

Reach Resources Limited
ACN 097 982 235

Notice of General Meeting

Notice is given that the general meeting of the Company (**Meeting**) will be held at:

Time 11:30am (AWST)
Date Wednesday 18, May 2022
Place Ground Floor
216 St Georges Terrace
Perth WA 6000

Important: This Notice is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.

Notice of General Meeting

Notice is given that the general meeting of Reach Resources Limited (ACN 097 982 235) (**Company**) will be held at 11:30am (AWST) on Wednesday, 18 May 2022 at Ground Floor, 216 St Georges Terrace, Perth WA 6000.

Agenda

1 Resolution 1 – Ratification of prior issue of Acquisition Shares under Acquisition

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Shares to the Vendors (or their respective nominees) as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendor (and its respective nominees) or any of their respective associates.

2 Resolution 2 – Ratification of prior issue of Consideration Shares to Barclay Wells

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,500,000 Shares to Barclay Wells (or its respective nominees) as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Barclay Wells (and its respective nominees) or any of their respective associates.

3 Resolution 3 – Ratification of prior issue of Service Provider Shares to the Service Provider

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,538,175 Shares to the Service Provider (or its respective nominees) as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Service Provider (and its respective nominees) or any of their respective associates.

4 Resolution 4 – Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolutions each as separate **ordinary resolutions**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares at \$0.008 per Share to raise approximately \$2,400,000:

(a) 150,000,000 Placement Shares under Listing Rule 7.1; and

(b) 150,000,000 Placement Shares under Listing Rule 7.1A,

as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of: (a) Resolution 4(a) by or on behalf of any person who participated in the issue of the Placement Shares or any of their respective associates; and (b) Resolution 4(b) by or on behalf of any person who participated in the issue of the Placement Shares or any of their respective associates .

5 Resolution 5 – Approval to issue Placement Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 150,000,000 Placement Options as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

6 Resolution 6 – Approval to issue Securities to Mr Sam Wright

To consider and, if thought fit, to pass, with or without amendment, the following resolution each as a separate **ordinary resolution**:

"That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the proposed issue of 5,000,000 Shares and 2,500,000 Listed Options to Director, Mr Sam Wright (or his nominees) as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Sam Wright (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Securities (except a benefit solely by reason of being a holder of Shares in the Company), or any of their respective associates.

Voting exclusions and exceptions

Where a voting exclusion and/or voting prohibition applies to a Resolution, it is set out below for the relevant Resolution. The voting exclusions and/or voting prohibitions (as applicable) for the following Resolutions are subject to the exceptions stated in the table below (as applicable).

Resolutions	Exceptions
1, 2, 3, 4, 5 and 6	<p>The voting exclusion does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none">(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;(a) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or(b) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">(i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and(ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting entitlements

The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 11:30am (AWST) on 16 May 2022. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting instructions

- (a) Votes at the Meeting may be given personally or by proxy, attorney or representative.
- (a) A proxy need not be a Shareholder of the Company.
- (b) The Proxy Form sent with this Notice should be used for the Meeting.
- (c) Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.
- (d) In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.
- (e) Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.

- (f) Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- (g) Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- (h) If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as its proxy, the Shareholder should ensure that it directs the member of the Key Management Personnel how to vote on Resolution 6.
- (i) Proxy Forms (including any instruments under which they have been executed) and powers of attorney granted by Shareholders must be lodged with the Company's share registry, Advanced Share Registry Limited:
 - (i) by post to 110 Stirling Hwy, Nedlands WA 6009, or PO Box 1156, Nedlands WA 6909;
 - (ii) by hand at 110 Stirling Hwy, Nedlands WA 6009;
 - (iii) online at www.advancedshare.com.au/investor-login; or
 - (iv) by facsimile to +61 8 6370 4203,so that they are received no later than 48 hours before the commencement of the Meeting.
- (j) The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

Document components

This document includes this Notice and the accompanying Explanatory Statement and Proxy Form.

Authorisation

By order of the Board.

Chris Achurch
Company Secretary

4 April 2022

Explanatory Statement

This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions.

The Explanatory Statement forms part of the Notice which should be read in its entirety. The Explanatory Statement contains the terms and conditions on which the Resolutions will be voted.

1 General

In accordance with section 253RA of the *Corporations Act (as inserted by the Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), this Notice and Explanatory Statement are being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice.

The Notice can be viewed and downloaded at the following link:

<https://www.reachresources.com.au/asx-announcements>

Should you wish to receive a hard copy of the Notice, please contact the Company Secretary by email at chris@westarcapital.com.au.

2 Resolution 1 – Ratification of prior issue of Acquisition Shares under Acquisition

2.1 Background

On 29 November 2021, the Company announced that it had entered into a binding agreement (**Acquisition Agreement**) with an unrelated party vendor (**Vendor**) to acquire Critical Elements Pty Ltd (**Critical Elements**), the holder of exploration licences E09/2354 and E09/2377 in the Gascoyne Province of Western Australia, in consideration for 40,000,000 Shares (**Acquisition Shares**). The Acquisition Agreement was subject to completion of due diligence into Critical Elements to the satisfaction of the Company (**Condition Precedent**). On 16 December 2021, the Company announced that the Condition Precedent had been satisfied and that it would issue the Consideration Shares.

On 21 December 2021, the Company issued the Consideration Shares to the Vendor (or its nominees) within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares.

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

2.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and

7.1A (and provided that the previous issue did not breach Listing Rule 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and 7.1A.

If Resolution 1, is passed, the Acquisition Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Acquisition Shares (being 21 December 2021).

If Resolution 1 is not passed, the Acquisition Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Acquisition Shares (being 21 December 2021)

2.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the prior issue of the Acquisition Shares:

- (a) a total of 40,000,000 Acquisition Shares were issued on 21 December 2021;
- (b) the Acquisition Shares were issued for nil cash consideration, as consideration for the acquisition of Critical Elements under the Acquisition Agreement;
- (c) the Acquisition Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Acquisition Shares were issued to the Vendor (or its nominees), a non-related party of the Company;
- (e) no funds were raised from the issue of the Acquisition Shares as they were issued as consideration for the acquisition of Critical Elements under the Acquisition Agreement;
- (f) the Acquisition Shares were issued under the Acquisition Agreement, the material terms of which are set out in section 2.1; and
- (g) a voting exclusion statement is included in the Notice.

3 Resolution 2 – Ratification of prior issue of Consideration Shares to Barclay Wells

3.1 Background

On 21 March 2022, the Company announced that it had entered into a subscription agreement with REEgenerate Pty Ltd (**REEgenerate**) (**Subscription Agreement**) to subscribe for 10% of the outstanding share capital in REEgenerate by way of an issue of fully paid ordinary shares for \$1,800,000 (**Share Subscription**).

On 15 February 2022, the Company and Barclay Wells Ltd (**Barclay Wells**) entered into a mandate pursuant to which Barclay Wells agreed to provide exclusive M&A corporate adviser services to the Company in relation to the Share Subscription (**Mandate**). Some of the services to be provided under the Mandate included advising the Company on transaction strategy, assisting in due diligence, advising the Company on the structure of the Share Subscription and other customary services. The Mandate commenced on 15 February 2022 and continued until completion of the Share Subscription. On completion of the Share Subscription, the Company agreed to issue A\$100,000 worth of Shares to Barclay Wells on the same terms as the Placement.

On 24 March 2022, the Company issued 12,500,000 Shares (**Consideration Shares**) at \$0.008 per Share to Barclay Wells for the corporate strategic services provided under the Mandate and completion of the Share Subscription.

The Company issued the Consideration Shares to the Barclay Wells (or its nominees) on 24 March 2022 within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

3.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are contained in section 2.2.

If Resolution 2, is passed, the Consideration Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Consideration Shares (being 24 March 2022).

If Resolution 2 is not passed, the Consideration Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Shares (being 24 March 2022)

3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the prior issue of the Consideration Shares:

- (a) a total of 12,500,000 Consideration Shares were issued on 24 March 2022;
- (b) the Consideration Shares were issued for nil cash consideration, as consideration for the corporate strategic services provided by Barclay Wells to the Company related to the Share Subscription;
- (c) the Consideration Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Consideration Shares were issued to Barclay Wells (or its nominees), a non-related party of the Company;
- (e) no funds were raised from the issue of the Consideration Shares as they were issued as consideration for the corporate strategic services provided by Barclay Wells to the Company related to the Share Subscription;
- (f) the Consideration Shares were issued under the Barclay Wells Agreement, the material terms of which are set out in section 3.1; and
- (g) a voting exclusion statement is included in the Notice.

4 Resolution 3 – Ratification of prior issue of Service Provider Shares to Service Provider

4.1 Background

On 20 December 2021, the Company entered into an agreement with Investor News Network Pty. Ltd. (**Service Provider**) for the provision of investor marketing services to the Company (**Service Agreement**). Some of the services to be provided under the Service Agreement included lead generation, news marketing, banner creation, advertising of the Company, targeted press releases and other customary services. The total consideration payable under the Service Agreement to the Service Provider was A\$52,200 (plus GST), whereby A\$26,100 (plus GST) was payable in cash and A\$26,100 (plus GST) was payable in Shares, calculated on the 20 day volume weighted average price of Shares on the execution date of the Service Agreement. Accordingly, the Company agreed to issue 3,538,175 Shares (**Service Provider Shares**) to the Service Provider.

On 24 March 2022, the Company issued the Service Provider Shares to the Service Provider (or its nominees) within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Service Provider Shares.

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

4.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are contained in section 2.2.

If Resolution 3, is passed, the Service Provider Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Service Provider Shares (being 24 March 2022).

If Resolution 3 is not passed, the Service Provider Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Service Provider Shares (being 24 March 2022)

4.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the prior issue of the Service Provider Shares:

- (a) a total of 3,538,175 Service Provider Shares were issued on 24 March 2022;
- (b) the Service Provider Shares were issued for nil cash consideration, as partial consideration for the Services provided under the Service Agreement;
- (c) the Service Provider Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Service Provider Shares were issued to the Service Provider (or its nominees), a non-related party of the Company;
- (e) no funds were raised from the issue of the Service Provider Shares as they were issued as partial consideration for the Services provided under the Service Agreement;

- (f) the Service Provider Shares were provided under the Service Agreement, the material terms of which are set out in section 4.1; and
- (g) a voting exclusion statement is included in the Notice.

5 Resolutions 4(a), 4(b) and 5 – Ratification of prior issue of Placement Shares and approval to issue Placement Options

5.1 Background

On 21 March 2022, the Company announced that it had received binding commitments for a placement to raise approximately \$2,400,000 (before costs) (**Placement**) through the issue of 300,000,000 Shares at \$0.008 each (**Placement Shares**), together with one free attaching Listed Option for every 2 Placement Shares subscribed under the Placement (**Placement Options**) to sophisticated and professional investors (**Placement Participants**).

On 24 March 2022, the Company issued 300,000,000 Placement Shares to the Placement Participants whereby:

- 150,000,000 Placement Shares were issued using the Company's placement capacity under Listing Rule 7.1; and
- 150,000,000 Placement Shares were issued using the Company's additional placement capacity under Listing Rule 7.1A.

The Placement Options have not yet been issued. It is anticipated that the Placement Options will be issued once the Company receives Shareholder approval under Resolution 5.

Resolutions 4(a) and 4(b) each separately seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Placement Options.

Resolutions 4(a), 4(b) and 5 are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 4 and 5.

5.2 Listing Rules 7.1, 7.1A, 7.2 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are contained in section 2.2.

Under Listing Rule 7.1A an eligible entity can seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 25 October 2021.

Listing Rule 7.2 sets out various types of equity issues that are excluded from the operation of Listing Rule 7.1 and 7.1A. The issue of the Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and 7.1A.

Accordingly,

- Resolutions 4(a) and 4(b) each separately seek Shareholder approval for the prior issue of the Placement Shares under and for the purposes of Listing Rule 7.4; and

- Resolution 5 seeks Shareholder approval for the issue of the Placement Options under Listing Rule 7.1.

If Resolution 4(a), is passed, 150,000,000 Placement Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 24 March 2022).

If Resolution 4(a) is not passed, 150,000,000 Placement Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 24 March 2022).

If Resolution 4(b), is passed, 150,000,000 Placement Shares will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 24 March 2022).

If Resolution 4(b) is not passed, 150,000,000 Placement Shares will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 24 March 2022).

If Resolution 5 is passed, the Company can proceed to issue the Placement Options within 3 months of the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1 and the 10% limit under Listing Rule 7.1A.

If Resolution 5 is not passed, the Placement Options will be included in calculating the Company's 15% limited under Listing Rule 7.1 and 10% limited under Listing Rule 7.1A, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options.

5.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the prior issue of the Placement Shares:

- (a) a total of 300,000,000 Placement Shares were issued on 24 March 2022, whereby:
 - (i) 150,000,000 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1; and
 - (ii) 150,000,000 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A,
 without the need for Shareholder approval;
- (b) the Placement Shares were issued at \$0.008 per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, being investors selected by the Company in consultation with the Company's lead manager, Westar Capital Limited. No Placement Participants are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.2;
- (e) the proceeds from the issue of the Placement Shares were used to finance the acquisition of REEgenerate, as well as for costs of the Placement, existing exploration projects and general working capital; and

- (f) a voting exclusion statement is included in the Notice.

5.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Options:

- (a) a maximum of 150,000,000 Listed Options may be issued as Placement Options;
- (b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Placement Options are free-attaching to the Placement Shares, issued on a one for 2 basis, and therefore will be issued at an issue price of nil;
- (d) the Placement Options will go to the Placement Participants being investors selected by the Company in consultation with the Company's lead manager, Westar Capital Limited;
- (e) The Placement Options will have an exercise price of \$0.01 each, an expiry date of 20 May 2024 and will otherwise be issued on the same terms and conditions as the Listed Options, as set out in Schedule 1;
- (f) no funds will be raised from the issue of the Placement Options as they are free-attaching to the Placement Shares on a one for 2 basis. If the Placement Options are exercised, the proceeds from the exercise of the Placement Options will be used towards general working capital expenses; and
- (g) a voting exclusion statement is included in the Notice.

6 Resolution 6 – Approval to issue Securities to Mr Sam Wright

6.1 General

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 5,000,000 Shares and 2,500,000 Listed Options to Mr Sam Wright, a Director of the Company and therefore a related party of the Company. The Shares and the Listed Options will be issued to Mr Wright on the same terms as the Placement Shares issued and the Placement Options to be issued under the Placement to the Placement Participants.

Resolution 6 is an ordinary resolution.

The Board (other than Mr Wright who has a material personal interest in the outcome of Resolution 6) recommends that Shareholders vote in favour of Resolution 6.

6.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

Mr Wright is a related party of the Company by virtue of being a Director. As the proposed issue of Shares and Listed Options is to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Resolution 6 seeks the required Shareholder approval to the proposed issues of Shares and Listed Options under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Shares and the Listed Options to Mr Wright (or his respective nominees).

If Resolutions 6 is not passed, the Company will not be able to proceed with the issue of the Shares and Listed Options to Mr Wright (or his respective nominees) and the Company will need to return any funds received from Mr Wright.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Shares and Listed Options to Mr Wright (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

6.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Securities:

- (a) the Shares and Listed Options will be issued to Mr Wright (or his respective nominees);
- (b) Mr Wright is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1. In the event that the Shares or Listed Options are issued to a nominee of Mr Wright, the nominee will fall into the category stipulated by Listing Rule 10.11.4;
- (c) the maximum number of Shares and Listed Options to be issued to Mr Wright (or his nominees) are as follows:
 - (i) up to 5,000,000 Shares; and
 - (ii) up to 2,500,000 Listed Options;
- (d) the issue price of the Shares will be \$0.008 per Share, being the same as all other Shares issued under the Placement. The Listed Options will be issued as free attaching Options on a one for 2 basis and therefore will be issued for nil cash consideration;
- (e) the Shares and Listed Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Shares and any Shares issued on exercise of the Listed Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (g) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 5.1;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in the Notice.

6.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Shares and Listed Options to Mr Wright constitutes giving a financial benefit and Mr Wright is a related party of the Company by virtue of being a Director.

However, the Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shares and the Listed Options proposed to be issued to Mr Wright because the Shares and Listed Options will be issued to Mr Wright on the same terms as Shares issued and Listed Options to be issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

AWST means Western Standard Time being the time in Perth, Western Australia.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means Reach Resources Limited (ACN 097 982 235).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement which forms part of the Notice.

Key Management Personnel has the meaning given in the accounting standards issued by the Australian Accounting Standards Board. It includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company or, if the Company is part of a consolidated entity, the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listed Option means an Option listed on the ASX under code "RR10.ASX", and otherwise on the terms set out in Schedule 1.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Placement has the meaning given in section 5.1.

Proxy Form means the proxy form attached to or accompanying the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Statement.

Securities means any Equity Securities of the Company (including Shares, Options and/or Listed Options).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Schedule 1 – Terms and conditions of the Listed Options

The terms of the Listed Options are as follows:

(a) **Issue price**

Each Option has an issue price of nil.

(b) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(c) **Exercise Price**

The amount payable upon exercise of each Option is \$0.01 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on the 20 May 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Notice**

An Option may be exercised prior to the Expiry Date by written notice to the Company in any manner specified on the Option certificate (**Exercise Notice**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of Shares issued on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under the above is not effective (for any reason) to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Ranking of Shares**

Shares issued on exercise of the Options rank equally with the then existing Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising their Options.

(k) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(l) **Quotation**

The Company will apply for quotation of the Options on ASX in the current listed RR10.ASX class.