease application
OK Mines and other oxide ore on the Bellevue/Dry River project
Third party ore suppliers e.g. Ark Mines agreement
Alternative copper feedstocks including E-waste

Figure 4 – Potential copper sources.

Other Deliverables supporting the Restart of the Plant

On 16 February 2022 R3D advised that it had signed a Memorandum of Understanding (**MOU**) with Ark Mines Limited (ASX:AHK) enabling R3D to purchase and process oxide ore through its Plant at a price based on the prevailing copper price, grade, recoveries and metallurgical factors.

Exploration

The Company's exploration targets are not only highly prospective but are also of a size that can create significant Shareholder value should exploration prove successful. On 8 March 2022 the Company advised that it is preparing a programme of exploration activities to commence after the current wet season in North Queensland. Activities will include drilling key targets identified during the Falcon gravity/magnetic survey conducted in 2021.

R3D's ongoing strategy is to focus on drilling high impact targets; including drilling the IP anomalies on the Tartana leases identified late in 2021. Some of this drilling is planned to be conducted by Western Drilling Services which has an agreement with R3D that at least 50% of the drilling costs by Western Drilling Services are to be paid in R3D shares at VWAP or minimum 20 cents per share.

Priority targets will include:

Tartana Queen grade zinc project

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

These intersections are encouraging while the mineralisation also has potential for significant depth extensions as demonstrated by the depth of mineralisation at the nearby King Vol mine (mineralisation at King Vol extends to around 900 metres depth).

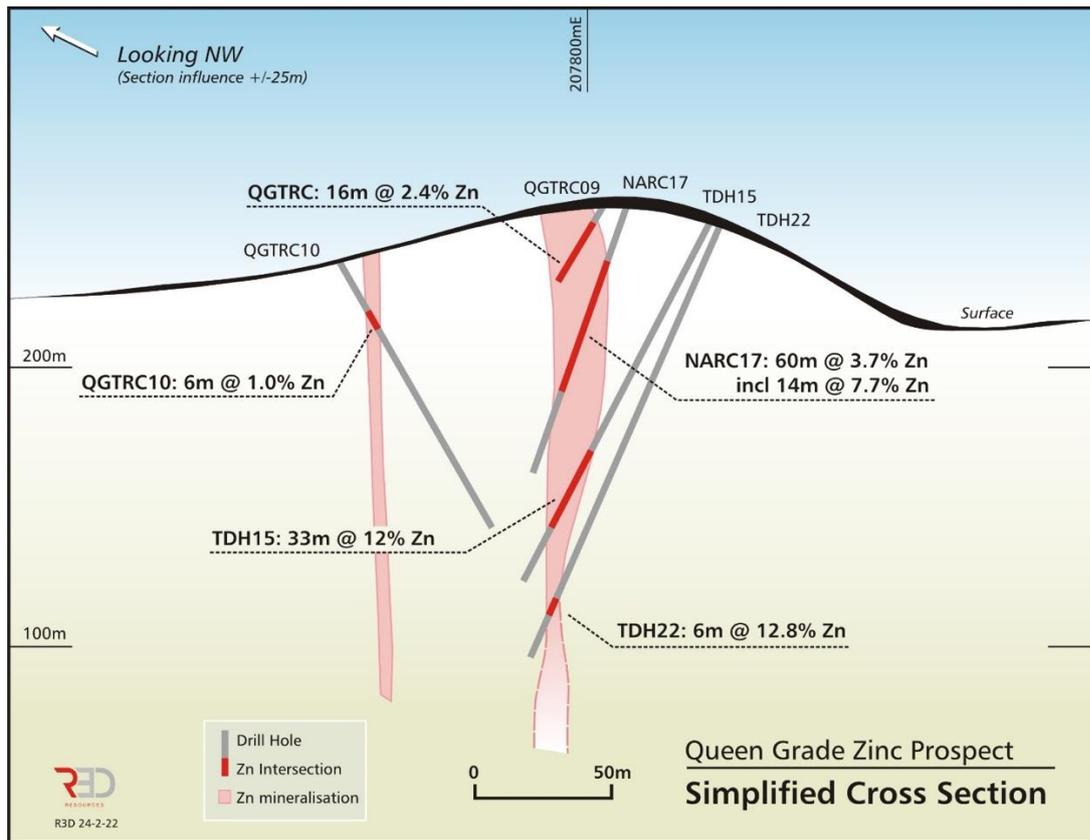


Figure 5 – Simplified cross section through the Queen Grade Zinc Project. For JORC 2012 Code section 1 & 2 tables, see Appendix A of the Independent Geologist's Report contained in the prospectus dated 26 May 2021, available on www.r3dresources.com.au.

SRK has estimated a JORC 2012 compliant open pit conceptual Exploration Target for Queen Grade to a depth of only 100 metres below the oxide zone. The Company's proposed drilling has the potential to verify previous drilling to enable the reporting of a JORC 2012 resource, but also potentially increase the down dip extent of the mineralisation.

Queen Grade Zinc Open Pit Exploration Target*	Tonnage		Zinc Grade		Contained Zinc	
	Low (Mt)	High (Mt)	Low	High	Low (t)	High (t)
	0.3	3.0	4%	10%	11,000	290,000

*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 in Appendix A of the Independent Geologist's Report (Appendix C).

Figure 6 – Queen Grade Exploration Target.

The Company has completed flotation test work (on a composite sample from Drill hole TDH 22). Independent consultant, Core Resources Pty Ltd reports high zinc recoveries of >98% to a concentrate grading 42% zinc from its initial rougher flotation test work. The sample tested was from a 5-metre section of Hole TDH 22 assaying 16.1% Zn, 0.25% Cu and 0.57% Pb.

Flotation kinetics were fast with recoveries achieved in two minutes in the laboratory tests at a primary grind of 80% passing 75 microns. Work is ongoing with regrinding and cleaning test work along with analysis of zinc concentrates for any impurity elements.

The Directors believe that the Queen Grade project represents a high-quality brownfield target with scope for delineating significant zinc mineralisation on R3D's granted mining leases.

The Ok Mines Copper target on the Bellevue Project leases

The OK Mine was discovered in 1901 by prospector John Munro who named the site OK, reputedly after an empty OK jam tin. Mineralisation occurs along a 2 km folded and faulted basalt – chert horizon identified at surface by Cu-oxide enriched gossans and includes the OK North, main OK Mine and OK South prospects.

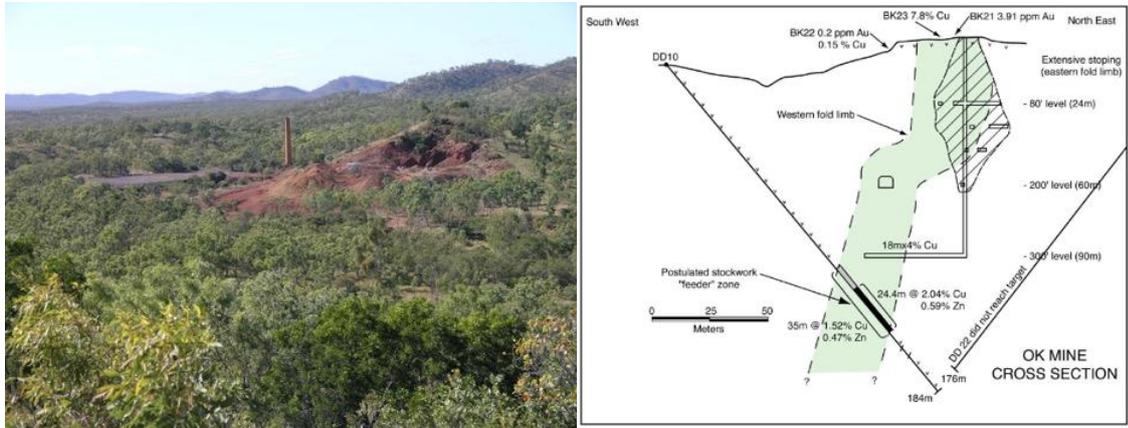


Figure 7 – 7(a) Historic Ok Mine site including copper smelter chimney and slag heap. 7(b) OK Mine cross section. See R3D Prospectus dated 26 May 2021 for further information.

Historical mining at main OK Mine involved an open cut mine into the hillside followed by underground development to approximately 60 metres below surface. The orebody is reported to be copper rich carbonate ore due to supergene enrichment near the surface with grades around 20% Cu and grades decreasing to 4% - 7% Cu below the 45-metre level (Mine Department; Queensland Government Mining Journal; Jack, 1907). The primary ore consisting of a stockwork zone of pyrite, chalcopyrite and sphalerite within both siliceous and chloritic basalt and is found between the chert limbs of a steeply plunging ~ 80° syncline.

The OK Mine mineralisation has been previously interpreted as being volcanic massive sulphide style mineralisation associated with the OK Member of the Hodgkinson Formation. However, R3D believes that this mineralisation may be epigenetic rather than representing the remobilisation of mineralisation deposited on a seafloor.

Evidence of an epigenetic origin includes the extensive haematitic breccia alteration which could indicate that mineralisation may have affinities with IOCG (iron oxide copper gold) deposits. Another line of evidence is reflected in the geophysics and R3D flew a Falcon gravity/magnetic survey last year (see ASX announcement 30 July 2021). The Company commissioned a review of the geophysical data by Geodiscovery Group Pty Ltd which identified several areas of high gravity and potential magnetite destruction zones in proximity to the OK group of mines. These gravity ‘highs’ could correspond to mineralisation associated with haematitic breccias.

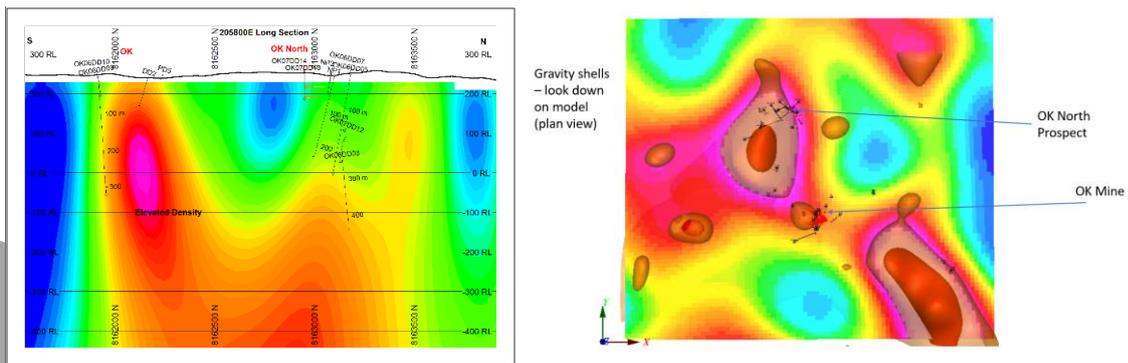


Figure 8 – Areas of elevated density in proximity to the OK mineralisation. 8(a) Long Section. 8(b) Plan View. Note: the OK Mine and OK North prospect are approximately 1 km apart.

The Falcon Survey has also identified an east dipping structure which may be a felsic dyke or mylonite. This structure appears to cross cut the complex stratigraphy evident at surface and maybe also be the source of mineralising fluids which have deposited along the basalt contact.

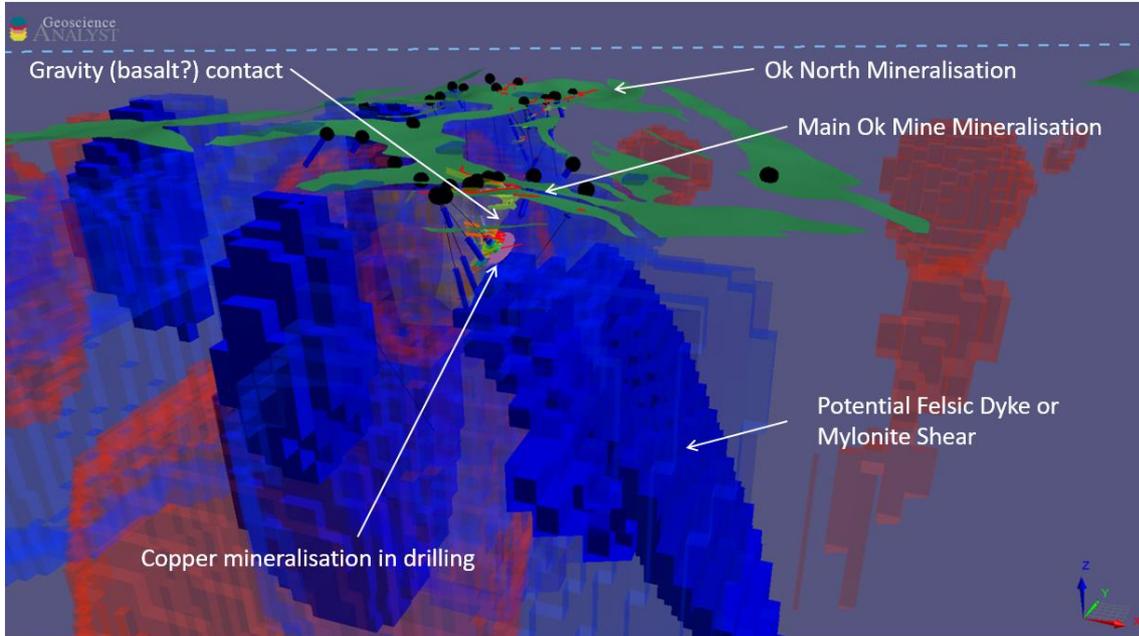


Figure 9 – Potential east dipping felsic dyke or mylonite shear which intersects the basalt contact near surface and which may be a source of the mineralising fluids. Note: The OK Mine and OK North prospect are approximately 1 km apart.

R3D is planning exploration drilling to test both targets.

The Beefwood geophysical anomaly

The Beefwood / Bulimba Projects cover more than 1,250 km² of prospective tenements west of the Tartana mining leases. The area has been previously considered difficult to explore due to the depth of overlying cover but with the discovery of recent outcropping basement suggests that this impediment may not be valid.

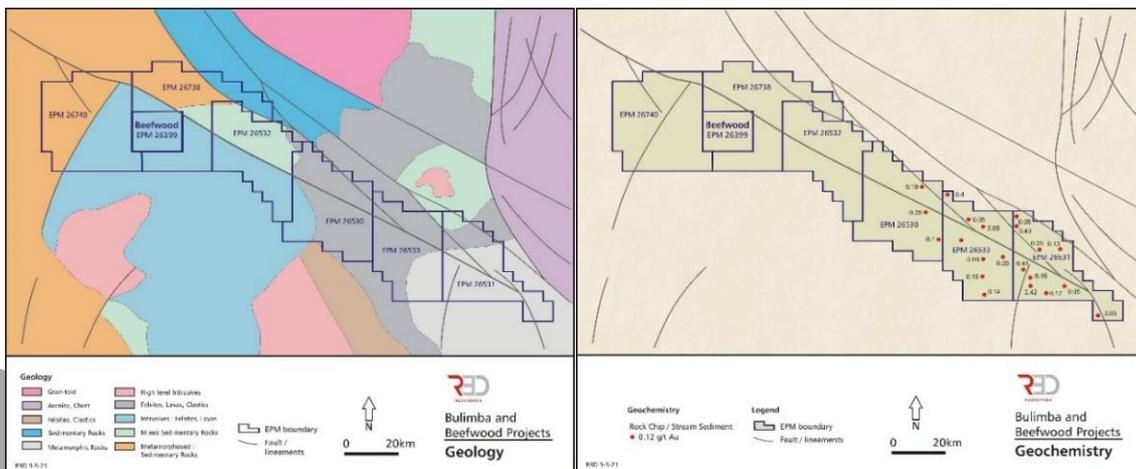


Figure 10 – Beefwood/Bulimba (10a) Geology and (10b) Geochemistry.

R3D flew a Falcon Gravity/Magnetic survey in 2021 covering the Beefwood and adjacent Bulimba tenements as reported to ASX on 3 August 2021. The Falcon survey has identified several key exploration targets which potentially represent intrusion related gold systems (IRGS). These are large scale targets as outlined in Figure 11.

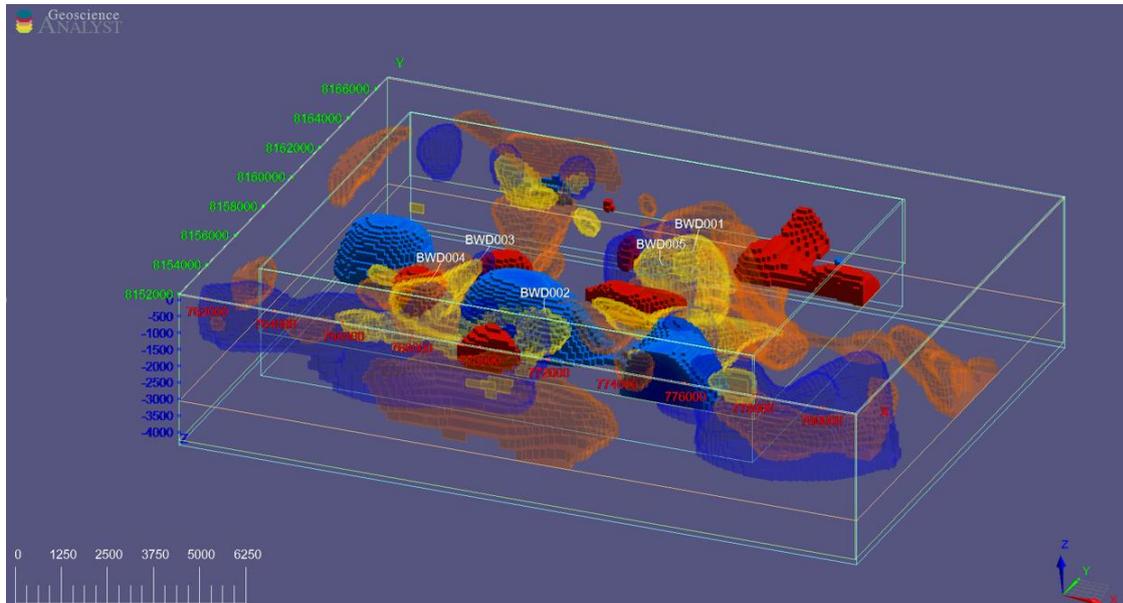


Figure 11 – Drill targets on the Beefwood project.

Figure 12 outlines an interpreted cross section through the Beefwood project showing targets and potential drill paths to test these targets.

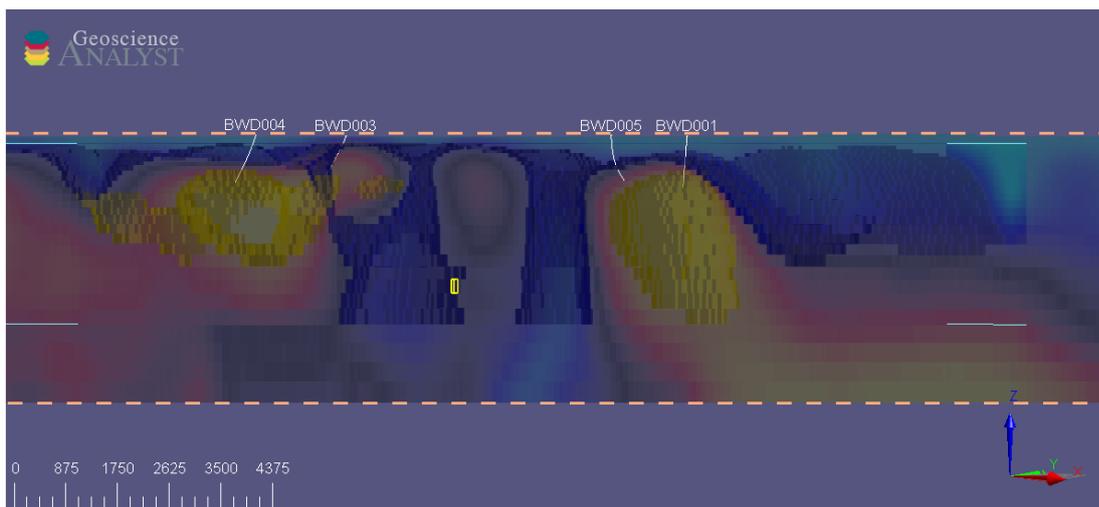


Figure 12 – Interpreted Beefwood cross section showing targets and potential drill paths

The Company is planning a Helitem survey to cover parts of the Bulimba project area and potentially also cover parts of the Beefwood project to identify conductors which may be associated with the previously identified targets from the Falcon survey. This is expected to be conducted mid-2022. However, some of the targets are considered ‘drill ready’ and these may be tested earlier.

Other Exploration Milestones

R3D Granted the Mountain Maid Exploration Permit

On 3 February 2022, the Company advised the grant of Mountain Maid Exploration Permit for Minerals (EPM) 27735. Five separate parties had submitted applications for tenure.

EPM 27735 surrounds R3D's Cardross and Mountain Maid Mining Lease applications, which are currently going through the negotiation phase.

The EPM not only covers the extensions to these two deposits, but also has numerous high potential targets which have been identified through anomalous soil, stream, and rock geochemistry along with scattered drill intersections.

Tartana Mining Leases - High Grade 4.54% Cu Near Surface Assay Received During Drilling Programme

On 28 January 2022, R3D provided an update on its three-hole scout diamond drilling programme conducted late in 2021 on the Tartana mining leases which has contributed to a refinement of exploration targets.

Drilling intersected several +0.5% Cu zones with the highest grade at 4.54% Cu over 1 metre and the longest downhole intersection being 9m at 0.71% Cu in drillhole RDD003. The drilling demonstrated strike continuity and potential depth extensions to mineralisation in the pit and will assist in mapping alteration trends with separate oxide and sulphide exploration targets for future drilling to upgrade the targets to resource status refined.

In conjunction with the drilling campaign, the Company reviewed historical drilling and incorporated both wireframe and block modelling in its assessment of exploration targets. The results of the scout drilling and this block modelling has meant that the Company will target future exploration activities on copper mineralisation below the open pit which has been intersected by historical drilling.

Zeehan Slag Shipments

During the quarter R3D shipped a total of 31,000 tonnes of low-grade furnace slag/matte through the Burnie Port. Further shipments are dependent on the granting of a Stage 2 permit which will allow access to the Northern Stockpile.

Shipment No.	Date of Departure	Ship	Zeehan Low Grade Furnace Slag/Matte (tonnes)
12	28-Jan-22	M/V Ravni Korari	10,208
13	04-Mar-22	M/V Basic Brave	20,438
			30,646

Figure 13 – Zeehan slag shipments.

Corporate

The Company held its Annual General Meeting on 31 January 2022. All resolutions were passed on a poll.

On 28 February 2022, the Company advised the issue of 1,500,000 ESOP options to R3D Director Mr Richard Ash and 1,000,000 ESOP options to R3D Director Mr Michael Thirnbeck following approval by shareholders at the AGM. The options are exercisable at 40 cents on or before 14 July 2026 and are subject to vesting conditions.

Subsequent to the quarter end, on 5 April 2022, the Company advised a capital raising of up to \$3.3 million including a \$1 million placement and a one for five Entitlement Issue at \$0.10 per share to eligible shareholders (the Entitlement Issue). The Entitlements Issue record date was 26 April 2022. The Company issued a

Prospectus on 19 April 2022 pursuant to section 713 of the Corporations Act 2001 (Cth) to conduct the Entitlement Issue. The Prospectus also includes a cleansing offer for the purpose of section 708AA(11) of the Corporations Act 2001 (Cth) to allow for on-sale of the Shares issued in the Placement. The first tranche of the Placement was \$500,000 was received on 12 April 2022. The Entitlement Issue opens on 29 April 2022 and, while subject to early closure or extension, is scheduled to close on 19 May 2022.

Cash on hand at the end of the quarter was \$434,000.

Use of Funds

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

	Prospectus	Quarter 3 of 2022	Total to Date
Exploration ⁴	2,750,000	521,038	2,130,112
Expenses of the Offer	265,000	0	275,111
Administration	800,000	322,003	581,107
Repayment of Convertible Notes ¹		0	527,616
Repayment of Other Loans		9,616	148,494
Prepayment on Service Contracts ²		0	165,000
General Working Capital ³	484,551	19,837	(323,977)
Brokerage	170,000	0	145,114

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 Prospectus Offer period the Company entered into two marketing agreements with Market Index and Advisr.

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 in Western Tasmania and GST refunds primarily comprising the GST on purchases against GST free export sales. While these amounts will be volatile because of the previously mentioned timing differences overall R3D expects these to be cash flow positive in future quarters and will be applied to cover future general working capital and administration costs.

⁴ Exploration for Quarter 3 includes the increase in the Company's environmental bond on our Tartana Mining Leases in Far North Queensland. The amount was included under exploration in the Prospectus.

Additional Information Required under the Listing Rules

Information required under Listing Rule 5.31 – Exploration expenditure of \$139,000 (refer Appendix 5B) reported during the quarter primarily related to cost of the drilling programme on the Tartana and Valentino targets as detailed in the previous Quarterly Report.

Information required under Listing Rule 5.31 – Production expenditure relating to Zeehan low grade furnace slag / matte shipments during the quarter totalled \$2,425,000 - refer Appendix 5B.

Information required under Listing Rules 6.1 and 6.2 – amounts paid to Directors and former Directors totalled \$162,614. This includes amounts paid under the service contracts with Troppo Resources Pty Ltd, Bruce Hills Pty Limited and Warinco Services Pty Ltd. Additionally, \$7,139 was paid to Breakaway Research Pty Ltd and Bruce Hills Pty Ltd for office and bookkeeping services respectively.

For further information:

Stephen Bartrop

Managing Director

R3D Resources Limited

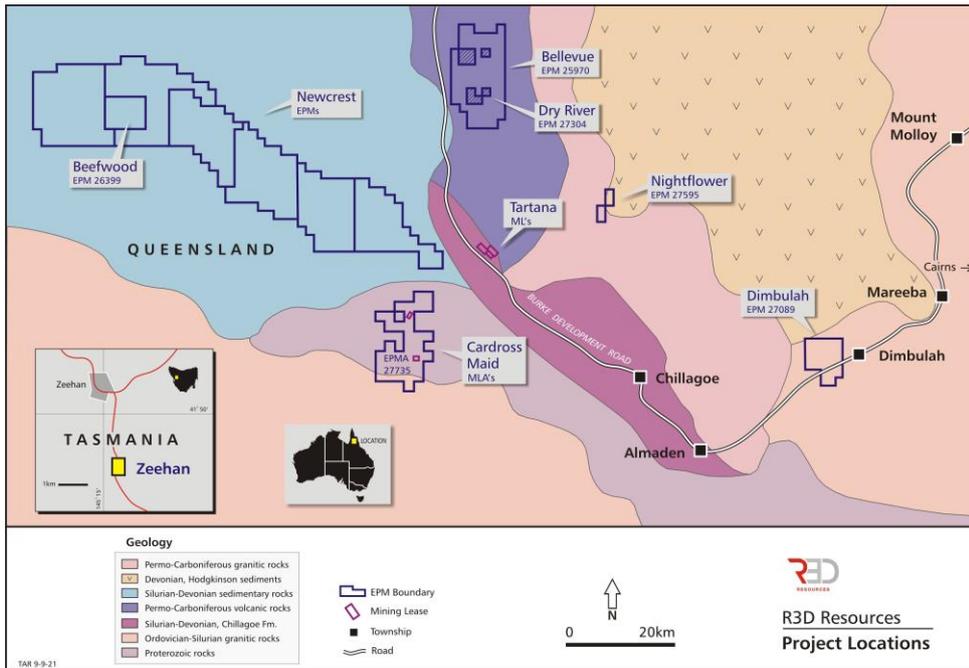
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This announcement has been approved by the Board of R3D Resources Limited.

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	Subject to Option Agreement with Three Rivers Prospecting Pty Ltd and Mr Michael Thompson
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. EPM 27735 was granted.

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")

31 March 2022

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	2,032	7,870
1.2	Payments for		
	(a) exploration & evaluation	(18)	(120)
	(b) development	(11)	(14)
	(c) production	(2,425)	(8,253)
	(d) staff costs	(228)	(797)
	(e) administration and corporate costs	(161)	(416)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	8
1.5	Interest and other costs of finance paid	(5)	(33)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (includes GST refund linked to export sales)	373	751
1.9	Net cash from / (used in) operating activities	(435)	(1,004)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	(22)
	(c) property, plant and equipment	(10)	(100)
	(d) exploration & evaluation	(139)	(1,344)
	(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	(149)	(1,175)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,250
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	-	(681)
3.5	Proceeds from borrowings	48	48
3.6	Repayment of borrowings	(10)	(653)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – increase in the Tartana environmental bond	(326)	(326)
3.10	Net cash from / (used in) financing activities	(288)	2,638

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	1,329	51
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(435)	(1,004)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(149)	(1,175)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(288)	2,638
4.5	Effect of movement in exchange rates on cash held	(23)	(76)
4.6	Cash and cash equivalents at end of period	434	434

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	434	1,329
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)	434	1,329

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	170
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		-
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, 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.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(435)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(139)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(574)
8.4 Cash and cash equivalents at quarter end (item 4.6)	434
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	434
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.76
<i>Note: if the entity has reported positive relevant outgoings (i.e. 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 – the net operating cash flows 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. As highlighted in 8.8.2, the Company announced on 5 April 2022 a capital raising of \$3.3 million to accelerate the time frame to bring our Copper Sulphate plant back into production and to undertake further exploration drilling so we expect our net operating cash flow to increase as a result.</p>

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

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 – on 5 April 2022 we announced a capital raising of \$3.3m comprising private placement of \$1 million and a 1 for 5 Entitlement Offer to eligible existing shareholders. Tranche 1 of the placement of \$500,000 was finalised on 12 April 2022 and Tranche 2 of \$500,000 is due to settle on 23 May 2022. The \$2.3 million Entitlement Offer opens on 29 April 2022 and is scheduled to close on 19 May 2022.

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 Queensland 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 April 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 – e.g. 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.