



ASX RELEASE (2 NOVEMBER 2022)

## R3D Secures Long Term Copper Sulphate Offtake

### Highlights:

- Three year 100% off-take secured with Kanins International for the exclusive sale and distribution of R3D's technical grade Copper Sulphate production at Tartana
- Kanins agreement underpins Tartana plant restart, and provides confidence in revenue generation following commencement of production at attractive pricing
- Pricing to be determined by reference to the LME Copper price (currently ~US\$7450 per tonne<sup>1</sup>)
- Agreement contemplates first production in December 2022 with a production ramp up from 200mt per month in first 8-12 months up to 500mt per month thereafter (6,000mt per annum)
- Kanins is a major international supplier of metallic salts and holds long term Copper Sulphate supply agreements with customers in the industrial, animal feed, agricultural and aquacultural markets globally
- Kanins previously held sale and distribution rights to Copper Sulphate produced at Tartana under previous owners brand 'Solomon's Copper'
- Kanins to provide additional technical services through final plant restart activities into initial production

R3D Resources Limited (ASX: **R3D**) (the **Company**), a significant copper-gold explorer and developer in the Chillagoe Region in Far North Queensland, is pleased to announce that it has executed a binding Heads of Agreement with Kanins International Pty Ltd (**Kanins**) to be the sole distributor and seller of Copper Sulphate from the Company's Tartana plant (the **Agreement**).

Pursuant to the Agreement, Kanins has committed to purchase 100% of the technical grade Copper Sulphate produced by R3D over an initial 3 year period.

Dr Stephen Bartrop, Managing Director of R3D commented:

"The agreement with Kanins underpins our Tartana Copper Sulphate plant restart activities and represents a major milestone in bringing this project into production.

"We are pleased to be working closely with a recognised world leader in this market, who will provide not only a guaranteed offtake of the Company's Copper Sulphate production at an agreed price, but will also support the production activities with their deep technical knowledge and operational understanding of the Copper Sulphate market.

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<sup>1</sup> LME 3 month contract closing price at 1 November 2022.

The pricing of the Copper Sulphate sold to Kanins is determined by reference to the London Metals Exchange (LME) Copper price at that time. Kanins will sell Copper Sulphate produced by R3D under its own 'Kanins' brand.

The Agreement contemplates R3D commencing first production in December 2022, with production ramping up over the following 8 to 12 months from 200mt per month up to 500mt per month thereafter. Irrespective of whether the Company's production profile is below or exceeds this target, Kanins will continue to be required to purchase 100% of all produced Copper Sulphate.

The Company and Kanins will separately explore the potential to supply the agricultural industry with feed grade Copper Sulphate.

Kanins Managing Director, Simone Watt commented:

"We are excited to be working with R3D at the Tartana Copper Sulphate plant which has previously been proven to produce high quality technical grade Copper Sulphate for the industrial market.

"Given the current market and supply chain conditions, high quality local supply of Copper Sulphate is in strong demand which gives us confidence in agreeing to a 100% offtake from R3D.

"We look forward to working closely with R3D, bringing our depth of expertise in Copper Sulphate global marketing for this product."

#### Kanins International

Kanins International is the market leader in supply of copper sulphate for the industrial, feed, fertilizer and algaecide industries. Historically, Kanins was the exclusive distributor and agent for Solomon's Copper Australia, the previous operator of the plant prior to Tartana Resources (a subsidiary of R3D Resources) acquisition of the project. Accordingly, Kanins brings a significant wealth of expertise on the Copper Sulphate market.

Kanins and R3D will work closely on the final stages of the Tartana plant restart as well as looking towards future process and production optimisation.

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

Further Information:

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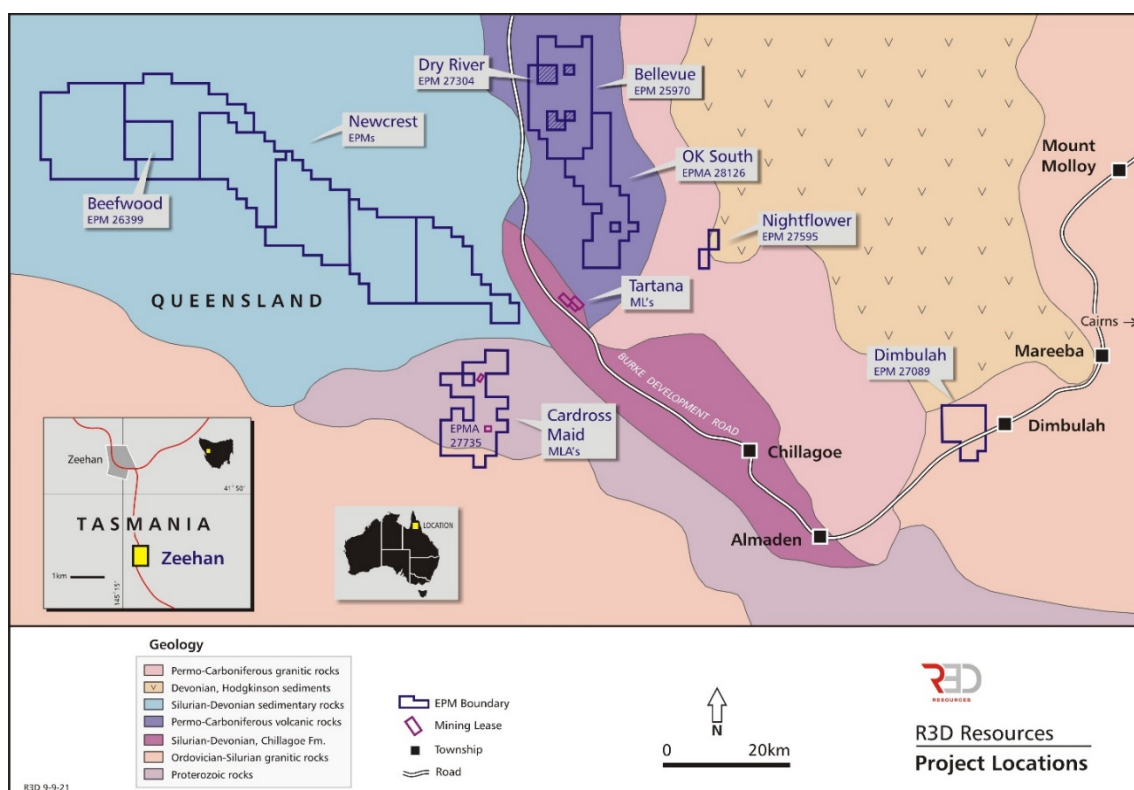
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### About Kanins International Pty Ltd ([kanins.com](http://kanins.com))

Kanins International is the market leader in supply of metallic salts for the feed, fertilizer and pesticide industries. Our success lies in our strategic supply partnerships, a global network of suppliers leading in innovation and research. Through our long term relationships and reciprocal investments we offer unsurpassed quality and consistency. We offer products that pass our strict audit and quality controls and have a strong emphasis on safety, acknowledging that our due diligence is paramount to our customers' success.

### 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.



### 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.