



ASX RELEASE (9 NOVEMBER 2023)

Capital Raising

1 for 5 Rights Issue to be offered to eligible shareholders with R3D expecting material cash inflows from Copper Sulphate production

Highlights:

- Placement of \$436k including \$225k from the directors at \$0.05 per share;
- Non-renounceable Rights Issue to be offered to eligible shareholders on a 1 New Share for every 5 Shares held basis at the same price with record date of 20 November 2023, raising up to \$1.5 million;
- Placement and Rights Issue participants to receive 1 Option for every 2 Shares subscribed with each option exercisable at \$0.10 expiring 31 December 2025, and to be quoted on ASX subject to regulatory approvals;
- R3D reaffirms expectation that it will be cash flow positive for the December quarter as Tartana enters commercial Copper Sulphate production backed by a 100% offtake with Kanins.

R3D Resources Limited (ASX: **R3D**) (the **Company**), advises that it is conducting a capital raising of up to \$1.91 million comprising a \$0.43 million Placement (the **Placement**) and a \$1.48 million non-renounceable entitlement offer (the **Rights Issue**). Funds will be applied towards supporting the production ramp up at R3D's Tartana Copper Sulphate production plant as it looks to move towards 24/7 operation producing 8+ tonnes per day.

Placement and Rights Issue participants will receive an Option on a 1 Option for every 2 Shares subscribed basis with an exercise price of \$0.10 per Option expiring 31 December 2025 (the **Options**), however the issue of Options to Placement participants will be subject to shareholder approval. Subject to approval from ASX and meeting any regulatory conditions, the Company will seek quotation of the Options on ASX.

R3D Managing Director, Stephen Bartrop, commented:

"We affirm our expectation of being cash flow positive on an operational basis for Q2 FY24 with our current production at Tartana being 4 tonnes per day and ramping up towards 8 tonnes a day. Buoyed by an increasing Copper price, and as Copper Sulphate is priced by reference to the LME Copper price, we expect to see strong revenues for this quarter.

"Each of your directors are supporting the Company by together investing \$225k into the Placement and we have confidence that we will see strong results in the coming period. We hope to see eligible shareholders participate with us through the Rights Issue."

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

r3dresources.com.au

Both director participation in the Placement and the issue of the Options to Placement participants requires shareholder approval which will be sought either at the upcoming Annual General Meeting with an addendum to the Notice of Meeting being issued in the coming days or at a later general meeting to be convened.

Copper Sulphate Pricing and Production

Copper Sulphate contains ~25% Copper and is accordingly priced by reference to the LME Copper price plus a premium dependent on the quality of the product. Premiums can range from \$100 per tonne through to over \$500 per tonne for Copper Sulphate that is suitable for agricultural purposes. The Company considers that its product is of a sufficient quality to warrant a premium on the upper end of that scale.

Kanins, our 100% offtake partner, is the market leader in Copper Sulphate sales in Australia. Kanins will be conducting a site visit in November to, amongst other things, assess our product quality and propose pricing terms for our initial production. Relying on their significant experience, Kanins will also be supporting a process improvement review as we look towards ramping production to 8+ tonnes of Copper Sulphate per day in the coming months.

R3D is pleased to note that Kanins have received initial Copper Sulphate production samples, and the product has met the targeted specifications.

Additional Disclosure

The Shares issued under the Placement total 8,720,000 Shares. 4,220,000 Shares will be issued on settlement of the Placement under the Company's available ASX Listing Rule 7.1 Capacity. The remainder 4,500,000 Shares will be issued subject to shareholder approval to the Directors under ASX Listing Rule 10.11. The 4,360,000 Options to Placement Participants will be issued subject to shareholder approval. Further, subject to ASX approval and meeting any required conditions the Company will seek quotation of the Options on ASX. Shares and Options to be issued pursuant to the Rights Issue do not require shareholder approval as they are pro-rata offers to shareholders.

The Company expects to determine in the coming days whether an addendum to the Annual General Meeting Notice of Meeting will be issued to consider the above matters, or if a separate meeting will be convened in due course.

Timetable

The Company provides the following indicative timetable as to the completion of the Placement and Rights Issue. The Company will provide further details on the Rights Issue including any updated timetable in a further announcement in the coming days.

Event	Date
Announcement of Rights Issue	Thursday, 9 November 2023
Announcement of Placement	Thursday, 9 November 2023
Rights Issue Prospectus Issue	Wednesday, 15 November 2023
Placement Settlement Date	Thursday, 16 November 2023
Placement Shares Issued	Friday, 17 November 2023
"Ex" date	Friday, 17 November 2023
Record Date	Monday, 20 November 2023
Rights Issue Documentation Dispatch	Thursday, 23 November 2023
Rights Issue Offer Open	Thursday, 23 November 2023
Last Day to Extend Offer	Tuesday, 12 December 2023
Offer Close Date (5pm SYD)	Friday, 15 December 2023
Deferred settlement quotation commences	Monday, 18 December 2023
Rights Issue Results Announcement	Friday, 22 December 2023
Issue of Rights Issue Securities	Friday, 22 December 2023
Trading recommences on normal T+2 basis	Wednesday, 27 December 2023

Timetable is subject to further change without notice subject to the ASX Listing Rules and the *Corporations Act*.

ENDS

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

Further Information:

Stephen Bartrop

Managing Director

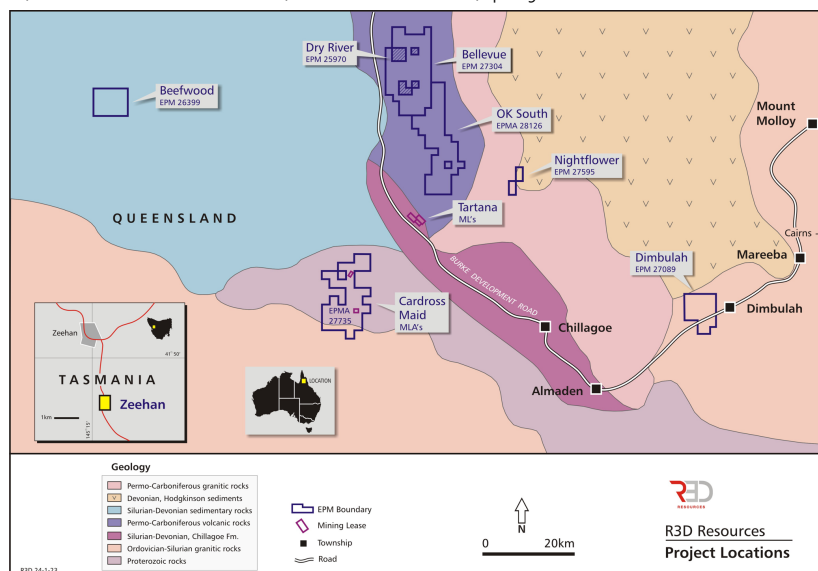
R3D Resources Limited

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About R3D Resources Limited

R3D Resources (to be renamed Tartana Minerals, subject to shareholder approval) 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.

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.