



ASX RELEASE (6 JANUARY 2023)

Beefwood/Bulimba Project Update

Highlights:

- Further interpretation of the Falcon Magnetic/Gravity survey completed in 2021 and an assessment of geochemical anomalies across the Beefwood/Bulimba Project area has enabled the ranking of key targets.
- Key targets were found to lie within the Beefwood project area including a priority target which recorded up to 282 g/t Au at survey underlain by gravity/magnetic highs.
- As a consequence of the higher project ranking on the Beefwood tenement, R3D decided not to meet the minimum expenditure commitments under the Bulimba agreement dated 19 January 2021 with Newcrest Mining Limited and this agreement has now lapsed.
- The transfer of the Beefwood (EPM 26399) is advanced with all transfer documentation lodged and R3D Shares to be issued in consideration in the coming days.
- Overall, it is anticipated that future exploration will involve reconnaissance drilling of the key targets at Beefwood given several targets are already 'drill ready' after the current wet season and providing an overall lower risk strategy.
- Elsewhere, the Company had decided not to renew the Amber Creek and Mt Hess tenements with a priority to focus on the more prospective Chillagoe region.

R3D Resources Limited (ASX: **R3D**) (the **Company**), is pleased to announce it has rationalised its Beefwood/Bulimba project by prioritising exploration on its key targets through reconnaissance drilling on its Beefwood project. As the terms of the sales agreement with Newcrest Mining Limited (**Newcrest**) dated 19 January 2021 for the potential acquisition of the Bulimba tenements was not met, the agreement to acquire the tenements has now lapsed.

The Beefwood project (EPM 26399) has been subject to the Beefwood option which R3D agreed to exercise at a reduced exercise price in May 2022 of \$192,500 (see ASX announcement dated 29 June 2022), subject to completion of the transfer process with the Vendor. The Company expects to issue R3D Shares to the Vendor on completion in the coming days. The Bulimba Project was subject to the Bulimba Agreement with Newcrest and which required R3D to meet expenditure commitments of \$335,000, initially by 20 November 2021 and, upon an extension being granted by Newcrest, by the 20 November 2022 to then enable the transfer of the tenements to R3D although these would remain subject to a 75% clawback arrangement under certain conditions. R3D has expended more than \$200,000 on the Falcon Gravity/Magnetic survey and has used this data to review the prospectivity of the Bulimba tenements. It decided not to meet the minimum expenditure levels required by 20 November 2022, and has since allowed the relevant agreement to lapse.

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

r3dresources.com.au

Beefwood/Bulimba Projects

The Beefwood project area had received little exploration in the past and historical drilling is limited to three shallow holes drilled by North Limited in the early 1990s which were well to the east of EPM26399. The deepest hole was 152m in depth but did not intersect basement (Reference: QDEX CR26209 – McInnes, 1994). The limited exploration appears to reflect explorers being discouraged by Carpentaria Basin sedimentary sequences overlying and obscuring the basement geology. However, the discovery of outcropping basement rocks by Three Rivers Prospecting Pty Ltd within the tenement suggests that the thickness of cover sequences may have been historically over estimated and may in fact be quite variable. This is supported by regional AUSAEM 20km survey lines immediate North and South of the tenement and also by 3D modelling of regional magnetic and gravity data, as well as the outcropping ignimbrite formations.

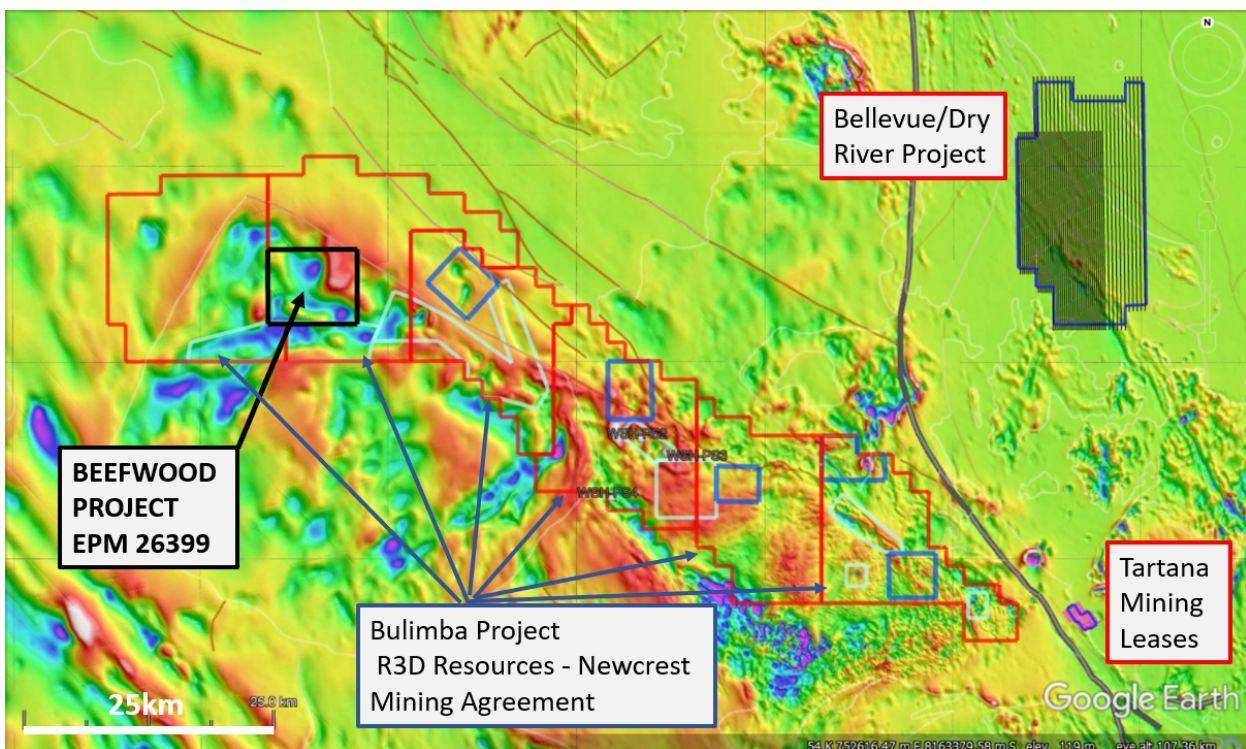


Figure 1. Location of the Beefwood Project in relation R3D Resources' Tartana Mining Leases and Bellevue/Dry River Project. Plotted on RTM Mag QLD DNRM.

The Beefwood project itself was originally selected due to a modelled density anomaly in the middle of the tenure (Figure 2a), in a region of complex magnetics (Figure 2b) and close to the Gamboola Fault zone which has been interpreted as a western extension to the Palmerville Fault zone – a major crustal feature.

Further south the Tartana copper project, the King Vol Zinc Mine, the Mungana Copper/Gold Mine and Red Dome Gold mine all lie near the northwestern trend of the Palmerville Fault.

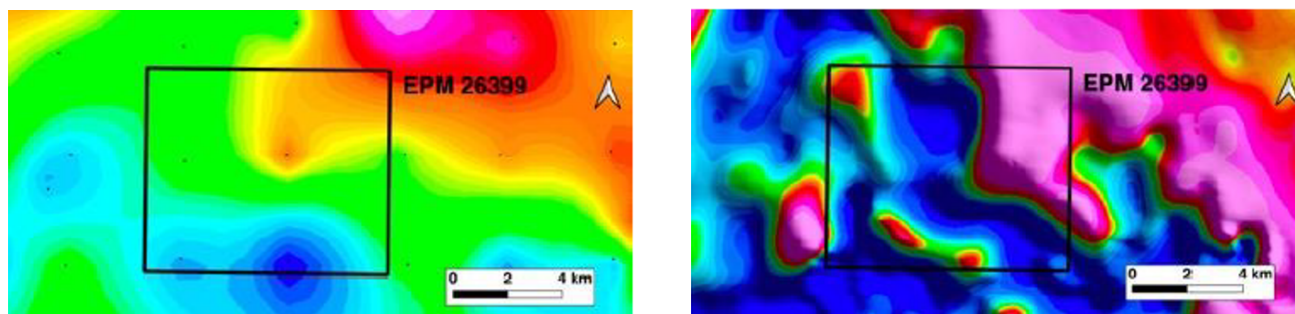


Figure 2. 2a. Bouguer Gravity 1VD, 2b. Magnetics – RTP (red – high, blue -low) overlain by Bouguer Gravity data which reinforces co-incident gravity/mag high in the centre of the tenement. (Source: TRP).

Landsat imagery combined with the identification of outcropping basement (rhyolitic ignimbrites) supports an interpretation of a series of nested calderas with a later one in the southwest corner of the Beefwood project (see Figure 3).

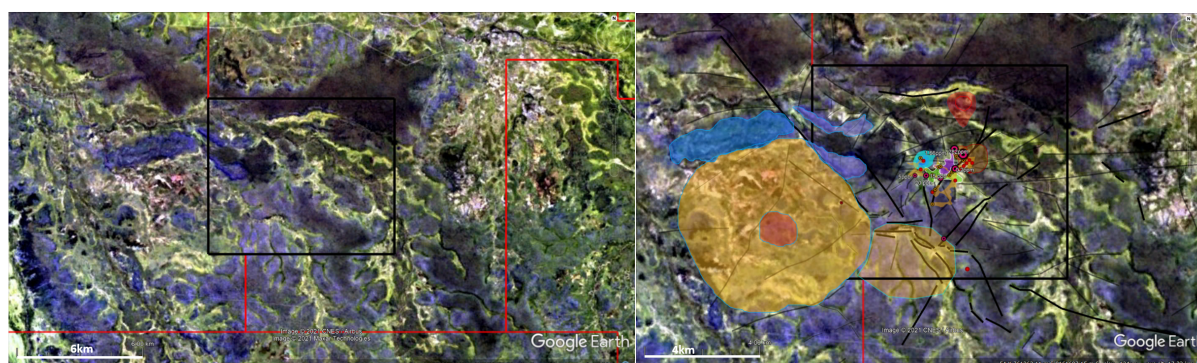


Figure 3. 3a Landsat enhanced bands 7/6/2 'Geology'. 3b. Landsat enhanced bands 7/6/2 Outcrops and inferred sub-cropping ash flow caldera's (yellow/orange). Outcropping rhyolitic ignimbrites overlain as blue polygons in figure 5b. (Source: TRP)

Three Rivers Prospecting Pty Ltd's structural interpretation is presented in Figure 6 and shows the potential later caldera in the southwest and high intensity of faulting proximal to the gravity/mag high complex in the centre of the tenement.



Figure 4. 1:100K GSQ Surface Geology. Overlain polygons (blue) represents mapped extents of outcropping felsic volcanic breccia and ignimbrite. Orange polylines represent sub-cropping (hypothesised) collapse cauldron with possible resurgent dome in centre. Black polylines are hypothesised sub-surface penetrative structures interpreted from combinations of remotely sensed data and field observations – particularly sub-surface influences on cover. The outcropping felsic volcanics may represent a partially exposed and structurally disrupted ring-dyke complex associated with collapse of the sub-circular feature. Landsat bands 7/6/2 and 5/6/2 highlight the outcrops and inferred sub-crops against the more extensive unconsolidated cover (Wyaaba beds and Bulimba formation) particularly well. (Source TRP).

Soil geochemistry surveys carried out by TRP have identified anomalous gold values and other pathfinder elements (Figure 5) which tend to be higher tenor in the region of the gravity/mag high.

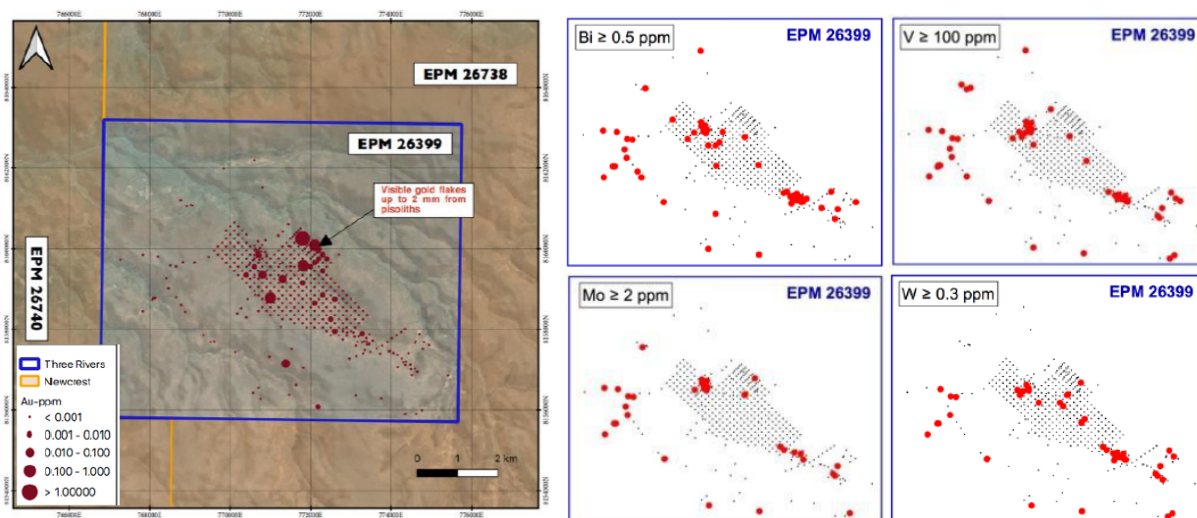


Figure 5. Soil Geochem Survey with anomalous path finder elements including gold. (Source: TRP).

The anomalous gold is particularly encouraging with crushed iron pisolite gold samples containing ragged visible gold flakes up to 2 mm in length (Figure 6).

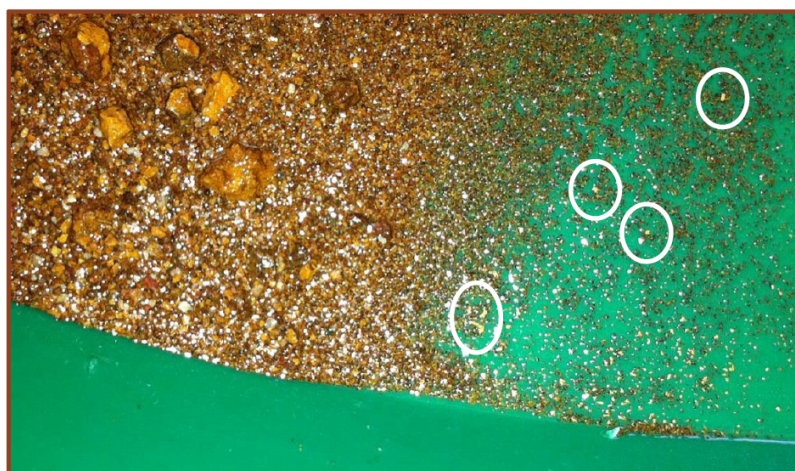


Figure 6. Crushed Iron pisolith sample containing gold grading up to 282 g/t in iron pisolites. (Source: TRP)

TRP has also identified an array of breccias in regolith samples which are interpreted to be derived from basement lithologies. The regolith contains mineralised breccia clasts. The breccia fragments contain a haematite and goethite matrix with angular quartz and volcanic clasts and in some cases are a quartz-carbonate rich breccia with tourmaline and occasional chalcopyrite in the matrix (see Figure 7).

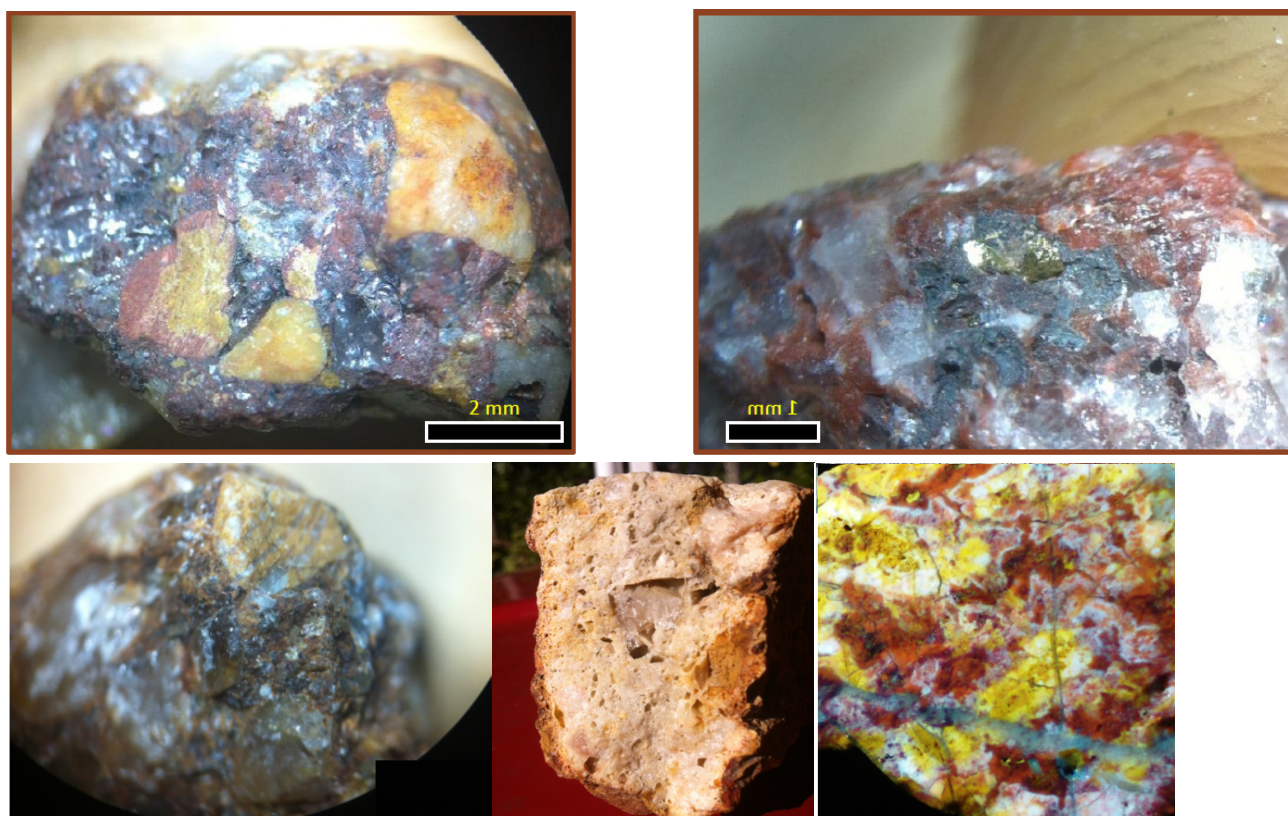


Figure 7. Clockwise from top left. 7a. Breccia fragments with haematite and goethite matrix with angular quartz and volcanic clasts. 7b. Quartz-rich breccia with tourmaline and chalcopyrite in the matrix. 7c. Low temp high acid steam alteration of intense silica stockwork breccia 9d. Possible leached cap vuggy silica and specimen (150mm across) with possible alunite growths in cavities. 9e. Epithermal sheeted veining clast in tourmaline shingle breccia fragment (Source TRP).

The distribution and composition of the pathfinder elements, the breccia regolith samples and the presence of outcropping ignimbrites suggest both the geophysical and geochemical anomalies could relate to mineralisation in the basement rocks which may not be excessively deep within the Beefwood project area.



Figure 8. Outcropping ignimbrites, which have previously been mapped as deep (non-prospective) cover by the Geological Survey of Queensland and Geoscience Australia. The volcanic lithologies include brecciated rhyolitic ignimbrite.

The Falcon gravity/magnetic survey flown in 2021 determined a number of coincident gravity and magnetic anomalies with the Beefwood project and which has assisted in identifying other targets within the project area.

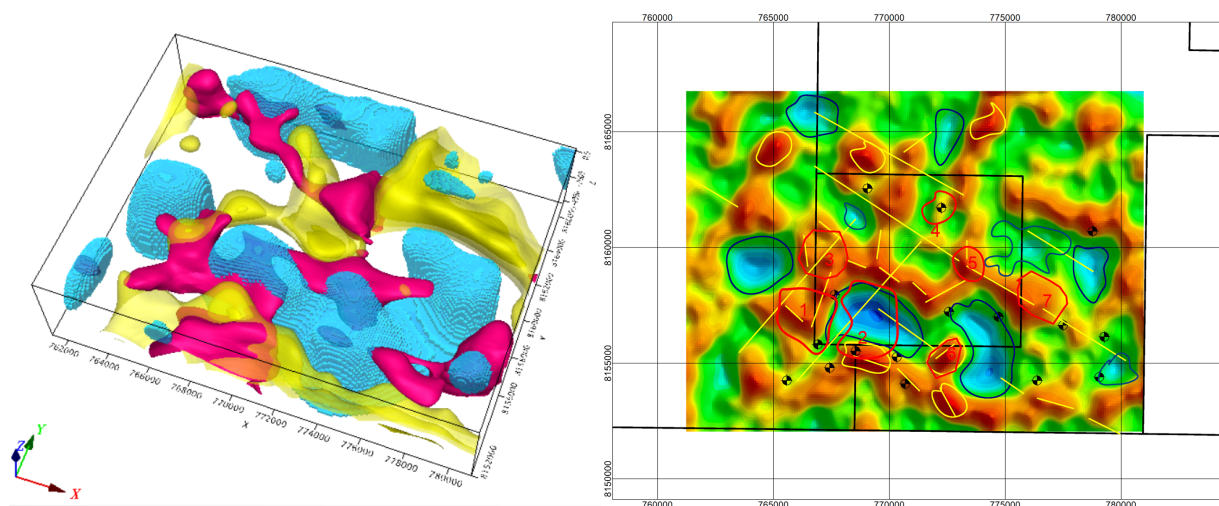


Figure 9. 9(a) Isosurfaces from the 3D model output. Low density shown in blue, high density in yellow and high magnetic susceptibility in pink. 9(b) Depth Slice through Gravity Model at 300m below surface. Black dots indicate the presence of magnetic remanence, low density zones circled in blue, high-density zones circled in yellow and potential structures shown in yellow. Potential zones of interest circled in red and labelled 1 – 7.

In summary, the Beefwood project is highly prospective based on geophysics and geochemical surveys as well as its proximity to a splay of the Palmerville Fault – a major structural feature. While the next exploration phase was to fly a Helitem survey 1H CY2023, R3D is now moving to reconnaissance drilling which will fast track exploration to test these exciting targets.

Mt Hess EPMs 18864 and 19252 Expiry

The Company has decided not to renew the small Mt Hess EPMs 18864 (2 subblocks) and 19252 (1 subblock) which represented legacy project. After a geological review of the prospectivity of the tenements for large scale copper deposits, the project was downgraded. An early drilling programme in 2012 (1640 m) failed to identify economic widths of mineralisation and a follow up mag survey didn't identify prospective anomalies. The carrying value of the project is \$440k which will be written off at the half year accounts to 31 December 2022. This amount also includes the recently expired Amber Creek project (EPM 18865).

R3D Managing Director Stephen Bartrop commented:

“With the expiry of the Bulimba agreement, the Company will focus the Beefwood project which contains the higher ranked prospects. Follow up exploration by reconnaissance drilling has the potential to test targets quickly as many are at ‘drill ready’ status and do not necessarily require additional geophysics.

The expiry of the Mt Hess EPMs will also enable the Company to focus on exploration in the more prospective Chillagoe region.

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

Further Information:

Stephen Bartrop

Managing Director

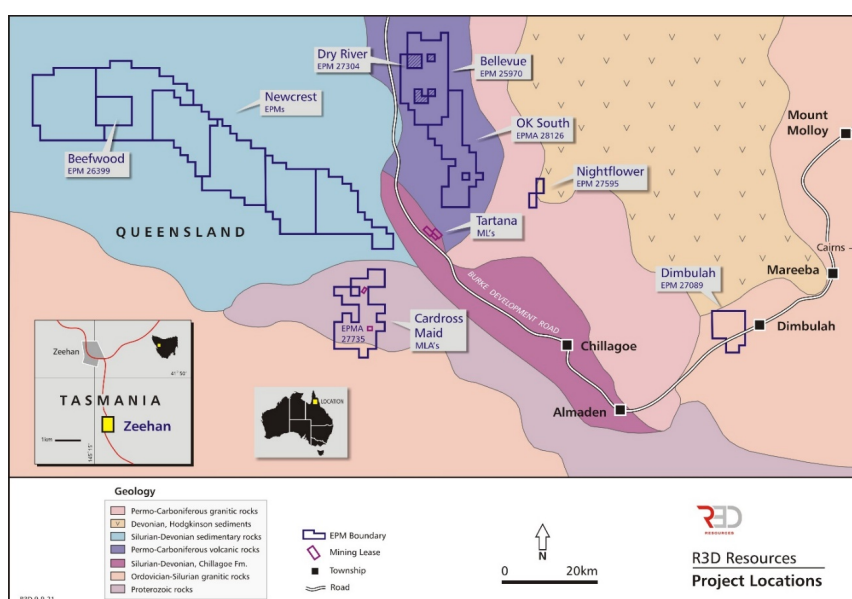
R3D Resources Limited

M: + 61 408 486 163

P: + 61 2 9392 8032

About R3D Resources Limited

R3D Resources is a significant copper-gold 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. These two projects have the potential to generate a strong cash flow to underpin the R3D’s extensive exploration activities in the Chillagoe region.



Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr Stephen Bartrop who is a Fellow of the Australian Institute of Geologists (AIG) and a Member of Australasian Institute of Mining and Metallurgy (AusIMM). Dr Bartrop has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity that is being undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Bartrop is an employee of R3D Resources Limited, and consents to the inclusion in this report of the matters based on his 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.