



ASX RELEASE (20 OCTOBER 2023)

## R3D Copper Sulphate Production Ramps Up

### Targeting to be Cash Flow Positive on an Operational Basis for December Quarter

#### Highlights:

- First Copper Sulphate Pentahydrate production completed in August 2023 – following completion of plant refurbishment and commissioning activities.
- Copper sulphate pentahydrate production will ramp up during this quarter at an expected production rate of 5 tonnes per shift with two process technicians being employed to manage production.
- 100% Offtaker, Kanins, has offered immediate payment terms on production.
- R3D now expects to be cash flow positive on an operational basis for the December quarter.
- Early production in August indicated further precautionary work to be undertaken and turning of the heaps to facilitate leaching of Copper.

R3D Resources Limited (ASX: **R3D**) (the **Company**), is pleased to provide an update on its Copper Sulphate Pentahydrate (**Copper Sulphate**) production following the announcement of first production at the end of the commissioning phase on 22 August 2023.

The Company now expects to ramp up production to 5 tonnes of Copper Sulphate per day shift through to the end of this quarter. Initial copper is being sourced from the ponds followed by the heaps and also copper rich solutions within the open pit. The latter is believed to be occurring from the oxidation of sulphides within spent heap material previously placed in the pit. The Company is finalising the recruitment of process technicians to assist in production.

Sales of copper sulphate pentahydrate will provide important cash flow to the Company and is priced on the LME copper price plus a premium. Kanins, the 100% offtaker of Copper Sulphate for the Company, has offered immediate payment terms on production.

With the production profile targeted for the remainder of this quarter, and with the payment terms now secured, the Company expects that it will be cash flow positive on an operational basis for the December quarter.

In order to ensure continued operational efficiency and limit risk of further downtime, the Company determined it would be prudent to conduct a thorough overhaul of the chiller circuit. This overhaul has now been completed and will lead to more reliable and sustainable production.

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

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



Figure 1. Copper sulphate pentahydrate production



Figure 2. Turning of the top and bottom heap leaches.

R3D Managing Director Stephen Bartrop commented:

“We are pleased to finally be reporting production getting into full swing at Tartana, which will see material cash inflows to R3D over time. As a first step, we are expecting to be cash flow positive on an operational basis for this December quarter – achieved both through the production ramp up and securing favourable trading terms with our 100% offtake partner, Kanins.

“With Copper Sulphate now back on track, we can return our focus towards our broader, highly prospective project portfolio with Copper, Zinc and Gold resources on our mining leases as well as increasing exploration activities.”

ENDS

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

Further Information:

**Stephen Bartrop**

Managing Director

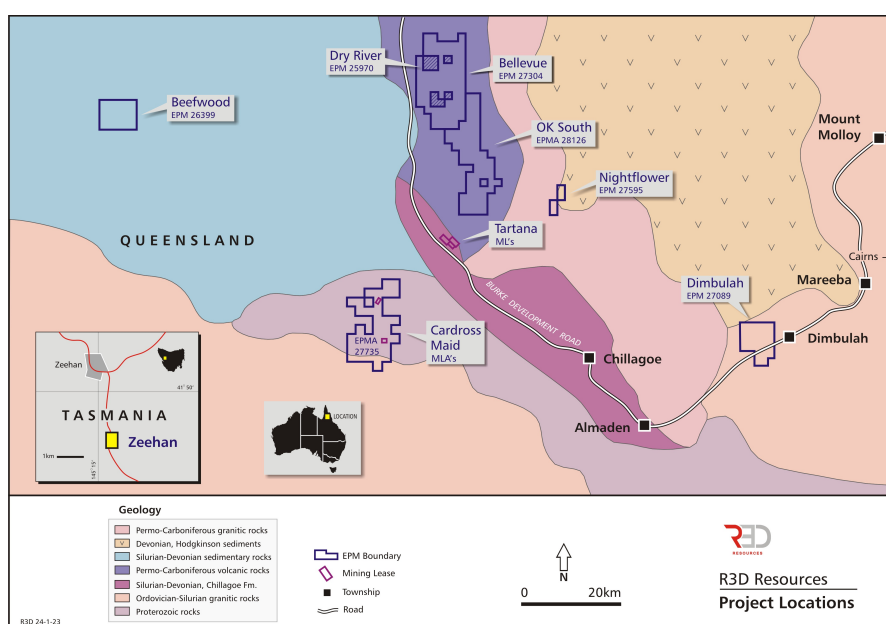
**R3D Resources Limited**

M: + 61 408 486 163

P: + 61 2 9392 8032

### About R3D Resources Limited

R3D Resources 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.