

## SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

### Highlights

- Total JORC 2012 Mineral Resources increased by 42% to 180,600 oz
- Maiden Drilling Program Completed
- Expanded Exploration Plan Confirmed
- Adelong Plant Upgrade Underway
- Decision To Process Mullock On Site At Adelong
- Divestment of Non-Core Copper Project
- Proposed IPO of Cosmo Newbery Gold Project
- A\$1.256M cash at bank as at 30 September 2020

3D Resources Limited (ASX:DDD) (3D Resources or the Company) is pleased to provide its September 2020 Quarterly Activities Report.

### Total JORC 2012 Mineral Resources increased by 42% to 180,600 oz

The Company announced on 17 August 2020, a 42% upgrade of resources at the Adelong Goldfield. This included a maiden resource for the Caledonian and Donkey Hill deposits, and a remodelling of resources at the Currajong deposit with the inclusion of a resource of parallel vein systems to the east of Currajong East.

These new resource estimates for these three deposits are tabulated below. Refer to JORC Table 1 appendix in the 17 August 2020 ASX Announcement for details:

#### ADELONG - JORC Resources - 13 August 2020

Deposit	Indicated			Inferred			Total			Au cut-off 1.0 g/t
	Tonnes (t)	Au (g/t)	Au (oz)	Tonnes (t)	Au (g/t)	Au (oz)	Tonnes (t)	Au (g/t)	Au (oz)	
Currajong	126,000	2.57	10,400	407,000	2.63	34,400	533,000	2.61	44,800	
Caledonian	-	-	-	157,000	5.94	30,000	157,000	5.94	30,000	
Donkey Hill	-	-	-	103,000	5.03	16,600	103,000	5.03	16,600	
<b>TOTAL</b>	<b>126,000</b>	<b>2.57</b>	<b>10,400</b>	<b>667,000</b>	<b>3.78</b>	<b>81,000</b>	<b>793,000</b>	<b>3.59</b>	<b>91,400</b>	

#### Adelong - Overall Resource Increase - 13 August 2020

Area	Resource Class	Au cut-off (g/t)	Tonnes (t)	Au (g/t)	Au (oz)
Currajong (2005)	Indicated & Inferred	1.0	338,000	3.48	37,800
Currajong + Caledonian + Donkey Hill (2020)	Indicated & Inferred	1.0	793,000	3.59	91,400
<b>Increase in Resources</b>			<b>455,000</b>	<b>3.65</b>	<b>53,600</b>

#### Summary of Increase in Resources

Summary of changes	Tonnes (t)	Au (g/t)	Au (oz)
Historic Total Resources	1,355,000	2.92	127,000
Total Upgraded Resources Announced	1,810,000	3.28	180,600
<b>Increases in Resources</b>	<b>455,000</b>	<b>3.65</b>	<b>53,600</b>

These maiden resource estimates were produced by Robin Rankin who is the same Competent Person that produced the earlier resource estimates for Adelong and are calculated on the same basis as previously published resources and so can be readily integrated to upgrade the current project resources. This represents a 42% increase in the total resources outlined to date for the Adelong Gold project.

Overall resources for the Adelong Goldfield Projects are now as follows:

#### New Resource Statements – Adelong Goldfield

CHALLENGER deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	51%	459,000	3.07	45,000
Indicated	26%	268,000	2.67	23,000
Inferred	23%	290,000	2.16	20,000
<b>Total</b>	<b>100%</b>	<b>1,017,000</b>	<b>2.71</b>	<b>89,000</b>

CURRAJONG deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	22%	126,000	2.57	10,400
Inferred	78%	407,000	2.63	34,400
<b>Total</b>	<b>100%</b>	<b>533,000</b>	<b>2.61</b>	<b>44,800</b>

DONKEY HILL deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	100%	103,000	5.03	16,600
<b>Total</b>	<b>100%</b>	<b>103,000</b>	<b>5.03</b>	<b>16,600</b>

CALEDONIAN deposit		Tonnes (t)	Au (g/t)	Au (oz)
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	100%	157,000	5.94	30,000
<b>Total</b>	<b>100%</b>	<b>157,000</b>	<b>5.94</b>	<b>30,000</b>

TOTAL ADELONG GOLD PROJECT RESOURCES*		Tonnes (t)	Au (g/t)	Au (oz)
Measured	25%	459,000	3.07	45,000
Indicated	22%	394,000	2.64	33,400
Inferred	53%	957,000	3.28	101,000
<b>Total</b>	<b>100%</b>	<b>1,810,000</b>	<b>3.10</b>	<b>180,400</b>

\*Note minor Rounding Errors in Ounces

This represents a major upgrade in resources on just the first 3 deposits that have previously been drilled.

Work on this latest resource estimation has added considerably to the knowledge about these areas as it is the first time these past drill intersections have been modelled to define the zones of mineralisation. What this work has also shown is that the resources are largely open at depth and in most cases along strike giving considerable opportunity to expand and upgrade these resources. A brief description of each of the deposits follows.

### Donkey Hill

Four parallel vein deposits have been modelled showing the mineralisation following near vertical shear zones striking 355°. The veins are cutting through a circular Norite plug. An additional vein structure had been intersected in one drill hole to the East which at this stage have not been assessed for resource purposes.

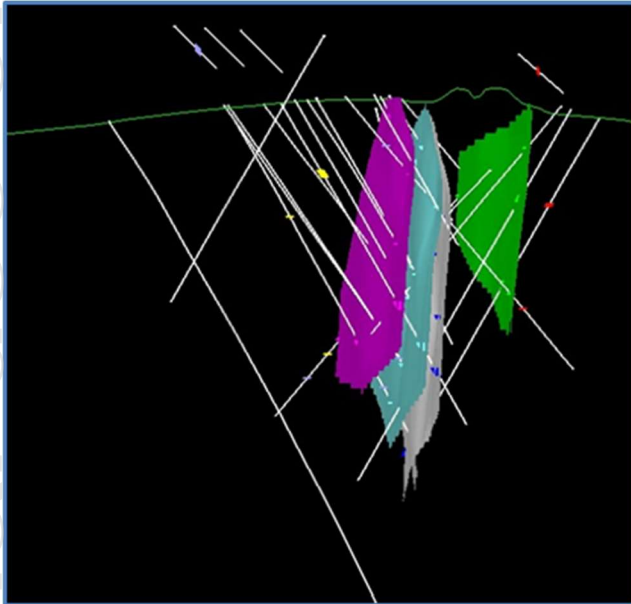


Figure 1 - 3D image of Donkey Hill veins showing the limited extent of drilling

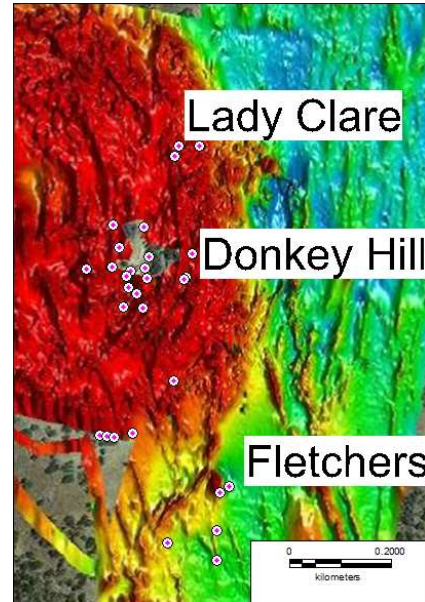


Figure 2 - Drill location superimposed on detailed magnetic data that shows the Norite Plug as a magnetic high but also the presence of shear zones continuing north for approximately 500m

### Caledonian

Past drilling had clearly some potential as it had one of the highest grades encountered with 117 g/t Au. A total of 20 sub-vertical veins were identified trending approximately 350° N, of these, 14 veins had sufficient information to be modelled. These mineralised shears were identified over a zone 200m (E-W ) and over a strike length of 750m.

### Currajong

This current assessment has reviewed the drilling and remodelled the vein system at Currajong in a lot more detail. The Currajong West deposit was largely brought to a resource in 2005 but to the east of those veins a further 12 veins are present. These eastern deposits are mostly poorly drilled, or carry lower grades and so require further exploration to identify the potential resources in more detail.

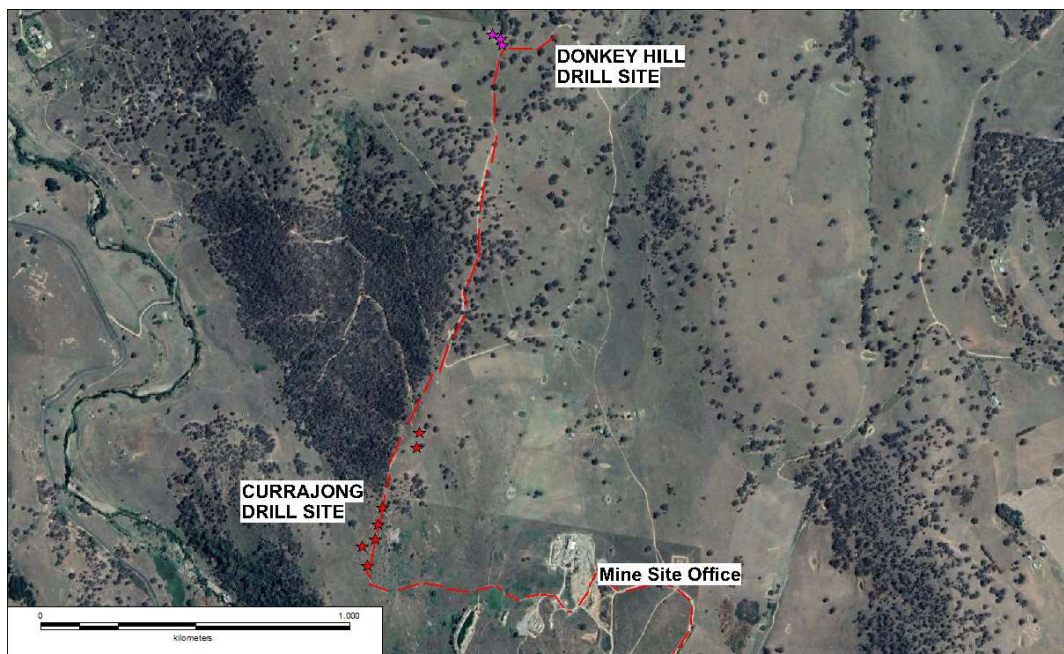
### Conclusion on Resources

It is evident from the work done so far that the resource potential of the Adelong Goldfield Project is considerably more than previous resource estimates had shown. The addition of maiden resources for Donkey Hill, Caledonian and the Currajong area has generated a 42% improvement in the total gold resources, but also highlighted possible extensions to those mineralised zones that have not yet been drilled. In addition to those deposits brought to account by this work, there are a number of areas that warrant further work to bring the existing drilling to a standard that would allow additional resource estimations to be undertaken.

This work has clearly demonstrated some of the untapped exploration potential that the Adelong Goldfield offers, and with additional site work there is an immediate opportunity for further and additional resource upgrades. The Company understands that there are other deposits that have not previously been drilled, including historic workings for over 2km north of Sawpit, and a deposit in the northern end of the field "Payles" that can be traced for over 600m.

### **Completion of Maiden Drill Program**

During the quarter, the Company successfully completed its maiden 1,000 metre drilling program at Adelong Goldfield, with the initial program focused on the Donkey Hill and Currajong deposits. Results from the drill program are expected during October, and this information will be added to this assessment and definition of additional targets. A NSW based drilling contractor was engaged, along with local geologists to manage the program which helped to minimise delays due to current interstate travel restrictions. The objective of the drilling program was to accurately model and test the existing mineralisation at Donkey Hill and Currajong.



*Figure 3 – Location of Donkey Hill and Currajong drilling locations*

As a part of the drill program, the Company has been undertaking a review of results obtained from the independent assessment of resources recently reported for Donkey Hill, Caledonian and Currajong. This work generated significant data on the grade distribution within the vein systems, and the aim is to use this information to generate specific targets for future drilling. As noted in the announcement of the Resource Upgrade (see ASX Announcement 17 August 2020), many of these deposits are open along strike and at depth, offering the potential to upgrade and expand resources at these mine sites. The assessment has also generated an understanding of the grade distribution within these vein systems and this information will be used to identify targets that can better define ore shoots, and where possible expand the resource.

Post quarter end, the Company announced that it has budgeted a further 2,000 metres of drilling as part of a phase two drilling program at Adelong to be completed during the current calendar year across a number of targets. Additional areas have also been selected for drilling (subject to government and landowner approvals). These areas include Sawpit, specific targets around the Challenger deposit and the area between Donkey Hill and Caledonian.



## Expanded Exploration Plan Confirmed

An expanded exploration plan was confirmed, with activities identified to:

- Complete additional drilling on targets generated from the Maiden Resource estimation at Donkey Hill, Caledonian and Currajong East to upgrade those resources;
- Target additional areas of mineralisation that have been identified by historic drilling that could add to future resource assessments or discoveries of new deposits;
- Complete additional geophysics over areas where detailed interpretation is required to properly target drilling and better assess resources;
- Undertake geochemical sampling over approximately 2km<sup>2</sup> to generating further drill targets; and
- Complete geophysical and geological interpretation to target structures with potential mineralisation that have not been drilled previously.

## New Drilling Targets

### Sawpit

This deposit shows minimal signs of workings at surface and recorded a production of just 2,000 oz. Historic drilling as depicted in Figure 4 has shown that the mineralisation was not just confined to a single narrow discrete vein, but represents a broader lower-grade mineralised zone that could generate tonnage potential.

A series of holes are planned to better understand this deposit and possibly generate a resource.

Sawpit is the southernmost deposit mined on a line of minor workings that can be traced for a further 3km that otherwise have never been drilled so the tonnage potential could be significant.

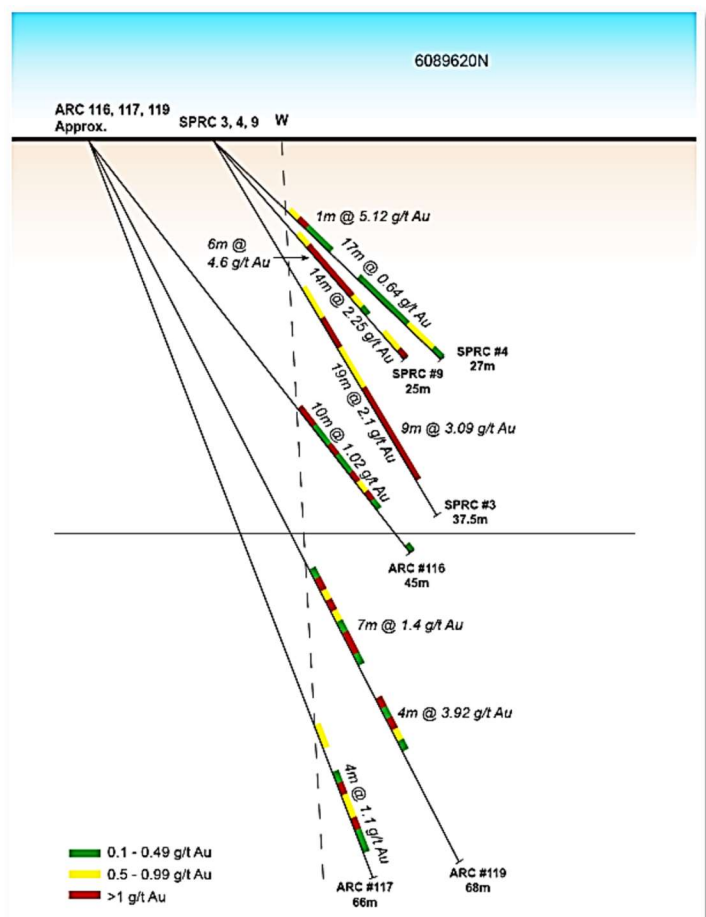


Figure 4: Cross Section through the Sawpit Deposit

## Challenger Extended

The majority of drilling on the northern extension of the Challenger deposit (**Challenger Extended**), involved shallow drilling but one deeper hole (ARC022) drilled through the Challenger Extended deposit and intersected a second

zone of mineralisation with 4 metres @ 7.43 g/t Au from 108m (Figure 5). This may represent an additional mineralised structure that has not yet been tested. The detailed magnetic surveys over this area (Figure 6) at 5m line spacing appear to show a second shear structure that could generate a second mineralised zone.



Figure 5: Looking North at Drill intersections of the Challenger Extended deposit. This shows an intersection of possible additional vein structure.

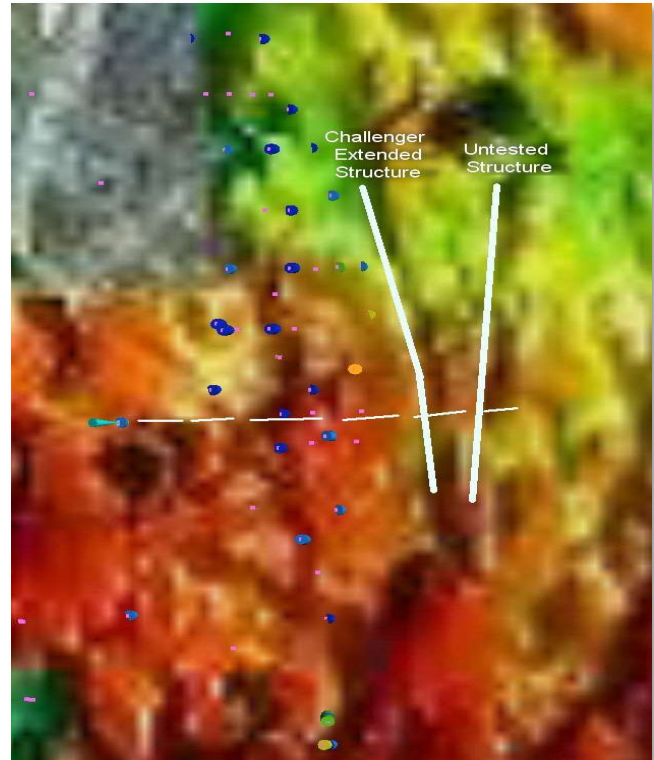


Figure 6: The magnetic shows the line of the drill hole and an untested structure that may be mineralised.

## Geophysics

Detailed ground magnetic data was compiled for most of the main areas of mineralisation and has proven useful for interpreting the underlying geology, locating shear zones or picking up the presence of basic dykes that have intruded into the Wondalga Granodiorite and sometimes these dykes follow the mineralisation. However, there are a few missing elements such as the area around Currajong for which detailed magnetic data is missing and could be useful in interpreting the geology of this deposit.

Detailed ground magnetics (Figure 7) also shows the presence of shear zones outside of those known to be mineralised. The Company plans to target these with additional Geochemical Soil Sampling to highlight which of those shears may be mineralised.

Another feature of the ground magnetics has been that it has shown up the presence of cross faults and these may be important in determining which area is mineralised. With additional Geophysical data over the Currajong area, we hope to validate that hypothesis and start to improve our ability to locate additional deposits.

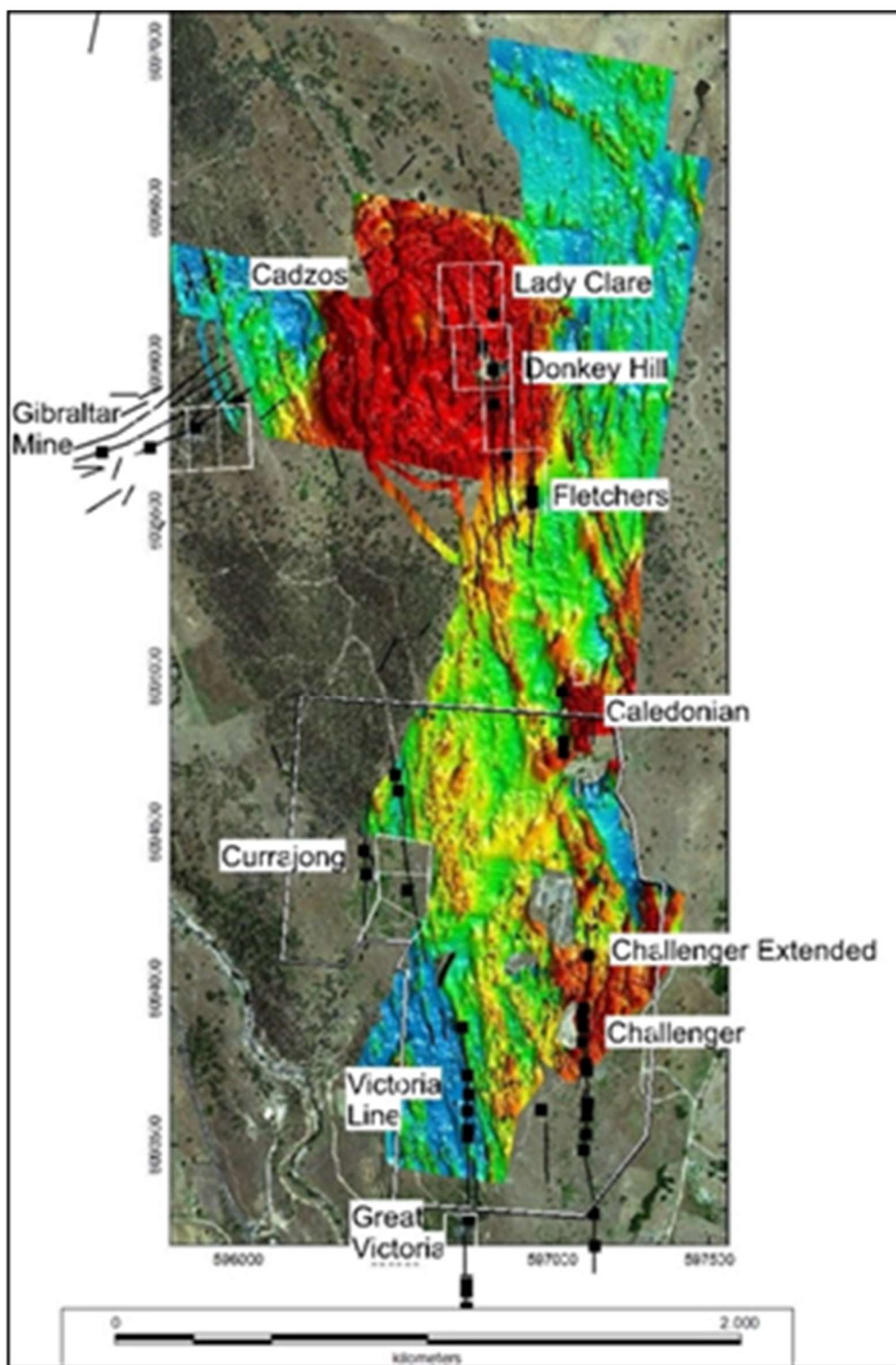


Figure 7: Detailed magnetic data showing the position of mined deposits but there is additional parallel shear zones that can be seen in that magnetic data.



## Geochemistry

A plan has been developed to complete a soil sampling program to assist in targeting and testing 2 areas.

North of the Currajong deposit, there is some quite anomalous historic geochemical data that shows +20ppb – 600ppb results (Figure 8), which would appear to suggest the mineralisation continues. The geochemical soil sampling in this area is sparse and needs to be completed in more detail before site inspection and drilling can be planned.

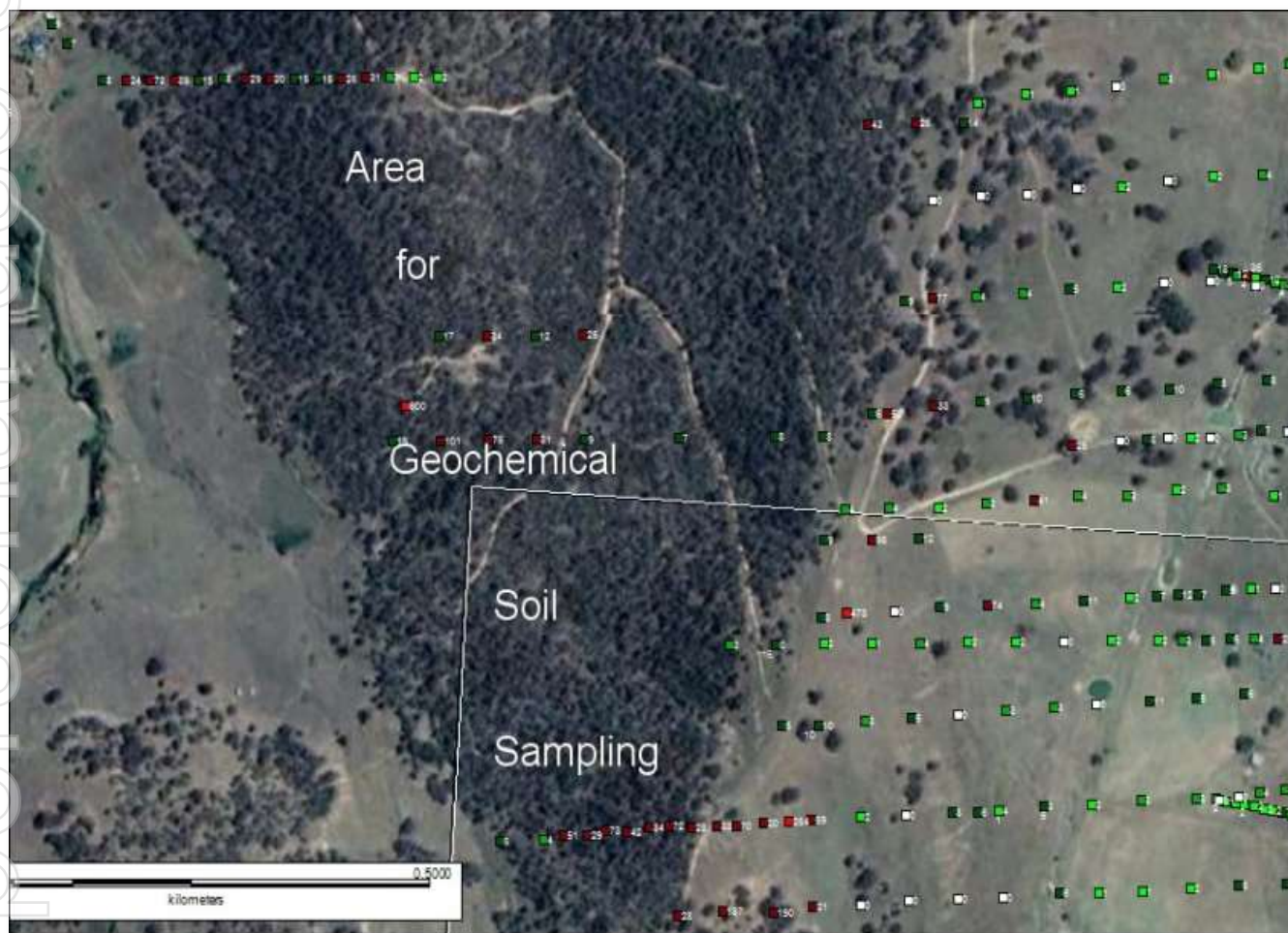


Figure 8: Historical soil sample data showing gold (ppb)

As noted in the discussion on Sawpit, there is a 3-4km zone of historic workings most of which has never been drilled or thoroughly assessed. While none of these mines were large producers, the strength of the vein system and presence of wider zones of lower-grade mineralisation make this area an attractive exploration target. The plan is to undertake an initial geochemical sampling program over this area between the Lady Mary deposit to Sawpit in order to identify the main zones of mineralisation, potential for parallel structures and ultimately generate drill targets (Figure 9).



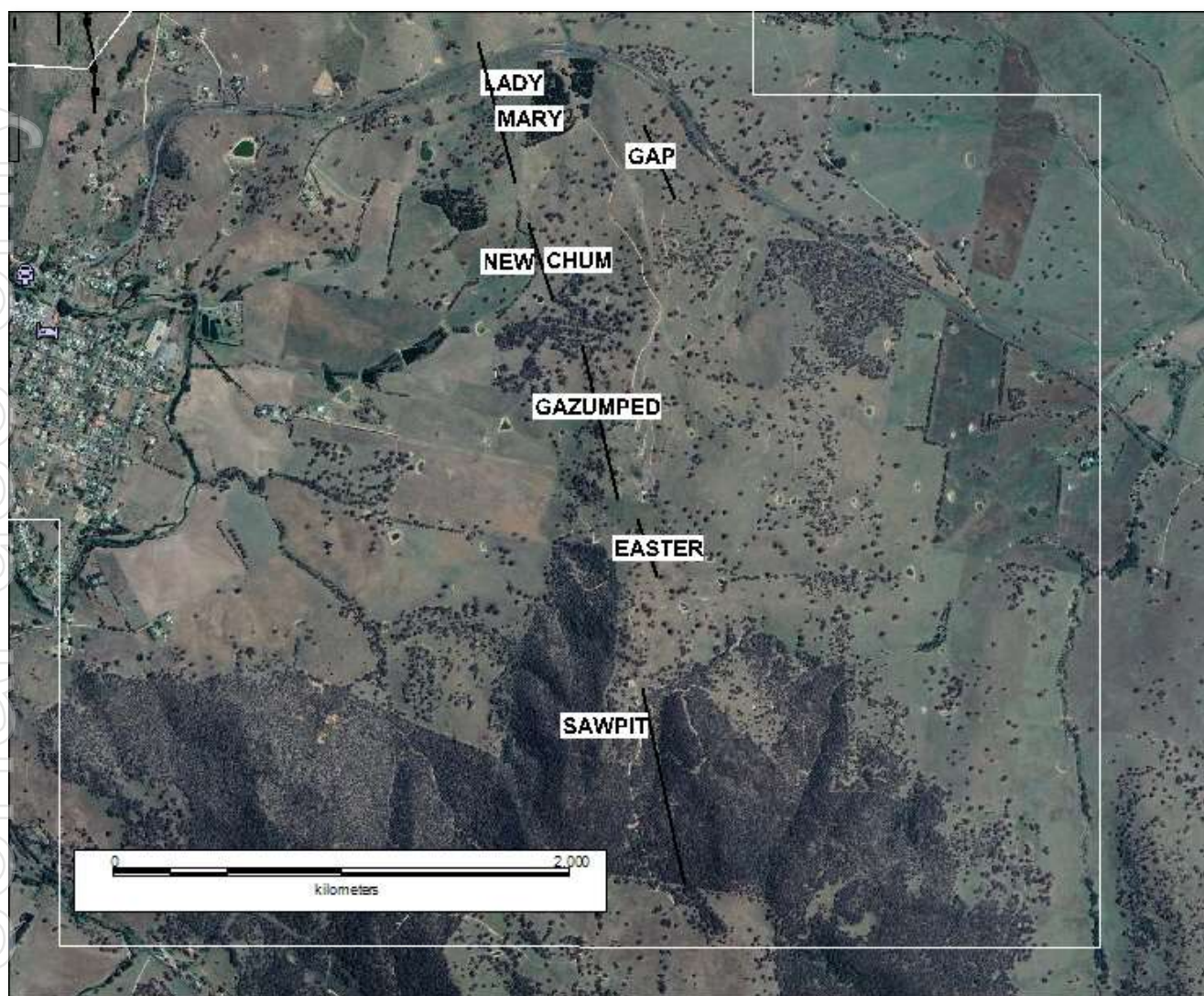


Figure 9: Area east of Adelong contains a line of workings that runs for 4km, subject to a geochemical soil sampling program to better define drill targets

### Adelong Plant Upgrade Underway

The Company announced that it has commenced the process of upgrading its Adelong Goldfield processing plant, appointing Mr William (Bill) Flannery, through his company Timora Pty Ltd (Timora), to provide the specialised Engineering, Procurement, Construction and Management (EPCM) services.

As part of extensive strategic review into all aspects of operations at Adelong, the Company identified that the plant was capable of being upgraded and reconfigured to operate to a significantly higher level of efficiency, which together with expanded and upgraded resources will be necessary to maximise profitability.

The existing plant is designed to produce a high-grade gravity concentrate and a flotation concentrate that can be either sold, toll treated or cyanided in facilities at Adelong to recover the gold. Various studies have indicated the gold is recoverable at a coarse grind size, so the focus has moved towards taking advantage of that fact by introducing a pre-concentration stage through a two-stage grinding process.

The Company has been working to finalise the EPCM contract to start the process of generating the more detailed plans and costings and to prepare for the work on construction of the upgraded plant, with completion targeted within six months of commencement of construction

Timora has formed a team of very experienced engineers to support their work on this project and they have worked with the Company over several months to assess options for the Adelong Goldfield plant leading to:

- A recommendation to more than double the plant capacity with a view to initially improving the economies of scale during a single shift operation as well as providing the additional capacity for use as the increased resources are brought into the mining plan; and
- A proposal for improving efficiencies by looking at a pre-concentration stage to take advantage of the amenability of the Adelong ore to achieve improved recoveries at a coarser grind (300-1,000 microns). This pre-concentration stage aims to reduce milling but also assists in reducing the volumes of fines disposal that would require additional capacity to the planned tailings dam.

#### **Decision To Process Mullock On Site At Adelong**

The Company progressed its plans for processing of the Adelong gold project mullock dumps. As previously during the previous quarter on 25th June 2020, the mullock dumps scattered throughout the Adelong gold project (see Figure 10) have had a substantial amount of work carried out on them with several programs of sampling and bulk sampling having already been completed.

Various historic estimates of quantities of waste dump material, and the grades contained within, have been made with the latest on record in 2006 showing a historical estimate of approximately 119,400 tonnes averaging 1.54 g/t gold (approx. 5,900 oz)<sup>1</sup>.

Since that time, around 10,000 tonnes of mullock close to the Adelong Plant was used in commissioning of the plant, with these dumps producing results at the estimated average grades. While the majority of this work pre-dated JORC (2004), a review of this work showed the survey methodology and sampling techniques were done to a reasonable standard.

Bulk testing has also indicated that these dumps were amenable to upgrading through simple screening to grades of +2 g/t Au. Further work will need to be undertaken before these waste dumps can be reported as a JORC Resource.

#### **Mullock Processing Consideration**

Options identified for generating near term cash flow from the mullock dumps included the shipping of a high-grade portion of the material for treatment to a traditional and unutilised carbon-in-leach (CIL) processing facility located approximately 200km from the Adelong gold project.

Investigations undertaken during the quarter included a site visit to the processing facility and the preparation of cost estimates on two options for processing the mullock at Adelong for delivery to this plant. Both options showed a positive return however, the assessment of the CIL processing plant itself highlighted some limitations as to the available capacity in the Tailings Storage Facility (TSF) and a potentially lengthy process to obtain approvals to expand that facility.

<sup>1</sup> Formed part of Adelong Open Cut Scoping study 18 April 2006 by Metcalfe Mineral Management Services Pty Ltd (some low grade dumps excluded). These historical estimates are not reported as JORC Compliant Resources and a competent person has not done sufficient work to report these as a JORC Resource, and it is uncertain that following further evaluation that the historical estimate will be able to be quoted as a Mineral Resource in accordance with the JORC Code.



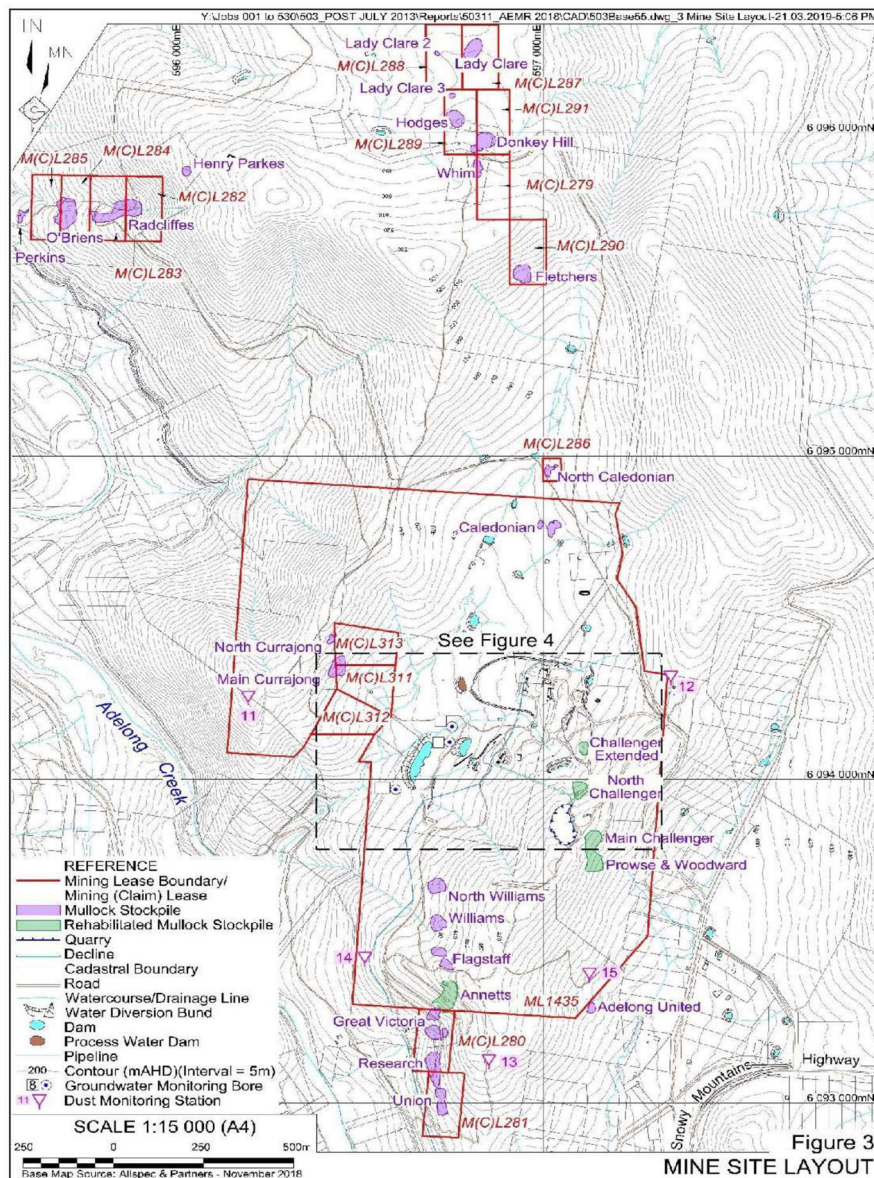


Figure 10: Map showing Adelong gold project mullock dumps.

While the Company has not ruled out the option of treating some material through the off-site facility, plans to upgrade the existing plant at Adelong considered a revised plant design that is expected to generate a better return than shipping the mullock for toll treatment for the following reasons:

- Inspection of the dumps has shown the ores are largely un-oxidised therefore the majority of the gold can be recovered through a flotation circuit. In any case, the Pre-Concentration stage has the ability to generate a saleable concentrate under the terms set out below; and
- Indicative payment terms for concentrate sales received, show that the Company can receive between 94-96% of the gold value FOB Sydney with most tests showing that it is possible to achieve the high end of that range. Most cyanide test work has shown recoveries of 93-95% with the improved payment terms likely to balance out any minor difference in transport costs and treatment charges.

The Company concluded that, whilst toll treating the mullock could marginally bring forward potential cash flow, processing of the mullock on site through the upgraded Adelong Plant would likely be more profitable in the long



term. Plans to upgrade the plant at Adelong are well progressed and the Company is now targeting completion within six months of commencement of construction. 3D Resources agreed to appoint Mr Bill Flannery to oversee the construction with final details under consideration.

### Divestment of Non-Core Copper Project

The Halls Creek Project comprises a granted Mining Lease 80/247 situated near the township of Halls Creek, covering the *Mount Angelo Copper-Zinc* deposit. This is a Volcanogenic Massive Sulphide deposit that is partially oxidised at surface but overlying massive Cu-Zn sulphide mineralisation. The Company holds an 80% interest in the project with the remaining 20% held by its joint venture partner Cazaly Resources Ltd.

The Company and Cazaly completed extensive exploration and drilling campaigns over the prospective tenement, with drilling that generated some good intersections and culminated in a JORC Resource being estimated in 2013 for the Mt Angelo North deposit.

The sale follows the recent announcement by 3D Resources to spin-off the Cosmo Newbery Gold project via an initial public offering (**IPO**). The decision to divest non-core assets is a result of a strategic review of the Company's operations, which will allow 3D Resources to focus solely on the development of its flagship Adelong Goldfield projects located in southern NSW. Work to date on the Adelong Gold project has demonstrated the potential to add significant value.

The Company executed a binding Sales Agreement with Cazaly which is subject to Conditions Precedent including:

- Receipt of Consent to the transfer from the Minister of Mines within 60 days;
- Cazaly assuming the obligations of the Company in respect to any royalties within 60 days; and
- The Company receiving all approvals (if any) required to sell its interest in the project within 60 days.

Under the terms of sale Cazaly is to pay the following sums:

- A non-refundable deposit of \$50,000 within 5 days of execution of the Agreement;
- At Completion, a cash payment of \$200,000; and
- Upon production of minerals in a commercial and saleable quantity, a further cash payment of \$250,000.

### Proposed IPO of Cosmo Newbery Gold Project

The Company announced its intention to seek shareholder approval for an initial public offering (**IPO**) of its wholly owned subsidiary, Cosmo Gold Pty Ltd (**Cosmo Gold**) that holds all of its interests in the Cosmo Newbery gold project. Cosmo Gold proposes to undertake this IPO and seek admission to ASX (**Cosmo IPO**). The Company will convene a meeting of shareholders to approve the proposed Cosmo IPO subject to obtaining any regulatory approvals required. A successful Cosmo IPO would allow Cosmo Gold to fund the Cosmo Newbery gold project separately and enable the Company to focus on its short term goal of recommencing production at the Adelong Goldfield in Southern New South Wales.

### Corporate

During the quarter the Company raised capital as follows:

- Placement of 206,500,000 options at \$0.001 to raise \$206,500 by way of placement of the prospectus shortfall;

- Placement of 245,000,000 shares at \$0.005 to raise \$1,225,000 together with one attaching option for each two shares placed exercisable at \$0.007 expiring 31 August 2022;
- Exercise of 58.5 million options at \$0.003 to raise \$175,500; and
- Exercise of 750,000 unlisted options at \$0.005 to raise \$3,750

#### Cash

As at 30 September 2020, the Company had a reported cash position of \$1,255,969.

#### **Related Party Payments**

In line with its obligations under ASX Listing Rule 5.3.5, 3D Resources Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 30 September 2020, pertain to payments to directors for reimbursement of arrears of Directors Fees and Travel Expenses totalling \$200,466.

**-ENDS-**

Released with the authority of the board.

For further information on the Company and our projects, please visit: **[www.3dresources.com.au](http://www.3dresources.com.au)**

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#### **Competent Persons Statement**

Information in this "ASX Announcement" relating to Exploration Results and geological data has been compiled by Mr. Peter Mitchell who is a Member of the Australian Institute of Mining and Metallurgy and is Managing Director of 3D Resources Ltd.

He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012 Edition). Peter Mitchell has consented to the release of the announcement.

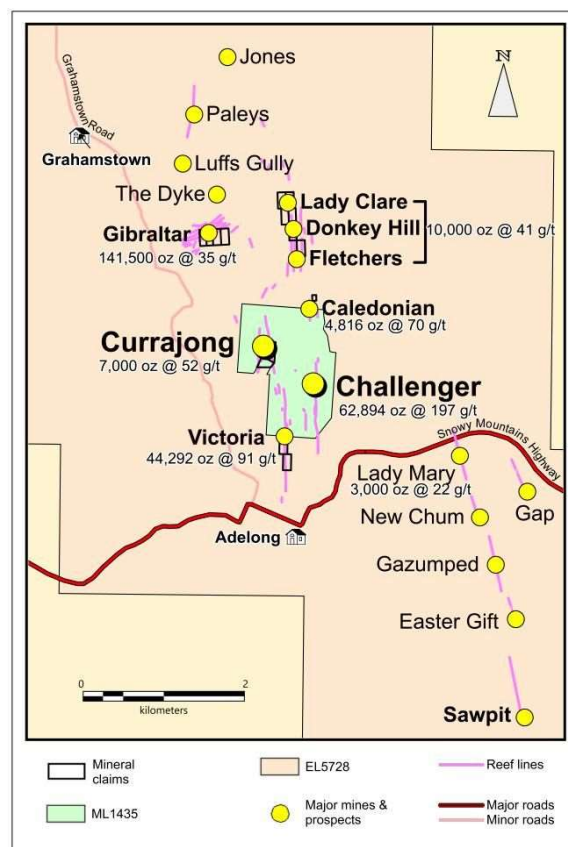
### About 3D Resources Ltd

3D Resources Limited is a minerals explorer targeting high value commodities (gold, copper, lead, zinc and nickel) across Australia with a particular focus on Gold and owns the Adelong Goldfield in New South Wales (NSW) together with advanced mineral projects in Western Australia (WA).

In May 2020, 3D Resources took control of the Adelong Gold Project which covers 70km<sup>2</sup>, comprising the old Adelong Goldfield situated in Southern NSW located approximately 20km from Tumut and 80km from Gundagai.

The project now carries a JORC (2012) Resource following the Resource upgrade in August 2020 of 180,600 oz of gold and 17 freehold properties with all mining and processing plant equipment onsite. Until recently, Adelong was a producing mine.

The Company's Western Australian projects are located in the Proterozoic of the East Kimberley, and the highly prospective Archaean Cosmo Newbery area, in the Eastern Goldfields



Map showing exploration and mining licences

### Australian Tenement Schedule at 30 September 2020

Project and Location	Tenements Held At Commencement of Quarter	Tenements Acquired or Disposed of During Quarter	Beneficial Interest at End of Quarter	Areas Ha	Notes
Adelong, NSW	ML1435, MCL 279-291, MCL 311-313, EL5728	Acquired Acquired Acquired Acquired	100% 100% 100% 100%	145Ha 24.4Ha 5.5Ha 6,835Ha	Acquired through the acquisition of Challenger Mines Pty Ltd
Halls Creek Joint Venture, East Kimberly WA	M80/247,	No Change,	80%,	41.7Ha	Retained resources in Mt Angelo North Deposit
Cosmo Newbery, Laverton WA	E38/2274, E38/2627, E38/2774 E38/2851 E38/3456 E38/3457 E38/3249 E38/3250 E38/3525	No Change, No Change, No Change, No Change Application Application Acquired Applic./Option Application	75% 100% 100% 100% 0% 0% 100% 0% 0%	11,780Ha 5,161Ha 5,157Ha 11,210Ha 10,630Ha 3,341Ha 2,732Ha 2,123Ha 11,810Ha	Tenements transferred to wholly owned subsidiary Cosmo Gold Pty Ltd as a precursor to entering into Access Agreements