

21 February 2024

RIGHTS ISSUE AND OPTIONS PRIORITY OFFER

Reach Resources Limited (ASX: RR1 & RR10) (“Reach” or “the Company”) is pleased to announce its intention to undertake a non-renounceable rights issue of 1 fully paid ordinary share in the capital of the Company (“Share”) for every 3 Shares held by eligible shareholders at an issue price of \$0.002 per Share (pre-consolidation) or \$0.01 (post-consolidation), together with 1 free attaching option to acquire a Share (“Option”) for every 2 Shares subscribed for and issued, to raise up to approximately \$2.14 million (“Rights Issue”).

Each Option issued under the Rights Issue will be exercisable within 3 years from the date of issue with an exercise price of \$0.003 (pre-consolidation) or \$0.015 (post consolidation) (“New Options”).

In addition to the Rights Issue, the Company will be offering eligible holders of the existing RR10 listed Options (“RR10 Options”) a non-renounceable priority offer to subscribe for 1 New Option for every 1 RR10 held at an issue price of \$0.0002 (pre-consolidation) or \$0.001 (post-consolidation) per New Option to raise up to approximately a further \$0.26 million (“Priority Offer”). The issue of the New Options under the Priority Offer will be subject to shareholder approval and will occur following the consolidation (which is further discussed below).

The Company intends to apply for the quotation of the New Options to be issued under the Rights Issue and the Priority Offer (together, the “Offers”).

Funds raised under the Offers will be allocated towards funding the exploration of the Company’s projects and for general working capital purposes.

The Company has engaged Westar Capital Limited (AFSL 255789) (“Westar”) to act as lead manager for the Offers. In consultation with the Company, Westar will have the exclusive right to the placement of any shortfall.

The Company intends to release a prospectus for the Rights Issue to its ASX platform on Friday, 1 March 2024 (“Rights Issue Prospectus”) following the lodgement of the Rights Issue Prospectus with ASIC. A prospectus for the Priority Offer (“Priority Offer Prospectus”) will be lodged with ASIC following the completion of the consolidation (which is further discussed below).

Eligible shareholders should consider the Rights Issue Prospectus in deciding whether to acquire securities under the Rights Issue and will need to complete the personalised entitlement and acceptance form that will accompany the Priority Offer Prospectus.

The Company advises that, should they be eligible, the Directors intend to take up any entitlements available to them under the Offers. As at the date of this announcement, the Directors are not eligible to participate in the Offers.

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Lead Manager Fees

Pursuant to the Company's lead manager mandate with Westar, the Company has agreed to pay Westar:

- (a) a 6% fee on the gross proceeds raised under the Offers; and
- (b) a \$35,000 signing fee.

Consolidation

Subject to receipt of shareholder approval at the Company's upcoming General Meeting to be held early April 2024, the Company plans to consolidate its issued capital on a 1 for 5 basis ("**Consolidation**"). The Consolidation will become effective post the issue of Securities under the Rights Issue.

The Consolidation will apply equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of shares (subject to rounding of fractions). The Consolidation will have no material effect on the percentage interest in the Company of each shareholder from a pre-consolidation basis to a post-consolidation basis. All references in this announcement are on a pre-consolidation basis.

Shareholders will be given the opportunity to vote on this at a General Meeting with more details to be provided in the associated Notice of Meeting.

The indicative timetable for the Offers and Consolidation is set out at Annexure 1. As is further set out in this timetable, the Priority Offer will be undertaken following the completion of the Consolidation. This is not what was originally envisaged when the Company announced the Priority Offer by way of the Appendix 3B that was released on 19 February 2024 ("**Original 3B**"). It is for this reason that the Original 3B has been cancelled, and will be replaced in due course by a revised Appendix 3B.

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

For further information please contact:

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Annexure 1: Indicative Timetable

Event	Date
Lodgement of Rights Issue Prospectus with ASIC & ASX	Thursday, 1 March 2024
Despatch of Notice of Meeting	Friday, 8 March 2024
Rights Issue ex date	Wednesday, 13 March 2024
Record Date for determining entitlements under the Rights Issue	Thursday, 14 March 2024
Rights Issue Prospectus despatched to eligible shareholders and optionholders & Company announces despatch has been completed	Tuesday, 19 March 2024
Last day to extend Rights Issue Closing Date	Monday, 25 March 2024
Closing Date of the Rights Issue	Thursday, 28 March 2024
Securities issued under Rights Issue quoted on a deferred settlement basis from market open	Tuesday, 2 April 2024
Announcement of results of the Rights Issue	Monday, 8 April 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities issued under the Rights Issue (before noon Sydney time)	Monday, 8 April 2024
Date of General Meeting	Monday, 8 April 2024
Quotation of the securities issued under the Rights Issue	Tuesday, 9 April 2024
Effective date of the Consolidation	Thursday, 11 April 2024
Lodgement of Priority Offer Prospectus with ASIC & ASX	Wednesday, 24 April 2024
Priority Offer ex date	Monday, 29 April 2024
Record Date for determining Entitlements under the Priority Offer	Tuesday, 30 April 2024
Priority Offer Prospectus despatched to optionholders & Company announces despatch has been completed	Friday, 3 May 2024

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Event	Date
Last day to extend Priority Offer Closing Date	Thursday, 9 May 2024
Closing Date of the Priority Offer	Tuesday, 14 May 2024
Priority Options quoted on a deferred settlement basis from market open	Wednesday, 15 May 2024
Announcement of results of Priority Offer	Tuesday, 21 May 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Priority Options (before noon Sydney time)	Tuesday, 21 May 2024

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. The date the Shares and New Options are expected to commence trading on ASX may vary.

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.

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