

15 April 2024

RIGHTS ISSUE AND SHORTFALL

Reach Resources Limited (ASX: RR1 & RR10) (“Reach” or “the Company”) is pleased to announce it has received \$822,595 from the recently completed non-renounceable rights issue.

As announced on 21 February 2024, eligible shareholders who participated will receive 1 fully paid ordinary share in the capital of the Company (“Share”) for every 3 Shares held, at an issue price of \$0.002 per Share (pre-consolidation) (or \$0.01 on a post-consolidation basis), together with 1 free attaching option to acquire a Share (“Option”) for every 2 Shares subscribed for and issued (“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 on a post-consolidation basis) (“New Options”). Participants in the Rights Issue will be issued Shares and New Options prior to 10am AWST, this morning.

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 is subject to shareholder approval at the meeting to be held at 9:30 am AWST on the date of this announcement.

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 engaged Westar Capital Limited (AFSL 255789) (“Westar”) to act as lead manager for the Offers. In consultation with the Company, Westar has the exclusive right to the placement of any shortfall under the Rights Issue (ASX Announcement 14 March 2024 – Entitlement Issue Prospectus) (“Shortfall Offer”). Westar have been advised of the shortfall and the Company looks forward to providing an update to shareholders regarding the placement of the shortfall, in the short term.

Consolidation

Subject to receipt of shareholder approval at this morning’s General Meeting, the Company plans to consolidate its issued capital on a 1 for 5 basis (“Consolidation”).

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.

For personal use only

The Company will provide an update to shareholders following today's General Meeting of Shareholders, advising of next steps.

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 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.

For personal use only