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31 August 2021

R3D Resources Issues Shares for Beefwood (EPM 26399) Option

R3D Resources Limited (R3D Resources or Company) refers to the Company's announcement of 3 August 2021 and advises that it has issued 1,925,000 shares to acquire the option to purchase the Beefwood Project (EPM 26399). Further information on the Beefwood Project is enclosed below. The shares have now been issued to Three Rivers Prospecting Pty Ltd and Mr Michael Thompson.

The Company has until to 31 May 2022 to exercise the option under the following terms:

1. The purchase price is \$385,000 in shares priced at the one-month VWAP immediately prior to the option exercise notification; and
2. A residual 1% NSR royalty on any production is payable to the parties.

As part of the transaction The Company has a minimum expenditure commitment of \$125,000 prior to 31 March 2022.

For further information

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

Beefwood Project (EPM26399) Update

As reported in the Company's announcement of 3 August 2021, the Beefwood Project (EPM 26399) is strategically located within the Bulimba project area and provides continuity in the western portion of the Bulimba package. Bulimba is subject to the Bulimba Project Sale Agreement with Newcrest Operations (Newcrest) and which is also outlined in the earlier announcement. Within the far western Bulimba project area and extending into the western part of the Beefwood project, R3D Resources has mapped in outcrop over 620 hectares of previously unrecognized basement ignimbrite volcanics. These previously unknown inselbergs occur in areas mapped as Tertiary Carpentaria-Karumba sediment cover at least 60km from Paleozoic basement rocks outcropping further to the east and provide encouragement that the sediment cover this far west is not prohibitively deep.

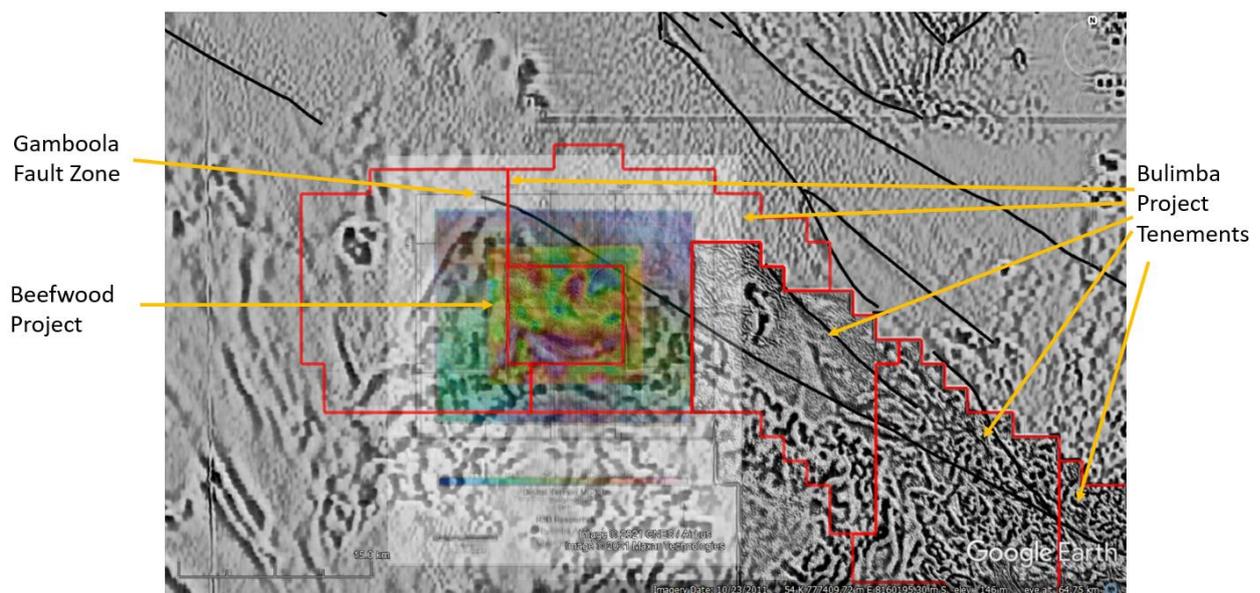


Figure 1. High resolution magnetics reveal intense magnetic complexity with multiple reversed magnetic lows (hot colours) coincident with favourable structural zone between a large, buried Permian pluton south of the tenement and the deep tapping Gamboola fault marked by the black line.

The regional magnetics in Figure 1 define a northwest trending deep crustal structure known as the Gamboola Fault zone and which is also evident in gravity surveys. This structure is interpreted as a splay off the Palmerville Fault and could provide pathways for mineralized intrusions.

The Company completed a Falcon Gravity/Magnetic survey in early August 2021 across the Beefwood project and parts of EPMs 26738 and 26740, the most westerly EPMs in the Bulimba package. The data from this survey is still being processed for 3D modelling. However, the Gamboola Fault zone is interpreted to be the disrupted and partially subsumed edge of the gravity 'high' (reddish pink) in the northeast corner of the Beefwood tenement in Figure 2 and is therefore further south than the earlier interpretation in Figure 1. In addition, the lighter zones immediately to the southwest of the major lithological contact are interpreted to represent large scale silica veining and alteration zones whereas previously they had been interpreted to be associated with drainage features. They also offer the potential that future targets can be derived from the full spectrum of porphyry/epithermal systems.

The preliminary data also confirms earlier interpretations that anomalous soil geochemistry coincides with the major contact, represented as a gravity high but adjacent reversed magnetic lows (identified in Figure 2 by the location of the sampling). This also coincides with the intersection of several phases of interpreted north-east and northwest fault structures and associated igneous activity.

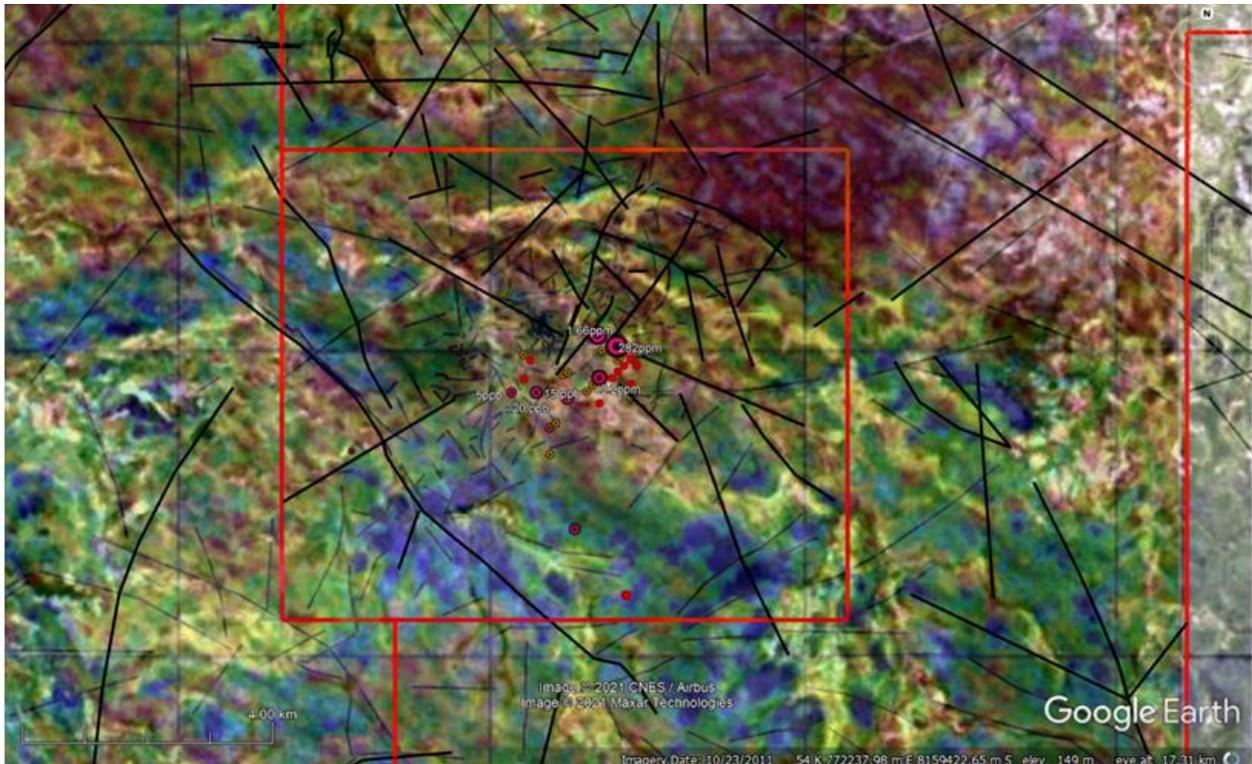


Figure 2. Falcon Gravity Survey combined with Landsat imagery. Sampling is surface gold values as detailed in the Company’s announcement dated 3 August 2021.

Next Steps

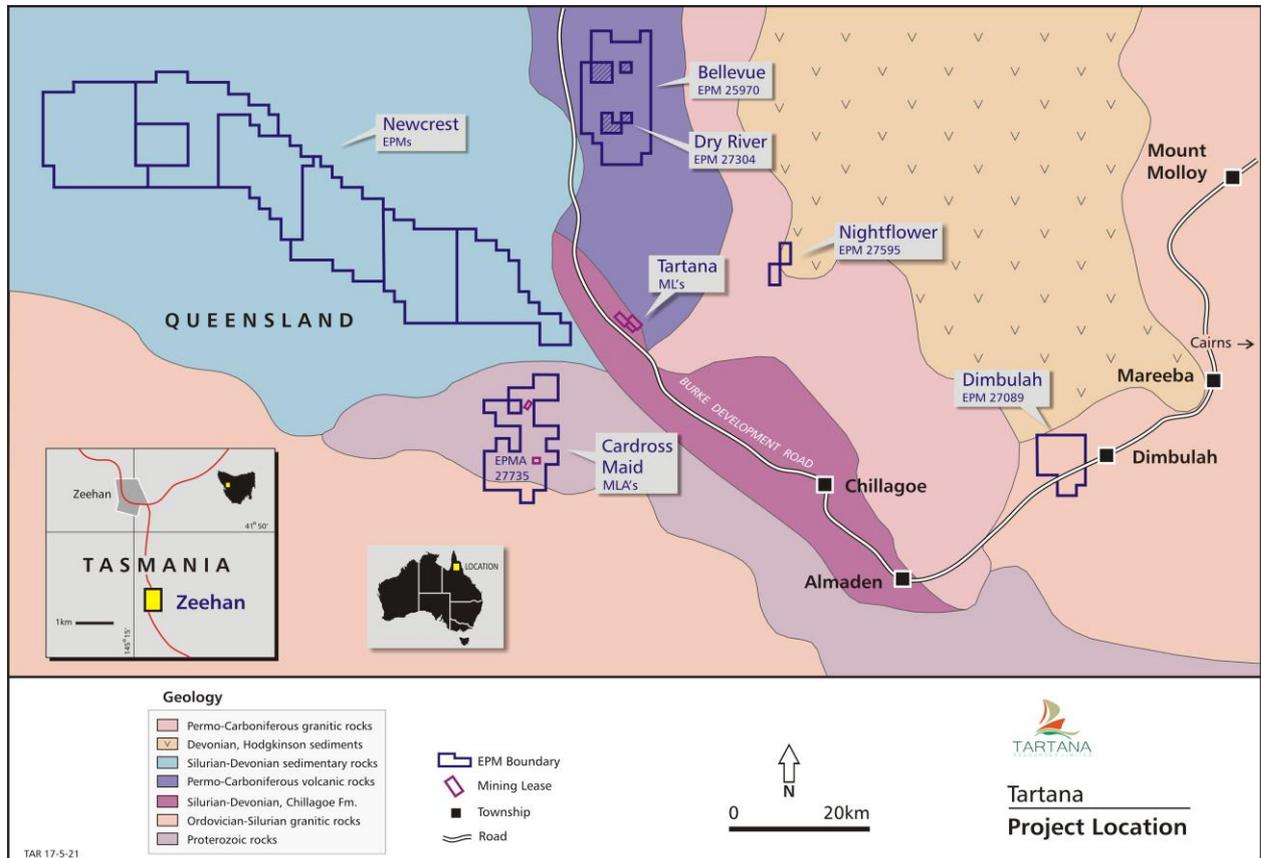
While a detailed review of all the data will be conducted at the completion of the Falcon data processing (due 7 September 2021), the preliminary review supports the prospectivity of the region and particularly the previously identified target in the middle of the Beefwood tenement.

The Company is planning a Helitem survey in March/April 2022 to identify new and potentially upgrade existing targets in the Beefwood/Bulimba tenement package, however the quality of the existing target described above may warrant earlier test drilling during 2021.

About R3D Resources

In July 2021 R3D Resources Limited acquired Tartana Resources Limited, a significant copper-gold explorer and developer in the Chillagoe Region in North Queensland. The Company 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 is shipping zinc slag to South Korea. These

two projects have the potential to generate a cash flow to underpin the Company's extensive exploration activities in the Chillagoe region and which are also outlined in its Prospectus dated 26 May 2021.



Qualifying statement

The information in this Report that relates to Exploration Information is based on information compiled by Dr Stephen Bartrop who is a fellow of the Australian Institute of Geoscientists. Dr Stephen Bartrop, Managing Director of R3D Resources, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Stephen Bartrop is a full-time employee of R3D Resources and consents to the inclusion in this announcement of the Exploration 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.