



ASX RELEASE (1 MARCH 2023)

## **\$500,000 \$0.15 Convertible Note Issued**

### **Highlights:**

- Existing lender has agreed to refinance \$450,000 loan due 28 February 2023 into a \$0.15 convertible note on terms attractive to the Company;
- Outstanding accrued interest over two years has been partly capitalised into the new Convertible Note, with balance to be paid in fully paid ordinary shares within the coming days;

R3D Resources Limited (ASX: **R3D**) (the **Company**), is pleased to announce that an existing unsecured lender has agreed to refinance their loan due 28 February 2023 into an unsecured convertible note on terms attractive to the Company.

The terms of the Unsecured Convertible Note are summarised in an annexure to this announcement with primary terms including a fixed conversion price of \$0.15 per share, which is a ~150% premium to the current market price of the Company's shares.

Outstanding accrued interest from the past 24 months on the existing loan is being partly capitalised into this Convertible Note (\$50,000), with the balance to be paid in shares at \$0.065 per share (\$52,206, 803,170 Shares).

Issue of the Shares will be completed under existing placement capacity pursuant to ASX Listing Rule 7.1. Conversion of the Convertible Note is subject to shareholder approval being received for the conversion capability which will be sought within the next six months.

Securing this refinancing was foreshadowed in the Company's Q3 FY23 Quarterly Update released on 31 January 2023.

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

Further Information:

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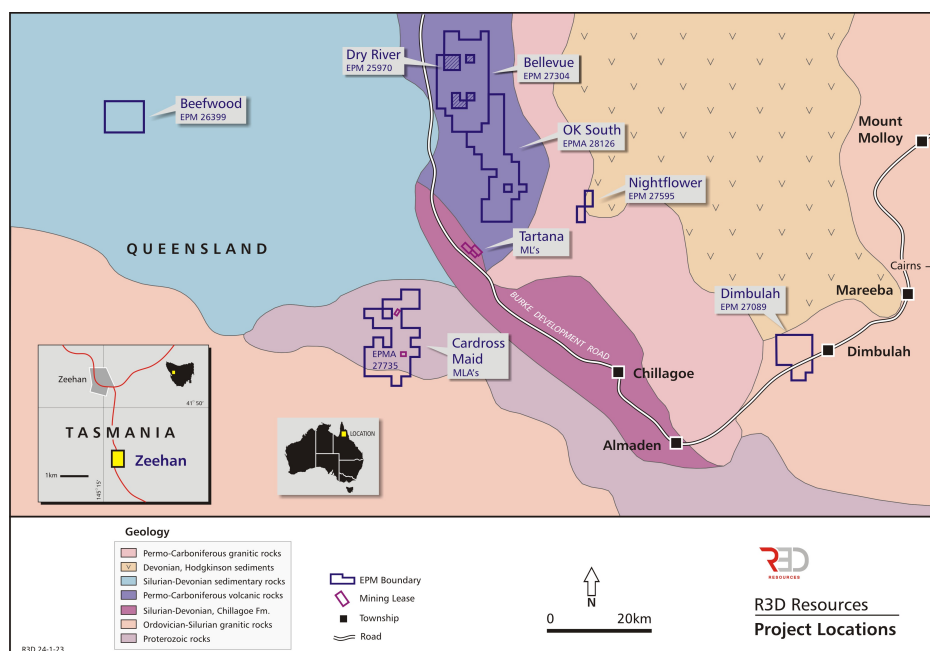
R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

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

### 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 resource estimates of 45,000 tonnes of copper at Tartana and 39,000 tonnes of zinc at Queen Grade both reported to JORC standards. Recommissioning the currently idle plant to provide future cash flow through the sale of copper sulphate is expected in H1 CY2023.



### Annexure: Terms of Convertible Note Facility

1. Issuer	R3D Resources Limited (the <b>Note Issuer</b> or the <b>Company</b> )
2. Noteholder	Yaputri Pte Ltd
3. Aggregate Face Vale	\$500,000 (\$450,000 principal refinancing, \$50,000 part capitalisation of accrued interest).
4. Issue Date	1 March 2023
5. Maturity Date	1 March 2024
6. Conversion	At the election of the Noteholder at any time prior to the Maturity Date into fully paid ordinary shares (Shares) which rank pari passu with all other Shares in R3D, subject to shareholder approval being received (note below). The Conversion Price is \$0.15 per Share.
7. Repayment	The Noteholder may not direct the repayment of the Notes in cash prior to the Maturity Date except on the occurrence of a Repayment Event. On the Maturity Date, the Noteholder must make an election in writing to either demand the repayment of the Notes in cash or convert the Notes into FPO Shares. If an election is not made by the Noteholder within 7 days after the Maturity Date, the Notes may be either repaid or converted into FPO Shares at the Company's sole discretion. Repayment Events include: <ul style="list-style-type: none"> <li>• In the event of an insolvency event in the Note Issuer;</li> <li>• In the event that the Company (and its related bodies corporate) lose their ability to continue to operate their business;</li> </ul>
8. Interest	15% per annum (simple interest) paid monthly.
9. Security	The Notes are unsecured.
10. Shareholder Approval and Listing Rules	Issue of Notes will be made without Shareholder Approval, however conversion of the Notes into FPO Shares will be subject to shareholder approval to be sought within six months of the Notes being issued.
11. Terms of Prior Unsecured Loan	The terms of the existing unsecured loan that this Convertible Note replaces has been published by the Company previously – most recently in its December quarterly reporting.