

31 January 2023

## **DECEMBER 2022 QUARTERLY ACTIVITIES REPORT**

Reach Resources Limited (ASX: RR1) ("the Company" or "Reach Resources") provides its activities report for the quarter ended 31 December 2022.

## SUMMARY

Gascoyne Reconnaissance Identifies REE Mineralisation (18 October 2022)

- Anomalous values of up to 0.31% REE (Y+La+Ce+Pr+Nd Only) at the Company's Skyline project and 0.11% REE (Y+La+Ce+Pr+Nd Only) at Wabli Creek (Critical Elements project) from pXRF readings<sup>1</sup>
- Anomalous copper of up to 0.5% and arsenic of up to 0.2%, from the Skyline project<sup>1</sup>

## **Rare Earth Tenement Applications**

• Acquisition of four prospective rare earth element exploration licences in the Gascoyne Province of Western Australia (Project)

## Anomalous Rare Earth Elements Identified in Carbonatites (7 November 2022) <u>Critical Elements Project</u>

Significant REE recorded up to 0.68% REE within pXRF results over an area of 200m x 500m at the Critical Elements Project (Wabli Creek), remaining open along strike to the north and south <sup>1</sup>, \*

## **Skyline Project**

- Carbonatites and associated Ironstone discovered within three target areas at the Skyline Project, returning anomalous results up to 0.11% REE\* within pXRF results <sup>1</sup>
- Anomalous manganese up to 4.3% from the Skyline project identifying another battery metal target for the Company <sup>1</sup>, \*

## **Outstanding High-Grade Niobium, Yttrium & Dysprosium Assays**

- High-grade assays of 6.78% Niobium oxide and 3.71% Tantalum oxide, returned from within the Company's wholly owned Critical Elements Project;
- These results back up the previously reported assay results from rock-chip samples of 32% Niobium oxide and 12.4% Tantalum oxide <sup>2</sup>
- Assay results confirm Niobium rich target zone with a potential Total Rare Earth Oxides (TREO) strike length of up to 1.5km
- Assays further highlight the discovery of high grade critical heavy rare earth oxides (HREO) which include:
  - 7226 ppm Yttrium oxide
  - 3430 ppm Dysprosium oxide
  - 4880 ppm Ytterbium oxide
  - 2760 ppm Erbium oxide
  - 450 ppm Terbium oxide
- Significantly, all three of the Company's granted tenements have returned highly anomalous TREO results >500ppm to a maximum of 25,652 ppm or 2.57% TREO (see Table 4).

\*Rare earth elements detectable via Pxrf - y, La, Ce, Pr and Nd only

**Cautionary Statement:** 

Note 1. pXRF readings are preliminary and semi-quantitative. The results are not comprehensive, and samples were selected to identify prospectivity. Further, results are deemed to only provide an indication of base metal mineralisation. Samples have been sent to a commercial laboratory for assay. Note 2. ASX Announcement 29 November 2021.

Level 4, 216 St Georges Terrace, Perth WA 6000 +61 6268 2641 reachresources.com.au admin@reachresources.com.au ABN 79 097 982 235





## 1) Gascoyne Reconnaissance Identifies REE Mineralisation

Significant preliminary results received from handheld XRF testing (pXRF) from a reconnaissance site visit undertaken at the Company's Gascoyne projects as announced on 18 October 2022.

The brief field trip was undertaken over two days at the Wabli Creek (E09/2377) and Skyline (E09/2646) tenements, to primarily evaluate tenement accessibility and target areas accessible from existing station tracks.

Highlighted target areas were identified from available radiometric and geochemistry data.

#### Wabli Creek (E09/2377)

The location of historical surface sampling within the Wabli project area which returned highly significant results including 12.4%  $Ta_2O_5$ , 32.0%  $Nb_2O_5$ , 0.94%  $WO_3$  and 0.25% Sn, from selective samples (Refer ASX Announcement 29 November 2021) was investigated. Preliminary pXRF results from the location returned anomalous results of 20.2% Ta, 12.1% Nb, 787ppm W, 204ppm Sn and 1079ppm REE (Y+La+Ce+Pr+Nd Only) from a sample of selected interpreted tantalite/columbite crystal.

pXRF of the selective samples surrounding area returned anomalous REE results incuding a combined REE result (Y+La+Ce+Pr+Nd Only) of 0.11%. Other elevated REE results (Y+La+Ce+Pr+Nd Only) within the vicinity included results of 562ppm and 891ppm. All anomalous pXRF results from the area are included below, Table 1.

pXRF Sample Number	Easting (MGA94 Zone 50)	Northing (MGA94 Zone 50)	Ta (ppm)	Nb (ppm)	Sn (ppm)	W (ppm)	Bi (ppm)	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (Y+La+Ce+Pr +Nd Only)
#27-15	426632	7247609	76	103	101	30	-10	78	368	500	-20	153	1079
#27-18	426524	7247737	20182	12136	204	787	742	107	-10	58	-20	162	297
#27-25	426587	7247836	34	39	24	-5	-10	52	153	200	-20	177	562
#27-26	426587	7247836	57	8	81	-5	-10	86	54	81	68	137	426
#27-27	426551	7247913	25	14	35	-5	-10	30	158	195	182	326	891

Table 1 – Wabli Creek (E09/2377) – Anomalous pXRF results – Ta-Nb Prospect

#### Skyline (E09/2646)

Reconniassance of the Skyline tenement (E09/2646) was restricted to station tracks and limited to two easily accessible thorium anomalies (one in the northwest and one in the southeast of the tenure), which had been previously identified via wide spaced (500m) open file geophysical data.

The northwest thorium anomaly is potentially part of a larger group of anomalies which require further evaluation. Ironstone and brecciated quartz was mapped trending west-northwest, within the interpreted anomaly location. Previous mapping of the area has highlighted an associated structure that potentially extends to the northwest for 12 kilometres. pXRF results from selective samples comprising ironstone or ferrugenous lithologies within the anomaly area returned maximum anomalous results up to 0.52% Cu, 0.21% As, 0.47% V, 55% Fe, 614ppm Zn, 267ppm Mo, 582ppm Ba, 373ppm Bi and 0.31% REE (Y+La+Ce+Pr+Nd Only).



## 2) Rare Earth Tenement Applications

The Company successfully applied for four highly prospective REE, manganese and base metal tenement applications, as announced on 27 October 2022. Each of the tenements are strategically located close to the Hastings Technology Metals Limited Yangibana REE development, which has a current Ore reserve of 16.7Mt at 0.95% TREO for 158Kt (Refer HAS ASX Announcement 27 July 2021). The Hastings Yangibana REE deposit and recent exploration activities/discoveries made in the Gascoyne Province by other explorers including Dreadnought Resources, Lanthanein Resources and Kingfisher Mining, reinforce the potential of the region for REE mineralisation.

### *Tenement Details – Skyline Project*

Details of the new tenements covering the Project area are set out in the table below. These tenement applications are located approximately 200km to the northeast of Gascoyne Junction in the Gascoyne Province of WA and are 100% owned by Skyline Resource Corporation Pty Ltd (a wholly owned subsidiary of Reach).

Tenement	Registered Holder	Ownership
ELA 09/2733	Skyline Resource Corporation Pty Ltd	100%
ELA 09/2750	Skyline Resource Corporation Pty Ltd	100%
ELA 09/2751	Skyline Resource Corporation Pty Ltd	100%

The tenements lie within the Edmund Group, and are mainly prospective for REE and Manganese, but also gold and base metals. Importantly, registered manganese occurrences exist along strike to the northwest and southeast of the tenement applications. The geology of the tenements is comparable to Element 25 (ASX: E25) Butcherbird Mn deposit which has a Resource of 263Mt @ 10% Mn for 20.8Mt Mn and a Reserve of 50.6Mt @ 10.3% Mn for 5.22Mt Mn (E25 ASX Announcement dated 2 August 2022).

## **Tenement Details – Critical Elements Project**

Details of the newly acquired tenement which covers the Project area is set out in the table below. The exploration tenement is 100% owned by Critical Elements Pty Ltd (a wholly owned subsidiary of Reach): and is located approximately 110km to the east/northeast of Gascoyne Junction in the Gascoyne Province of WA.

Tenement	Registered Holder	Ownership
ELA 09/2748	Critical Elements Pty Ltd	100%

The tenement falls within the Durlacher Supersuite which is prospective REE and situated within the vicinity of recent REE exploration success by Kingfisher Mining.

## 3) Anomalous Rare Earth Elements Identified in Carbonatites

**Reach Resources Limited** (ASX: RR1) ("**Reach**" or "**the Company**") is pleased to announce that it has identified several carbonatite dykes or sills and associated ironstone outcrops within its Skyline Rare Earths project ("Project"), that have returned further anomalous REE\* results, as announced on 7 November 2022. In addition, the team has uncovered significant Manganese potential within the eastern portion of the Project identifying another battery metal target for the Company.



Furthermore, the Company's Critical Elements project ("Project") has returned the highest REE result to date of 0.68% REE\* from the same area where similarly anomalous results were recorded during the last site visit (18 October 2022), highlighting the potential for significant REE at the Project.

The program was commissioned after the identification of anomalous REE\* pXRF results and geology at both Projects during a brief two-day reconnaissance field trip as announced on 18 October 2022 and summarized at 1), above. Anomalous results returned from pXRF readings taken during that initial reconnaissance include values up to 0.31% REE\* and 0.31% Cu.

Several new targets were initially selected for this trip which included areas of:

- thorium anomalism
- REE and/or pegmatite related mineral occurrences
- previously mapped ironstones
- potential ironstone or carbonatite dyke locations identified from aerial photography

In total, 86 rock chip samples and 70 pXRF readings were collected over the two Project areas.

### Skyline Project (E09/2646)

Five of the new target areas returned anomalous detectable REE results from pXRF determined in the field. Anomalous REE\* results (>500ppm) returned from sampling at the Skyline Project are listed in Table 2.

Location	pXRF Sample Number	Lithology	Northing	Easting	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (ppm – Y+La+Ce+Pr +Nd Only)
Skyline	#21/10-03	Ironstone	7364045	442621	32	125	-1	<100	348	503
Skyline	#21/10-07	Dolerite	7364340	441869	4	1226	1758	235	1164	4387
Skyline	#21/10-13	Carbonatite	7374110	440230	23	<50	240	317	479	1058
Skyline	#21/10-16	Ironstone	7365071	442783	43	<50	221	314	<200	576
Skyline	#21/10-17	Dolerite	7363678	439194	<4	<50	116	255	341	710
Skyline	#21/10-20	Dolerite	7362075	441408	29	199	254	<100	406	887
Skyline	#21/10-27	Carbonatite	7357135	438678	11	182	193	297	<200	682
Skyline	#21/10-34	Dolerite	7353767	446461	7	158	-1	263	299	726
Skyline	#21/10-35	Dolerite	7352334	451304	133	162	306	<100	353	953

Table 2 Skyline Project (E09/2646) – Anomalous pXRF REE results

Three of the recently evaluated target areas within the Skyline Project returned anomalous REE\* results within pXRF readings, interpreted to be associated with carbonatites or ironstones overlying carbonatites. A maximum REE\* result within pXRF results of 0.11%, associated with an interpreted carbonatite, was returned from brief reconnaissance of exploration licence application 09/2733.

Further, an anomalous pXRF result of 4.3% Mn was returned from one target area, highlighting the manganese potential within the Project area which is consistent with previously identified manganese occurences along strike and within the vicinity of the anomalous result.

Following up the anomalous thorium target area in the north west of the Project tenement, originally highlighted during October 2022, and summarised at 1) above, further pXRF readings were taken with a maximum REE\* result returned of 0.44%, increasing the interpreted strike length of this zone up to ~500m, whilst still remaining open along strike to the north and south. Reach's discovery of REE within the dolerite system adds to our growing knowledge of locating these criticla metals in addition to



ironstones and carbonatite dykes on site and the large presence of each geological complex requires further field investigation.

### Critical Elements Project (E09/2377 and E09/2354)

A total of 17 new target areas were identifed at the Critical Elements Project and sampling was focussed on the Wabli Creek tenement due to continued station activities at Yinnietharra.

Location	pXRF Sample Number	Northing	Easting	Y (ppm)	La (ppm)	Ce (ppm)	Pr (ppm)	Nd (ppm)	REE (ppm - Y+La+Ce+Pr +Nd Only)
Wabli Creek	#22/10-07	7247598	426638	<4	<50	-1	286	431	714
Wabli Creek	#22/10-08	7247376	426565	124	170	248	<100	307	848
Wabli Creek	#22/10-09	7247480	426591	285	333	374	<100	<200	990
Wabli Creek	#22/10-14	7247598	426616	9	124	203	242	<200	577
Wabli Creek	#22/10-15	7247616	426707	39	521	657	<100	<200	1215
Wabli Creek	#22/10-16	7247611	426656	55	159	348	<100	326	887
Wabli Creek	#22/10-18	7247740	426551	207	120	259	<100	<200	584
Wabli Creek	#22/10-19	7247862	426572	424	1632	2820	483	1435	6794
Wabli Creek	#22/10-20	7247890	426530	36	71	122	140	202	571
Wabli Creek	#22/10-21	7247890	426530	77	320	629	<100	294	1319
Wabli Creek	#22/10-22	7247896	426525	138	205	230	<100	358	930
Wabli Creek	#20/10-20	7247749	426538	25	<50	-1	267	427	717
Yinnietharra	#22/10-25	7268412	443150	52	<50	180	<100	443	673

All anomalous REE\* pXRF results returned are listed in Table 3.

Table 3 Critical Elements Project (E09/2377 and E09/2354) – Anomalous pXRF REE results

A maximum result of 0.68% REE was recorded during this site visit from pXRF sampling within the same area on E 09/2377 (Wabli Creek) that has produced the previous highly significant results including 12.4%  $Ta_2O_5$ , 32.0%  $Nb_2O_5$ , 0.94%  $WO_3$  and 0.25% Sn, (Refer ASX Announcement 29 November 2021). Additionally, pXRF results from the Company's last reconaissance site visit recorded similarly spectacular results of up to 20.2% Ta, 12.1% Nb, 787ppm W, 204ppm Sn and 1079ppm REE (ASX Annoucement 18 October 2022) and at 1) above.

Importantly, highly significant REE\* within pXRF results have now been recorded sporadically within an area of approximately 200m x 500m which remains open, particularly to the north and south, identifying this zone as a matter of priority for future exploartion.

## 4) Outstanding High-Grade Niobium, Yttrium & Dysprosium Assays

The company received laboratory assay results from the Company's maiden rock chip sampling programs recently undertaken at its Skyline Rare Earths project and Critical Elements project (the "**Project/s**"), both located in the emerging Gascoyne Mineral Field in Western Australia (ASX Announcement – 18 October 2022) and again summarised at 1), above.

Importantly, the niobium rich zone evidenced in historical results and previously reported (ASX Announcement 29 November 2021) on the Critical Elements Project has now been supported following the Company's rock chip sampling program completed in September and October this year. The results also indicate the discovery of high grade HREO in the same potential 1.5km strike zone.



Niobium is a critical metal used in the steel industry, in wind turbines and in high-performance batteries.

Dysprosium is used in tandem with neodymium in permanent magnets that are vital to modern technology and renewable energy.

		technolo	ogy and	a renev	vable e	energy.												
		Terbium favoured	is used d over o	d in TV conver	screen ntional	s and s hard d	olid-st rives a	tate ha as they	rd driv are fa	es for ster ar	data st id mor	orage. e relia	Solid- ble.	state o	drives a	ire hea	vily	
		Yttrium	is used	in TV :	screens	s, as ar	n alloyi	ing age	nt and	in the	polyn	nerizat	ion of	ethyle	ne.			
		Ytterbiu industria	m is u al catal	ised in yst.	mem	ory de	vices,	laser	techno	ology a	and as	sa mo	ore en	vironn	nentall	y frier	ndly	
Erbium is used in the nuclear industry, as well as in alloys, especially with vanadium and titanium and in heat-absorbing glass, photographic filters, and as a fibre-optic amplifier.																		
Significantly, all three of the Company's tenements have returned highly anomalous TREO results (>500ppm) (see Table 4).										ults								
	No other anomalous results were returned from the assays. However, the Company awaits separate assay results for Manganese and looks forward to reporting these in the near future.																	
			Table 4	1 - Skyl	ine an	d Critio	al Ele	ment F	Project	s – Sig	nificar	nt TRE	) lab a	inalysi	s resul	ts		
$(\Omega D)$																		
	Sample Number	Location	Y₂O₃ (ppm)	La₂O₃ (ppm)	Ce₂O₃ (ppm)	Nd₂O₃ (ppm)	Pr₂O₃ (ppm)	Sm₂O₃ (ppm)	Eu₂O₃ (ppm)	Gd₂O₃ (ppm)	Tb₂O₃ (ppm)	Dy₂O₃ (ppm)	Ho₂O₃ (ppm)	Er2O3 (ppm)	Tm₂O₃ (ppm)	Yb₂0₃ (ppm)	Lu <sub>2</sub> O <sub>3</sub> (ppm)	TREO (ppm)
$\bigcirc$	CEWC2	Wabli Creek	7225.7	185.3	390.0	558.7	94.1	632.0	22.1	1083	450.0	3936	884.3	3156	671.6	5557	806.2	25,652
$\overline{(1)}$	CEWC3	Wabli Creek	227.3	160.7	325.6	116.1	35.7	19.7	1.1	17.6	3.6	26.2	6.4	21.5	3.4	25.4	4.0	994.2
	ST003	Skyline	24.5	120.2	319.8	283.4	54.0	86.6	13.4	31.9	1.7	5.7	0.7	1.9	0.1	1.4	0.1	945.5
615	ST005	Skyline	16.4	696.6	1352.9	694.0	149.2	175.7	28.9	48.4	2.2	6.2	0.6	1.2	0.1	0.7	0.1	3173.2
	ST037	Skyline	189.9	90.7	213.8	71.9	19.2	15.0	3.7	22.5	4.0	28.7	5.9	18.4	2.5	16.5	2.3	704.8
	WT007	Wabli Creek	245.7	425.7	643.0	275.3	82.9	50.3	3.1	40.6	6.2	39.8	7.2	23.7	3.3	23.8	3.4	1874.0
	WT013	Wabli Creek	154.3	160.1	345.5	121.9	35.2	20.6	1.0	17.2	2.9	19.6	4.0	13.6	2.1	13.9	2.1	913.9
	WT017	Wabli Creek	59.1	102.6	199.7	73.1	20.6	12.6	1.6	10.5	1.5	9.5	1.8	5.3	0.7	5.0	0.7	504.2
$\bigcirc$	YT005	Yinnietharra	19.9	176.5	350.2	126.0	36.4	19.6	2.2	11.0	1.1	4.9	0.6	1.3	0.1	0.6	0.1	750.6
	YT021	Yinnietharra	13.5	119.6	274.1	105.8	28.6	16.4	1.5	9.9	0.9	3.3	0.4	0.9	0.1	0.5	<0.1	575.5
		•	-															

## Table 4 - Skyline and Critical Element Projects – Significant TREO lab analysis results

Whilst the majority of significant TREO results are elevated in light rare earth elements (REE), the Company is excited by the discovery of high grade heavy REE from one of the Company's target areas, the Wabli creek tenement. The samples from this area have not only proven to contain high grade HREO but also significant grades of Niobium, Tantalum, Thorium, Uranium (cannot be mined in WA), and Tungsten.



### Wabli Creek (E09/2377) – Critical Elements Pty Ltd (wholly owned subsidiary of RR1)

Significant TREO results have been received over a length of 500 metres, trending north-northwest, with an additional anomalous result over 500 ppm TREO 1km to the north-northwest from the above trend, highlighting the potential for an anomalous TREO trend of 1.5km.

Historical surface sampling from this area which returned highly significant results including 12.4%  $Ta_2O_5$ , 32.0%  $Nb_2O_5$ , 0.94%  $WO_3$  and 0.25% Sn, from a selective sample (Refer ASX Announcement 29 November 2021) of samarskite were supported by recent pXRF results (20.2% Ta, 12.1% Nb, 787ppm W, 204ppm Sn, Refer ASX Announcement 18 October 2022). The above results together with recent laboratory assays (Table 5) mark three separate occasions that significant Niobium has been detected from within this area. The new discovery of HREO adds to the significance of the target.

Sample Number	CEWC2*
Location	Wabli Creek
Easting	426524
Northing	7247737
Ba (ppm)	1470
Nb (ppm)	47,400
Sn (ppm)	483
Ta (ppm)	30,400
Th (ppm)	3210
U (ppm)	15,100
V (ppm)	659
W (ppm)	6680
Zr (ppm)	733
Au (ppm)	0.43
Pb (ppm)	1860

Table 5 Wabli Creek – High grade results other than REE

### Yinnietharra (E09/2354) - Critical Elements Pty Ltd (wholly owned subsidiary of RR1)

Two areas of TREO anomalism have been identified in the west and southeast of the tenement. Both areas of TREO anomalism comprise single anomalous values of 575ppm and 750ppm, respectively.

The Yinnietharra tenement also has an abundance of Tantalum-Niobium and Beryl occurrences from historical pegmatite mining, indicating the tenement is prospective for Lithium, as the elements are often associated. Results from the limited sampling have not supported this theory, however, the Company will look to align its focus for potential Lithium pegmatites in addition to further exploration for rare earths already discovered.

The Company plans to refine its geophysical imagery to delineate further targets and conduct further rock chip sampling and mapping to follow up these results.

# Skyline (E09/2646) (ELA09/2733) – Skyline Resource Corporation Pty Ltd (wholly owned subsidiary of RR1)

Three areas of TREO anomalism have been confirmed by lab assays associated with thorium highs together with the anomalous Copper identified in the northwest of the tenement, (Table 4).



A maximum TREO result of 3173ppm or 0.32% was returned from the area in the northwest of the tenement. One other TREO anomalous result was returned from the area of 946ppm, approximately 250m east of the maximum result.

Previously identified Copper anomalism in the area was confirmed by the return of a maximum result of 1340ppm Copper.

The other area of TREO anomalism is associated with a discrete spot high thorium anomalism in the south east of the tenement and returned a single TREO anomalous result of 705ppm.

All of the above anomalous TREO results have been identified as being associated with dolerite of the Edmund Group.

The Company will also include its new application ground E09/2750 and E09/2751 in the next round of exploration review to gain a better understanding of potential.

## CORPORATE

The Company held its AGM on Friday 11 November 2022, with all resolutions carried.

The Company retains the potential for deferred consideration relating to the sale of Albury Heath, being an additional \$400,000 and further \$200,000 of cash or Westgold shares, if the Albury Heath project achieves performance targets, as outlined in the 23 April 2020 ASX release.

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company had \$614,000 in cash as at 31 December 2022.

## MATERIAL EVENTS SUBSEQUENT TO THE END OF QUARTER

None

## ASX DISCLOSURE REQUIREMENTS

The proportion of expenditure incurred during the quarter ended 31 December 2022, in relation to the 'REEcycle Waste Recycling Technology', was \$Nil.

#### Update on REEgenerate:

Fermin Olivan recently joined REEcycle as CEO. Mr. Olivan has broad experience in the global recycling market, with his last position being the CEO of a recycling company in Texas working for the Department of Defense. Under Mr. Olivan's leadership REEcycle has successfully completed their R&D in the Hydrogen Decrepitation process. This process allows REEcycle to go from magnet blocks to particles under 100 microns size. This step is needed for the further extraction of the Rare Earth elements from their iron matrix for its separation in the REEcycle chemical reactor.

### **GUIDANCE NOTE 23 DISCLOSURES**

#### Details of mining exploration activities

Details of exploration activities during the quarter are set out above.

The \$113,000 of exploration and evaluation expenditure was largely attributed to geological staff salaries, consulting fees and sampling and laboratory costs.





## Details of mining production and development activities

No production and development activities were undertaken during the quarter.

### **Details of tenement activities**

The tenement schedule included below shows all holdings and any change for the Company and its subsidiaries.

# SCHEDULE OF TENEMENTS as at 31 December 2022

Project / Tene	ment	Interest at Start of Quarter	Interest at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
Primrose Project - Wester	n Australia				
Paynes Find	**M59/002	100%	0%	-	100%
Paynes Find	**M59/010	100%	0%	-	100%
Paynes Find	**M59/235	100%	0%	-	100%
Paynes Find	**M59/244	100%	0%	-	100%
Paynes Find	**M59/396	100%	0%	-	100%
Paynes Find	M59/662	100%	100%	-	-
Paynes Find	**M59/663	100%	0%	-	100%
Paynes Find	P59/2076	100%	100%	-	-
Paynes Find	P59/2094	100%	100%	-	-
Paynes Find	**P59/2101	100%	0%	-	100%
Paynes Find	P59/2130	100%	100%	-	-
Paynes Find	**P59/2151	100%	0%	-	100%
Paynes Find	**P59/2152	100%	0%	-	100%
Paynes Find	P59/2159	100%	100%	-	-
Paynes Find	P59/2160	100%	100%	-	-
Paynes Find	P59/2161	100%	100%	-	-
Paynes Find	**P59/2174	100%	0%	-	100%
Paynes Find	L59/184	100%	100%	-	-
Paynes Find	M59/769	0%	100%	100%	-
Skyline Project - Western	Australia				
Skyline	EL 09/2646	100%	100%	-	-
Skyline North	*ELA 09/2733	100%	100%	-	-
White Castles	*ELA 09/2750	100%	100%	-	-
White Castles	*ELA 09/2751	100%	100%	-	-
<b>Critical Elements Project -</b>	Western Australia				
Yinnietharra	EL 09/2354	100%	100%	-	-
Wabli Creek	EL 09/2377	100%	100%	-	-
Gascoyne Banks	*ELA 09/2748	100%	100%	-	-

\*Application pending

\*\* New Mining Lease M59/769 replaced these tenements





### **Details of related party payments**

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$34,000, comprising Directors fees and superannuation.

This announcement has been authorised by the Board of Reach Resources Limited

For further information please contact:

#### Jeremy Bower

Chief Executive Officer Level 4, 216 St Georges Terrace Perth, 6000 W.A *jeremy@reachresources.com.au* 

-ENDS-

### About Reach Resources Limited

Reach Resources is an emerging gold and rare earth element (REE) explorer. It has built up a portfolio of gold tenements in the well-known and historically producing gold district of Payne's Find with a significant Inferred Resource Estimate and Exploration Target and a strategy to continue exploration to inform future development of this asset.

With the acquisition of several highly prospective REE tenements and exposure to a unique REE magnet recycling technology, the Company has the flexibility to also position itself towards the REE side of the minerals exploration sector with exposure to downstream processing. The company is committed to maximising shareholder value through the development of those opportunities

#### **Competent Person's Statement**

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Matthew Svensson, who is a Member of the Australian Institute of Geoscientists. Mr Svensson is Exploration Manager for Auris Minerals Limited and consults to Reach Resources Limited on a part-time basis. Mr Svensson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Svensson consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

#### No New Information

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

#### Forward Looking Statement

This report contains forward looking statements concerning the projects owned by Reach Resources Limited. If applicable, statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forwardlooking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is





assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

+Rule 5.5

## Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Reach Resources Ltd	
ABN	Quarter ended ("current quarter")
79 079 982 235	31 December 2022

Cons	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(33)	(58)
	(e) administration and corporate costs	(127)	(260)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(160)	(318)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(113)	(202)
	(e) investments	-	-
	(f) other non-current assets	-	-

Cons	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(113)	(202)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	3.2 Proceeds from issue of convertible debt - securities		-
3.3	3.3 Proceeds from exercise of options		-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	887	1,134
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(160)	(318)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(113)	(202)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	614	614

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	594	867
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	614	887

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

Payments included in item 6.1 are related to fees and remuneration (inclusive of superannuation) paid to Directors.

7.	<b>Financing facilities</b> Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	*450	450
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	450	450

### 7.5 Unused financing facilities available at quarter end

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Lender: Bath Resources Pty Ltd

Interest free

\*

Unsecured

Maturity date – The Lender and the Company agreed to forbear the Loan for a period of 12 months from the date the Company's securities were reinstated to quotation on the ASX (4 June 2021). This was extended to 24 months by mutual agreement, dated 12 May 2022. The Lender and the Company agree to negotiate in good faith the terms of the repayment of the Loan during the remaining period, with repayment due 4 June 2023.

8.	Estim	nated cash available for future operating activities	\$A'000
8.1	Net ca	ash from / (used in) operating activities (Item 1.9)	(160)
8.2	(Paym activiti	nents for exploration & evaluation classified as investing ies) (item 2.1(d))	(113)
8.3	Total r	relevant outgoings (Item 8.1 + Item 8.2)	(273)
8.4	Cash	and cash equivalents at quarter end (Item 4.6)	614
8.5	Unused finance facilities available at quarter end (Item 7.5) -		-
8.6	Total a	available funding (Item 8.4 + Item 8.5)	614
8.7	Estim Item 8	ated quarters of funding available (Item 8.6 divided by 8.3)	2.25
	Note: if "N/A". C	the entity has reported positive relevant outgoings (ie a net cash inflow) in iten Dtherwise, a figure for the estimated quarters of funding available must be inclu	n 8.3, answer item 8.7 as Ided in item 8.7.
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:		wing questions:
	8.8.1	Does the entity expect that it will continue to have the curren cash flows for the time being and, if not, why not?	t level of net operating
	N/A		
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		

-

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:	31 January 2023

Authorised by: "By the Board"

(Name of body or officer authorising release - see note 4)

#### Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.== == == == ==