



ASX RELEASE (5 DECEMBER 2022)

## Substantial cash margin improvement on Zeehan Slag

### Highlights:

- Near 300% cash margin increase to approx. A\$15 per tonne achieved on Zeehan zinc slag exports due to favourable foreign exchange movements, cost savings, and pre-paid rehabilitation costs;
- Approx. 11,000 tonnes shipped in September, 20,000 tonnes in November, and next shipment of 20,000 tonnes expected to commence loading on 7 December 2022;
- The current shipment and several upcoming shipments have potential to generate significant additional cash which will be applied towards near term commencing of production at Tartana;
- Additional cash generation, complemented by Tartana production ramp up in early 2023, brings R3D closer towards becoming self-funded explorer;
- Further shipments of approx. 20,000 tonnes every four to six weeks from December 2022 until stockpiles are depleted.

R3D Resources Limited (ASX: **R3D**) (the **Company**), is pleased to provide an update on the Company's Zeehan low grade furnace slag/matte shipments, including a substantial increase in margins achieved through favourable forex movements, cost reduction initiatives and pre-paid rehabilitation costs.

R3D resumed Zeehan shipments in September 2022, since which two shipments have been completed – 11,000 tonnes aboard M/V Key West in September, and a second shipment of approx. 20,000 tonnes aboard M/V Eibe Oldendorff in early November. The next shipment is for approximately 20,000 tonnes and is scheduled to be loaded on the M/V Ken Breeze commencing on 7 December 2022.

The Company's agreement for the sale of this material is in USD and accordingly the fall in the AUD/USD over the past months has resulted in an increase in sales margins. Combined with several cost savings initiatives and the pre-payment of rehabilitation costs, the cash margin has increased to approximately A\$15 per tonne. This is a near a 300% increase over the A\$5 per tonne average cash margin achieved on shipments completed in 2021 and early 2022.

The materially higher margin over the remaining stockpile will provide important positive cash flows which will be directed towards further progressing the Tartana Copper Sulphate Plant commencement and fund a ramp up in targeted exploration in 1H CY2023.

The Company expects to continue to ship approx. 20,000 tonnes every four to six weeks from December 2022 until stockpiles are depleted.

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

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

R3D Managing Director Stephen Bartrop commented:

“The significantly improved cash margins are coming at an important time for the Company as it nears commencement of production at its Tartana Copper Sulphate plant, with a 100% offtake now secured, and looks forward towards prioritising high impact exploration activities in 2023. It is a step closer to the Company meeting its strategy of becoming a self-funding explorer.”

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

Further Information:

**Stephen Bartrop**

Managing Director

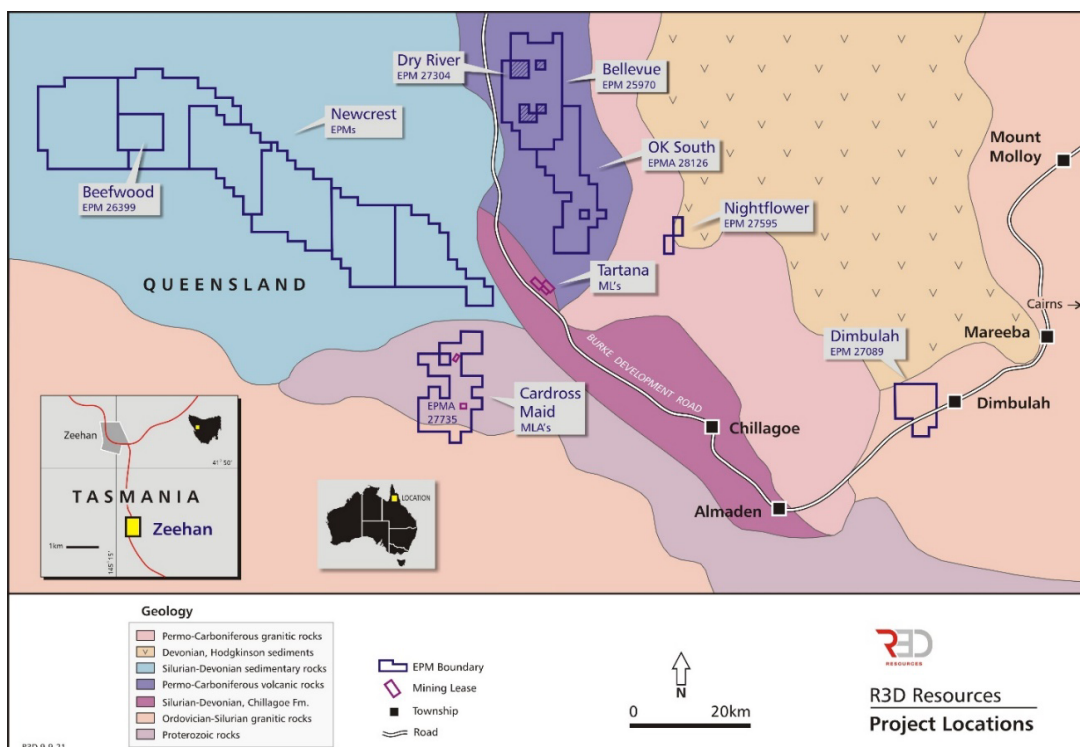
**R3D Resources Limited**

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 and Mineral Resources is based on information compiled by Mr Wayne (Tom) Saunders who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), and a Member of the Australian Institute of Geologists (AIG). Mr Saunders has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity that is being undertaken 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.' Mr Saunders 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.

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Geoff Reed who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM (CP)), and a Member of the Australian Institute of Geologists (AIG). Mr Reed has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity that is being undertaken 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.' Mr Reed is a consultant 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.