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R3D Resources Signs Copper Oxide MOU with Ark Mines

HIGHLIGHTS

- **MOU to provide R3D with oxide copper ore for treatment in R3D's heap leach – solvent extraction – crystallisation plant located on its Tartana mining leases near Chillagoe**
- **R3D to purchase copper ore containing up to 2,375 tonnes Cu recovered copper per annum to form part of the copper feed mix to the plant**
- **Copper price to be based on the prevailing price, grade and expected recoveries**
- **MOU provides for R3D and ARK to work collaboratively to enable ARK to commence resource drilling**

R3D Resources Limited (ASX:R3D), a significant copper-gold explorer and developer in the Chillagoe Region in Far North Queensland, is pleased to announce that it has signed a Memorandum of Understanding (**MOU**) with Ark Mines Limited (ASX:AHK) (**ARK**) enabling R3D to purchase and process oxide ore through its heap leach – solvent extraction – crystallization plant (**Plant**) (at a price based on the prevailing copper price, grade, recoveries and metallurgical factors).

R3D is working to restart the plant which has the capacity to process leached copper into copper sulphate for sales into the Queensland mining industry. First production is targeted in the September Quarter this year following a 6-month refurbishment period. R3D's Tartana operations are located approximately 150 km from Mt Garnet.

The MOU between the parties provides the framework for the potential supply and sale of oxide copper ore to R3D with both parties working towards facilitating this outcome. The MOU provides for the exchange of confidential information by both parties and following resource evaluation, negotiations towards a formal agreement within nine months of signing the MOU. The MOU is non-binding until completion of the agreement.

The MOU further provides that the two companies will work together to fast-track production and sales of copper oxide ore from the Mt Jesse project, subject to the conditions of the MOU.

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The Plant is owned by Tartana Resources Limited (**Tartana**), a wholly owned subsidiary of R3D with an advanced copper project located in the Chillagoe region of Far North Queensland (**Tartana Copper Sulphate Project**).

The Tartana Copper Sulphate Project is on granted mining leases and includes the Plant. The Plant capacity is reported to be 9,500 tpa copper sulphate but the plant typically operated between 6,000 and 7,000 tpa and operated for approximately a decade prior to 2014.

Ark Mines Limited (AHK) is an ASX listed public company and the legal and beneficial owner of Mt Jesse Pty Ltd which wholly owns EPM 26464 [Mt Jesse], which is a near term Copper Oxide mining asset located at Mt Garnet, Queensland. AHK seeks to complement and support its future mining operations at Mt Jesse by potentially selling copper ore to Tartana.

The Plant can treat up to 2,375 recovered copper tonnes per annum and all or part of this could be Mt Jesse ore.

The Definitive Agreement is subject to Due Diligence to the satisfaction of each party.

R3D Managing Director Steve Bartrop commented: *“The MOU leading to the potential purchase of copper oxide ore is consistent with our strategy of restarting copper sulphate production and utilising a mix of copper feedstocks to optimise profitability and longevity.”*

ARK Executive Director Ben Emery commented: *“The signing of the MOU and potential sales of oxide copper ore to R3D is a great outcome for both companies. With ARK it provides a faster route to commercialisation of the oxide copper ore on the Mt Jesse project.”*

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

Further Information:

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About R3D Resources Limited

In July 2021 R3D Resources Limited acquired Tartana Resources Limited, 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 is shipping zinc slag to South Korea. These two projects have the potential to generate a 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 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 undertaking 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.

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 that could cause actual values or results, and performance or achievements to differ materially from the expectations described in such forward-looking statements. R3D does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.