



Proposed acquisition of Tartana by R3D Global Ltd (ASX Code: R3D)

9th December 2020

Dear Shareholder

We are pleased to announce that Tartana Resources Limited (**Tartana** or our **Company**) has been approached by the Board of an ASX listed but suspended company called R3D Global Limited (ASX Code R3D), to provide a listing vehicle for Tartana shareholders by way of a reverse takeover.

In principle advice has been received from the ASX for the proposed re-listing of R3D on the basis of the acquisition of Tartana, a successful capital raising in early 2021, and an application for re-listing lodged with the ASX prior to 18 February 2021.

The two companies have now signed an implementation deed which outlines the terms of the takeover of Tartana by R3D (**Transaction**) and both the Tartana and R3D teams are working towards a tight calendar for a re-listing in March 2021. It is to be noted that upon completion, the Transaction will result in a “reverse takeover” of R3D by Tartana as Tartana will acquire control of R3D.

The essential terms of the Transaction are as follows:

- An offer by R3D to Tartana Security Holders (subject to conditions precedent and other terms) of:
 - I. one (1) R3D Share per each Tartana Share held by a Tartana Security Holder;
 - II. one (1) R3D Option per each five (5) Tartana Shares held by a Tartana Security Holder; and
 - III. one (1) R3D Option per each Tartana Option held by a Tartana Security Holder;provided that:
 - a. R3D undertakes a 1 for 4 consolidation
 - b. There is a minimum 90% acceptance of Tartana Shares on issue; and
 - c. R3D will be re-listed on the ASX and the quotation of R3D Shares will occur within 20 business days after completion.

Other aspects of the Transaction include the elements previously advised i.e.:

1. The ‘value’ of the offer will be \$14.2 million based on a 20 cent R3D share price;
2. The market capitalisation of R3D after raising \$4,250,000 at 20 cents per share and completing the acquisition of Tartana will be approximately \$21.4 million.

The proposed indicative calendar for the Transaction includes an annual general meeting for Tartana in the New Year in time for the transaction to complete and a proposed re-listing mid-March 2021.

Conditions precedent to the completion of the Transaction are summarised in Appendix 1 below. R3D announcements to the market can be found on the ASX website.

Copper Resource Update

The Company has been reviewing historical drilling including drilling by Majestic Resources conducted by Mr Tom Saunders, a geologist now working with Tartana Resources. This has enabled Blues Point Mining to estimate a JORC 2012 compliant inferred resource for the supergene mineralisation in the base of the pit and which has potential to form part of the resources designed to underpin the restart of the copper sulphate

plant which is currently on care and maintenance. The potential mining of this resource would follow copper extraction from the ponds and the heaps and would potentially be concurrent with the mining of copper oxide mineralisation to the north of the pit. This copper mineralisation has been identified in previous drilling but not to the extent that it is able to be classified as resources under the JORC 2012 code.

The copper oxide mineralisation and the supergene mineralisation below have the potential to be processed in the heap leach – solvent extraction – crystallisation operation whereas deeper copper mineralisation which remains untested by drilling in the north of the pit would be processed by a conventional flotation process.

The table below outlines the estimated supergene copper resource at various copper cut-off grades.

Classification	Cut off grade	Ore Tonnes kt	Cu grade	Cu tonnes
	Cu%		Cu %	
Inferred	0.5	175.6	1.5	2,634
Inferred	1.0	139.3	1.7	2,368
Inferred	1.5	79.8	2.1	1,676

Second Zeehan Zinc Low Grade Furnace Slag/Matte Shipment

Tartana is pleased to report that the second 22,000 tonne shipment was exported to South Korea from the Burnie Port in late November. This completes the two trial shipments under an existing trial permit which allowed for the export of 100,000 tonnes and which was granted to the previous owner in 2010.

Tartana is applying for permits in a two staged process to export the remaining 400,000 tonnes in the stockpiles and the Stage 1 Notice Of Intent has been lodged with the Tasmanian EPA and the EPA has now outlined the work required for the application.



Figure 1. Loading of the second Zeehan zinc low grade furnace slag/matte shipment.

Financing for operations

We are pleased to announce that Tartana has successfully completed an oversubscribed private placement raising \$825,228 with the issue of 6,601,827 fully paid ordinary shares at 12.5 cents. This follows an earlier placement raising \$250,000 at 12.5 cents per share in July 2020.

Annual Report

We have posted the annual report for the year ended 30 June 2020 on our website and which is available at: <http://tartanaresources.com.au/wp-content/uploads/2020/12/2020-Financial-Report.pdf>

We are excited by the proposed reverse takeover as R3D provides a route to listing Tartana on the ASX and since the R3D announcement several significant Tartana shareholders have already expressed a positive view on the transaction. R3D's existing shareholder base is also supportive of the transaction.

Successful execution of the transaction will also provide the Company with additional funding to accelerate our exploration and development activities while also providing the Company with greater flexibility with our future growth options.

We look forward to providing further updates as the transaction moves forward. Meanwhile we are continuing to progress our exploration and development activities in north Queensland as well as progressing the Zeehan zinc slag permitting in Tasmania.

Yours sincerely,



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Tartana Resources Limited

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Appendix 1. Condition Precedents of the Transaction

Completion is subject to the following conditions precedent:

- a. R3D obtaining approval under Foreign Acquisitions and Takeovers Act 1975 (Cth) or written legal advice that the takeover does not come within the scope of that Act;
- b. Each Tartana Security Holder providing executed Share Sale Agreements consistent with the terms of the Transaction;
- c. Redemption (into cash) or conversion (into shares) of all Tartana Convertible Notes;
- d. A prior 4 for 1 consolidation of R3D Shares;
- e. Cancellation of Tartana Options with replacement by R3D Options (5-year term and \$0.40 exercise price);
- f. R3D Shareholder approval under ASX Listing Rules, Corporations Act, inclusive of approval of consolidation, appointment of new directors and new auditor, and for the purpose of the issue of R3D Securities to Tartana Security Holders;
- g. Complying with s606 of the Corporations Act (takeover rules);
- h. ASX approval of the re-listing of R3D;
- i. Obtaining any other regulatory approvals;
- j. ASX granting R3D a waiver in relation to the application of Chapter 9 of the ASX Rules resulting in the securities of Tartana Security Holders being treated not less favourably than if Tartana were undertaking a direct initial public offering under Chapter 1 of the ASX Rules;
- k. R3D meeting the requirements of Chapters 1 and 2 of the Listing Rules;
- l. R3D Security Holders agreeing to enter into escrow agreements as required by the ASX;
- m. Tartana Security Holders agreeing to enter into escrow agreements as required by the ASX;
- n. Completion of a public offer of a minimum subscription, by a minimum of 300 unrelated investors, to 21,250,000 FPO shares at 20 cents a share with one 5 year, 40 cent option issued for every 5 shares subscribed for;
- o. Tartana conducting due diligence of R3D to its satisfaction;

- p. R3D conducting due diligence of Tartana to its satisfaction;
- q. R3D and Tartana being satisfied that the market conditions are conducive to a successful capital raising sufficient to meet the minimum subscription and the conditions of the ASX;
- r. R3D Directors nominated by Tartana resigning from R3D Board; and
- s. Addressing any issue that needs to be addressed prior to Re-listing, which may result from the due diligence, to R3D's and Tartana's satisfaction.