

1 August 2023

HERITAGE CLEARANCE + \$4.0M PLACEMENT COMPLETED TO FUND IMMINENT DRILLING AT MORRISSEY HILL LITHIUM PROJECT, YINNETHARRA

HIGHLIGHTS

- Firm commitments received for **A\$4.0 million at 1 cent per share (0% discount to closing price on 27 July 2023)**
- **Strategic Placement to Australian & UK fund management institutions** including new and existing sophisticated investors
- **Maiden drill program to commence with over 4,500 metres to be drilled** at the Company's 100% owned Morrissey Hill Lithium Project (E09/2375), Yinnetharra WA
- **Receipt of all regulatory approvals and permits, including Aboriginal heritage clearance**, obtained for Morrissey Hill, Yinnetharra WA
- Drilling contractors **Strike Drilling & DDH1 booked to mobilise** to site, week commencing **14 August**
- Placement funds further allow the Company to **fast track the approvals process** at the Company's **highly prospective Niobium and REE Project** at Wabli Creek, Yinnetharra WA

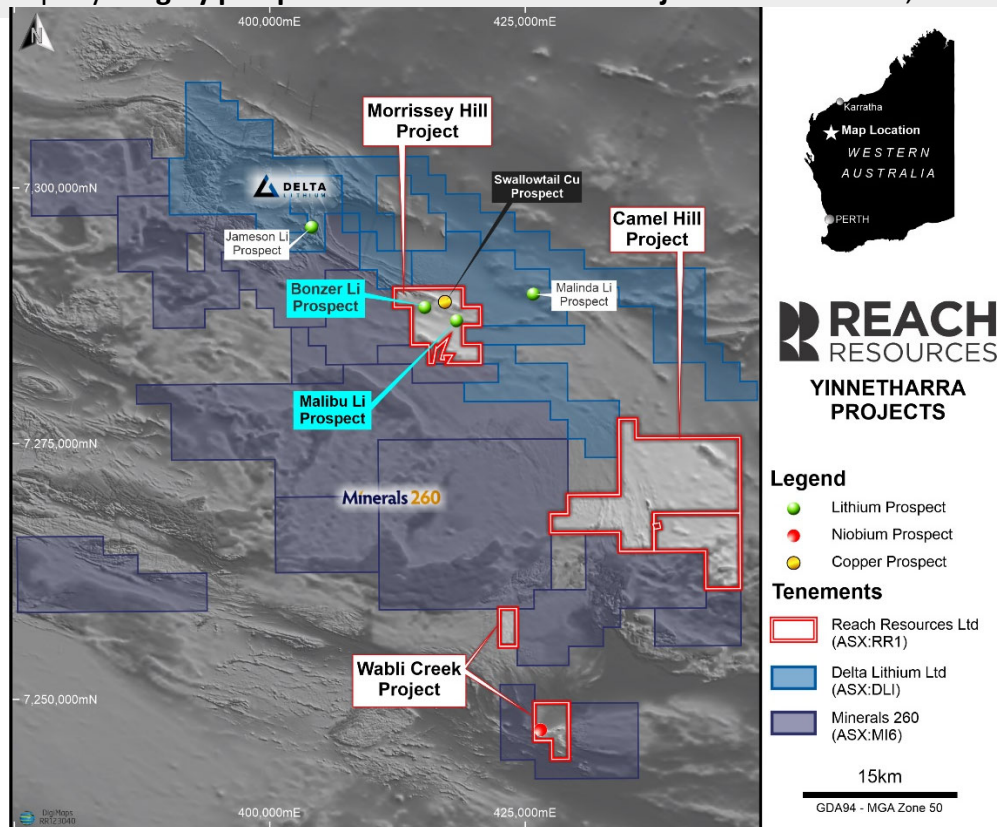


Figure 1: RR1 Yinnetharra Tenement Plan

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Reach Resources Limited (ASX: RR1 & RR1O) (“Reach” or “the Company”) is pleased to announce that it has received binding commitments to raise A\$4 million through a strategic Placement.

The Placement will see the Company issue 400 million new shares at an issue price of \$0.01 per share (“Placement Shares”), each with a 1:3 free attaching unlisted option, exercisable at \$0.01 and expiring 4 August 2025 (“Options”).

The majority of the strategic Placement was granted to Australian & UK fund management institutions, in addition to new and existing Australian sophisticated investors.

Funds raised will be immediately put to work with drilling contractors, Strike Drilling and DDH1 engaged to mobilise to the Company’s Morrissey Hill lithium project (Yinnetharra) in the Gascoyne Mineral Field, Western Australia, during the week commencing 14 August 2023.

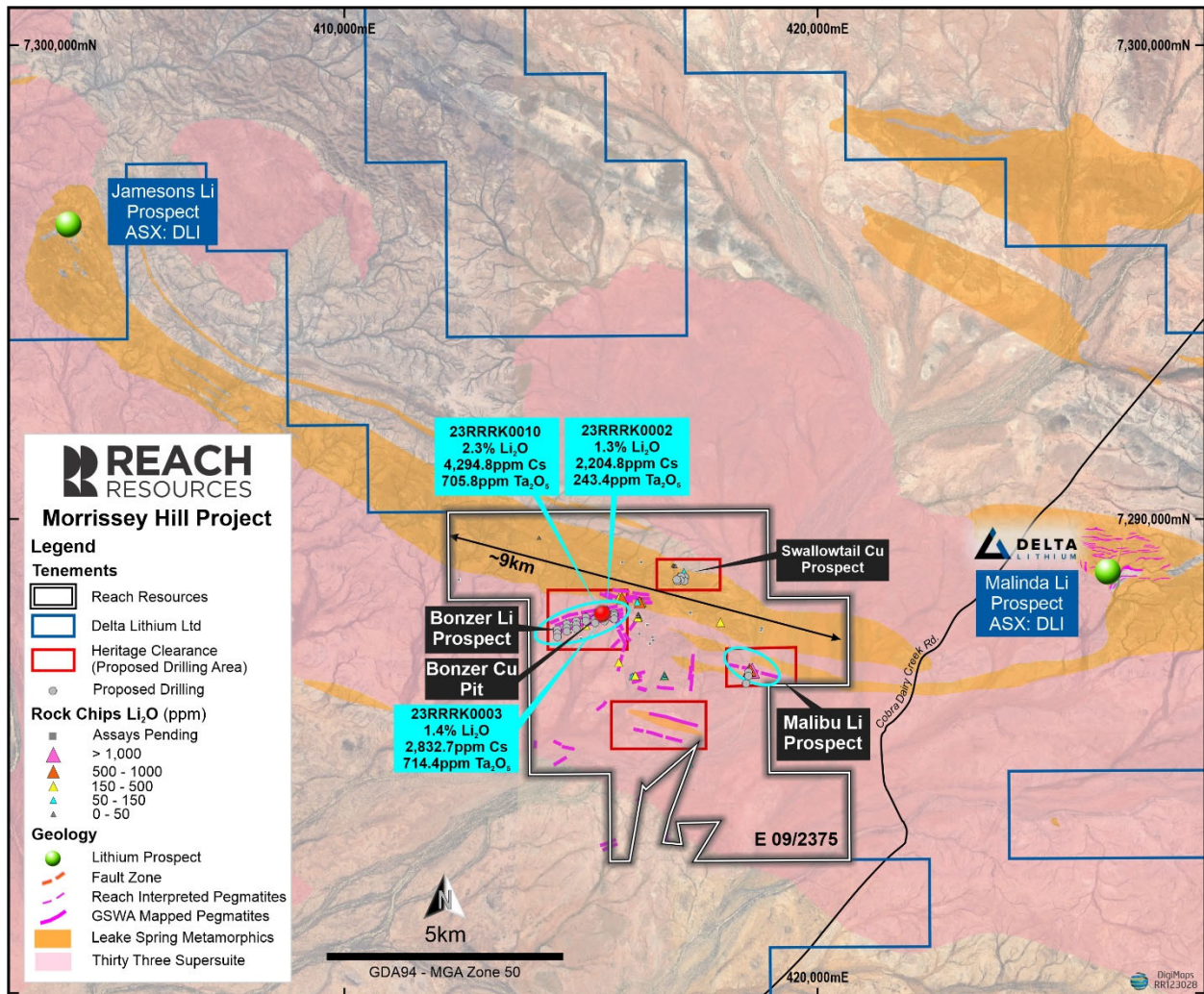


Figure 2: RR1 Morrissey Hill (E09/2375), Yinnetharra - Proposed Drilling (Refer ASX Announcement 15 May 2023 for highlighted results)

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The maiden drill program will consist of a proposed ~2500m RC and ~2000m diamond drill hole program concentrated on the Bonzer Pegmatite Field but may include reconnaissance holes at the Malibu Lithium prospect, the Swallowtail Copper prospect and further south of the Bonzer Pegmatite Field where a large number of outcropping pegmatites have been recently mapped and heritage cleared.

The program will include ~8-10 RC holes to approximately 100m to 300m depth and another 8-10 DDH to similar depths for ~4500m drilling in total. Holes are planned to assess grade, size and scale of the mapped pegmatites and test for the presence of “blind” sub-surface pegmatite bodies.

The Company is pleased to announce the receipt of all necessary approvals and permits, including Aboriginal heritage clearance and a program of works (“POW”), allowing the commencement of the Company’s maiden drilling program at the Morrissey Hill Lithium Project.

The Reach Exploration team worked with the Yinggarda Traditional Owners to assess and clear four large polygons across the Morrissey Hill project, which provides the Company with the flexibility to drill the large number of outcropping pegmatites identified and avoid any areas of cultural significance anywhere within the polygons. The POW was also submitted and approved on this basis.

Reach CEO Jeremy Bower said: “Since acquiring our Yinnetharra projects in April we are really happy with what we have achieved over the past couple of months. Our exploration team has been methodical, using all the tools at our disposal to identify and confirm the Bonzer pegmatite field, including the numerous other pegmatites across Morrissey Hill, as both highly fractionated and lithium bearing at surface.

The Bonzer prospect only represents a small portion of the potential at Morrissey Hill, but we have always said the Bonzer is a walk-up drill target and following the outstanding rock chip results obtained at this location, it’s without a doubt our first stop. Having Strike Drilling and DDH1 mobilising in a couple of weeks to kick off our maiden drilling program, on an area that has never been previously drilled is exciting.

None of this would have been possible without the co-operation and support of the local Yinggarda people during the recently completed heritage surveys at Morrissey Hill. We look forward to building a strong relationship with the Yinggarda people as we assess more pegmatite areas.

Delta Lithium are doing some great work next door and reporting fantastic results from the same pegmatite system. Morrissey Hill deserves to be drilled comprehensively, and with the \$4 million raised under the Placement, the exploration team can take their time and do things right. Additionally it provides sufficient funding to fast track the necessary approvals required to get things moving at Wabli Creek where the Company has reported very promising Niobium results.

We are delighted with the outcome of the Placement which secured strong institutional support from new investors who recognise the value in the Company. We look forward to providing regular updates over the coming months as we obtain assays from over 5000 soil samples and as drilling gets underway.”

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PLACEMENT TERMS

The Company has received binding letters of commitment to raise A\$4 million via the issue of 400 million fully paid ordinary shares at \$0.01 per share (the “Placement” and “New Shares”). Participants in the Placement will receive a 1:3, free attaching unlisted option, exercisable at \$0.01 and expiring 4 August 2025 (“Options”). Westar Capital Limited acted as lead manager to the Placement and will receive 6% of gross fees raised under the Placement including the options set out below.

The Placement has been conducted pursuant to the Company’s existing Placement capacity under ASX Listing Rule 7.1 and 7.1A as follows

- 126,000,000 New Shares (ordinary fully paid shares), issued under ASX Listing Rule 7.1,
- 274,000,000 New Shares (ordinary fully paid shares), issued under ASX Listing Rule 7.1A,
- 133,333,333 New Options (unlisted options), issued under ASX Listing Rule 7.1, and
- 66,666,667 Lead Manager Options (unlisted options), issued under ASX Listing Rule 7.1.

Settlement of funds under the Placement is proposed for Thursday 3 August 2023, with allotment to follow on Friday 4 August 2023.

To facilitate secondary trading of the New Shares to be issued pursuant to the Placement the Company will soon issue a cleansing statement. This will allow the Placement Shares to be traded pursuant to section 708A(5) of the *Corporations Act 2001* (Cth).

USE OF FUNDS

Funds raised will be primarily used to complete the Company’s maiden drilling campaign across the Company’s Yinnetharra Projects in the Gascoyne region of Western Australia. DDH1 and Strike Drilling have been booked to mobilise to commence drilling at Morrissey Hill during the week commencing 14 August 2023. Additionally, funds raised will be utilised on ongoing exploration and to provide additional working capital.

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

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-ENDS-

About Reach Resources Limited

Reach Resources is a critical mineral explorer with a large portfolio of tenements in the resource rich Gascoyne Mineral Field. Recent and historical exploration results have confirmed the presence of Lithium, REE, Niobium and Manganese across the Company's land holdings.

However, the Company is distinct from other pure explorers by also having an Inferred Gold Resource at Payne's Find and a significant investment in a downstream patented technology that recycles the rare earth elements from the permanent magnets required in electric vehicles, wind turbines, hard disk drives and MRI machines.

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 Steve Vallance, who is a Member of the Australian Institute of Geoscientists. Mr Vallance is the Exploration Manager for Reach Resources Limited employed on a full-time basis. Mr Vallance 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 Vallance 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 Statements

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. Forward-looking 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.

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