



ASX RELEASE (19 OCTOBER 2023)

R3D Secures Convertible Note Roll-over at \$0.10

Highlights:

- Chairman, Jihad Malaeb, will roll-over Convertible Note maturing 31 October 2023 into a new Convertible Note for another 12 months
- Unsecured noteholder, Yaputri Pte Ltd, has also agreed to roll-over Convertible Notes maturing 1 March 2024 for a further 12 months
- Discussions ongoing with \$1m secured Noteholders maturing 27 January 2024 as to roll-over however Company remains confident of ability to finance any redemptions out of future cashflows from Tartana Copper Sulphate and other ongoing operations

R3D Resources Limited (ASX: **R3D**) (the **Company**), is pleased to provide an update on the restructuring of Convertible Notes, including the Notes held by the Chairman of the Company.

R3D Chairman, Jihad Malaeb, commented:

“In spite of the previous delays and complications, I am confident that R3D is now well placed to ramp up production at our Tartana Copper Sulphate Plant through to the end of 2023 and beyond, as well as continue to see cash inflows from our Zeehan Zinc Slag project.

“With that in mind, I have agreed to a 12 month roll-over of my existing Convertible Notes and am pleased to announce that another Noteholder is following suit. We will continue discussions with other Noteholders. However even if those Notes are to be repaid in January 2024, R3D remains confident that it will have the cash inflows to support such repayment.”

Chairman commits to roll-over of \$0.5 million Convertible Note

Mr Malaeb is the holder of a \$0.5 million Convertible Note which matures on 31 October 2023, and is convertible at \$0.15 per Share. Mr Malaeb has elected for his Convertible Note to be redeemed in cash at maturity given the Note is presently convertible at \$0.15 per share.

However, Mr Malaeb has expressed a desire to continue to be a Noteholder in R3D and accordingly, subject to shareholder (and regulatory) approval to be sought at the upcoming 2023 AGM, the Company will issue to Mr Malaeb a new Convertible Note on the following terms:

Face Value	\$500,000, being the \$500,000 that will be outstanding to Mr Malaeb as and from 1 November 2023
Interest Payments	15% per annum paid monthly in cash
Maturity	30 November 2024

R3D Resources Limited (ASX: R3D)

ACN: 111 398 040

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Repayment	The Lender may elect to demand repayment in cash at maturity if not converted.
Security	The Convertible Note will be unsecured.
Conversion into Shares	The Lender may elect for the Loan Amount to be repaid in Shares at any time at or before Maturity at a fixed conversion price of \$0.10 per share resulting in the issue of up to 5,000,000 FPO.

In the period between the maturity of the existing Convertible Note (31 October 2023) and the issue of the new Convertible Note (subject to shareholder and regulatory approval at the 2023 AGM), the Company will effectively be borrowing \$0.5 million from Mr Malaeb at 15% per annum paid monthly in cash. In the event that shareholder or regulatory approval is not received for the new Convertible Note, Mr Malaeb may demand repayment of \$0.5 million from the Company at any time from 31 October 2023. There are no other material terms of the arrangement between Mr Malaeb and the Company as to the \$0.5 million owing to him on and from 1 November 2023.

Unsecured noteholder commits to roll-over of \$0.5 million Convertible Notes

Yaputri Pte Ltd (**Yaputri**) is the holder of \$0.5 million in Convertible Notes which mature on 1 March 2024. Subject to shareholder (and any regulatory) approval to be sought at the 2023 AGM, the Company will, by mutual agreement, terminate the existing Convertible Notes and reissue to Yaputri new Convertible Notes on the following terms:

Lender	Yaputri Pte Ltd
Borrower	R3D Resources Limited
Aggregate Face Value	\$500,000, replacing the existing Convertible Notes held by Yaputri, each with a face value of \$1 (500,000 Convertible Notes)
Interest Payments	15% per annum paid monthly in cash
Maturity	1 March 2025
Repayment	The Lender may elect to demand repayment in cash at maturity if not converted.
Security	The Convertible Note will be unsecured.
Conversion into Shares	The Lender may elect for the Loan Amount to be repaid in Shares at any time at or before Maturity at a fixed conversion price of \$0.10 per share resulting in the issue of up to 5,000,000 FPO.

This releases a further \$0.5 million in near term liabilities for R3D and allows the Company to focus on the ramp up of Copper Sulphate production at Tartana and exploration activities.

Discussions ongoing with \$1 million secured Noteholders

The Company is in discussions with the Noteholders of the \$1 million secured Convertible Notes due to mature on 27 January 2024 as to either a partial or full roll-over for up to a further 12 months. At this stage, the Company is not in position to provide a definitive update. In the event these Convertible Notes are not rolled-over the

Company remains confident of its ability to repay these Convertible Notes at maturity funded through cash receipts from Copper Sulphate sales at Tartana and other ongoing operations.

Further \$0.5 million Note Drawdown

In December 2022, the Company entered into an agreement which provided Convertible Note funding of up to \$1.5 million of which \$1 million was drawn in January 2024 (and noted above). A further \$0.5 million was drawable at the Company's election, which it gave notice to drawdown in June 2023. However, as at today that party (who is not a holder of any of the \$1 million Convertible Notes discussed above) has failed to meet their obligations to R3D. Without prejudice to the Company's rights to pursue that party, and as disclosed in the 2023 Annual Report, the Company has considered that the likelihood of it receiving those funds is low, although the Company continues to consider legal action against that defaulting party.

Nightflower Option Exercise – Variation to Agreement

The Company refers to its prior announcement confirming the acquisition of the Nightflower Silver Project by R3D (ASX Ann: 20 September 2023). In further discussions with the Vendors prior to the final issue of 2,500,000 R3D Shares as consideration for the acquisition, the Vendors requested the Company consider a reduction in the period the R3D Shares issued to them will be escrowed for. This request was made on the basis that the period between the exercise of the Option by R3D and the final transfer of Nightflower to R3D was some 12 months – and not due to fault of the Vendor or R3D. The Company has agreed to such proposal and will accordingly issue to the Vendors of Nightflower in the coming days 2,500,000 Shares in R3D which will be held in voluntary escrow for six months from their date of issue, rather than twelve months. A 'Proposed Issue of Securities' will now be released to ASX today, with an issue to be completed in the coming days.

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

Further Information:

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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.

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.