Appendix 5B

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

Name of entity

REY RESOURCES LIMITED		
ABN	Quarter ended ("current quarter")	
84 108 003 890	31 December 2022	

Con	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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(21)	(55)
	(e) administration and corporate costs	(176)	(283)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(342)	(702)
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	(539)	(1,040)

2.	Ca	sh flows from investing activities		
2.1	Pay	yments to acquire or for:		
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	exploration & evaluation	(127)	(351)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

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Con	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	(127)	(351)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
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	730	1,320
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Share Buy Back)	-	-
3.10	Net cash from / (used in) financing activities	730	1,320

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	37	172
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(539)	(1,040)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(127)	(351)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	730	1,320

Con	solidated 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	101	101

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	101	37	
5.2	Call deposits	-	-	
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)	101	37	

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.		

^{*} Consulting fees (\$17,667), Director fees (\$16,576)

7.	Financing facilities 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	19,000	13,480
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	19,000	13,480
7.5	Unused financing facilities available at qu	arter end	5,520

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.

The total facility amount comprises:

(i) ASF Loan

- an unsecured loan facility of \$2 million from ASF Group Limited, a substantial shareholder of the Company. Interest accruing at the rate of 12% per annum, maturing on 31 October 2023 (ASF Loan Facility); and

(ii) Liu Loan

- an unsecured loan facility of \$17 million from Wanyan Liu, a substantial shareholder of the Company. Interest accruing at the rate of 12% per annum, maturing on 31 October 2023 (**Liu Loan Facility**).

As at the quarter ended 31 December 2022, the Company had remaining available facilities of \$3.52 million under Liu Loan Facility and \$2 million under ASF Loan Facility.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(539)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(127)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(666)
8.4	Cash and cash equivalents at quarter end (item 4.6)	101
8.5	Unused finance facilities available at quarter end (item 7.5)	5,520
8.6	Total available funding (item 8.4 + item 8.5)	5,621
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.44
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3 Otherwise, a figure for the estimated quarters of funding available must be included in ite	
0 0	If item 9.7 is loss than 2 quarters, please provide answers to the following	ing guartians:

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:	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?
Answe	r: N/A
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?
Answe	r: N/A
Note: w	here item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

	25 January 2023			
Date:				
	By the Board of Rey Resources Limited			
Authorised by:	(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.
- 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.
- 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.

December 2022 Quarterly Report

HIGHLIGHTS

Projects

- EP487 3D Seismic plan underway
- R1 sidetrack studies underway

Corporate

- Resignation of Mr Dachun Zhang as Non-Executive Director
- Appointment of Yan Zhao as Executive Director

Authorised by: Board of Rey Resources Limited

Registered Office: Suite 2, 3B Macquarie Street, Sydney NSW 2000

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Email: info@reyresources.com Web: www.reyresources.com



Rey Resources Limited (ASX: REY) ("Rey" or "the Company") is focused on developing its oil and gas interests in the Canning and Perth Basins, Western Australia.

1. Oil and Gas

1.1 Fitzroy Blocks (EP457 and EP458)

The Fitzroy Blocks are located in the Canning Basin in the northwest of Western Australia (refer Figure 1 below).

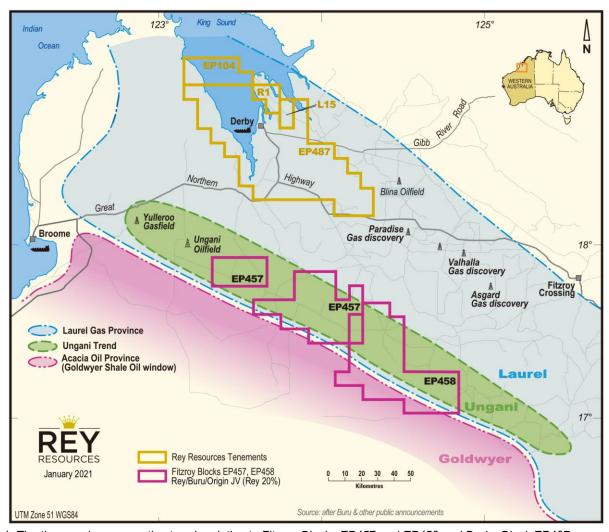


Figure 1: The three major prospective trends relative to Fitzroy Blocks EP457 and EP458 and Derby Block EP487.

During the report period, the operator continues the interpretation of the new 3D Seismic data and try to split the seismic data in EP457/458 from all data which covers part of Buru's permits. The data will be used for the new well drilling by end of 2024.

1.2 Derby Block (EP487)

The Company currently holds a 100% interest in petroleum exploration permit EP487, the Derby Block, via its 100% owned subsidiaries Rey Lennard Shelf Pty Ltd and Rey Derby Block Pty Ltd.

The Derby Block is considered to be predominantly a Wet Laurel Basin Centred Gas play (BCG) which is regionally extensive throughout the Canning Basin (refer to Figures 2 below) and has been the subject of exploration elsewhere in the Canning Basin by other parties in 2015, resulting in encouraging flow tests by Buru at Valhalla and Asgard.

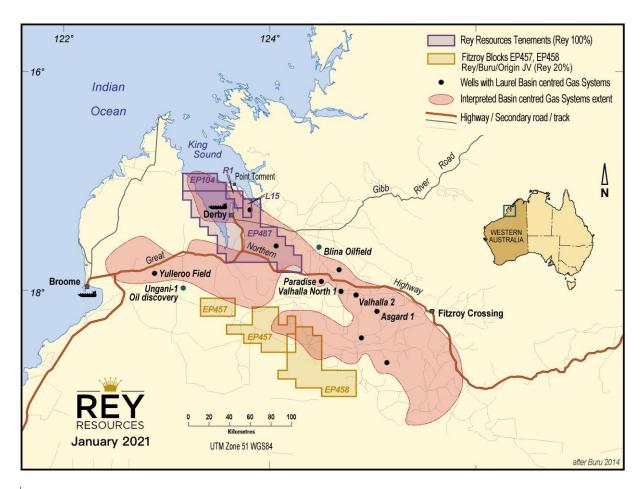


Figure 2: Interpreted extent of the Laurel Basin gas system in relation to Rey's petroleum interests (after Buru and others).

Following the approval of permit work program variation, Rey is preparing the pre seismic work during the period. The initial seismic lines has been designed and future review will be carried with environmental consultant and seismic contractor in future. Rey also start the stakeholder engagement work for the proposed 3D Seismic in 2024.

1.3 Lennard Shelf Blocks (EP104, R1 and L15)

Rey holds a 100% interest in the Lennard Shelf Blocks, comprising EP104, a Retention Lease (R1) and one Production Licence (L15). The Lennard Shelf Blocks are situated to the north of Rey's existing interests in the Canning Basin (refer Figure 3) petroleum exploration licence, covering a total area of approximately 1,145 km² and are considered prospective for conventional oil and tight gas.

An integrity studies is under preparation to meet the commitment during current permit year. The studies include side track drilling study, abandonment study and new well drilling study. Rey prepares to carry out the studies during the next quarter.

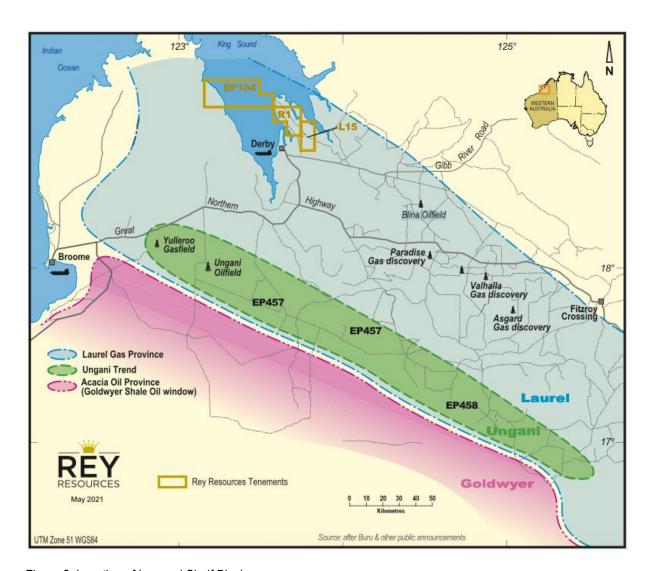


Figure 3: Location of Lennard Shelf Blocks

2. Coal

The Duchess Paradise Coal Project (**DP Project**) is a proposed bituminous thermal coal operation located in the Canning Basin of Western Australia and is partly contiguous with the Fitzroy Blocks.

Rey actively contacts the Native Title groups to understand the specific information required to understand the project for the heritage protection agreement negotiation. By end of this reporting period, no correspondence was received. Rey will continue communicating with the Native Title groups.

3. Corporate

On 29 November 2022, the Company announced that Mr Dachun Zhang resigned as Non-executive Director and Mr Yan Zhao was appointed Executive Director of the Company, both with effect from 29 November 2022. The Directors would like to express their thanks to Mr Zhang for his valuable contribution to the Company during his tenure with the Company and welcome Mr Zhao on board.

As at the quarter ended 31 December 2022, the Company maintained a cash balance of \$101,000 and available loan facilities from Ms Wanyan Liu and ASF Group Limited of \$3.52 million and \$2 million respectively.

As required pursuant to section 6 of the Company's Appendix 5B, the Company paid approximately \$34,000 to related parties during the quarter, of which \$17,667 were consulting fees and \$16,576 were Director fees.

Corporate Directory

Board of Directors

Min Yang Non-Executive Chairman

Wei Jin Managing Director

Geoff Baker Non-Executive Director

Yan Zhao Executive Director

Company Secretary

William Kuan

Capital Structure

Rey Resources is listed on the Australian Securities Exchange (ASX: REY) and had 211,927,539 ordinary shares on issue as at 31 December 2022.

Share Registry

Boardroom Pty Limited

Level 8, 210 George Street

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Registered Office

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Tenement Tenure Status (as at 31 December 2022)

Tenement Tenure Status (as at 51 December 2022)						
Tenure ID ¹	Tenure Type	Holder (wholly owned Rey subsidiary company)	Ownership% beginning quarter	Ownership% end quarter		
	Mineral Licences					
E04/1519	Exploration Licence	Blackfin Pty Ltd	100	100		
E04/1770	Exploration Licence	Blackfin Pty Ltd	100	100		
M04/0453	Mining Lease Application	Blackfin Pty Ltd	100	100		
	Petroleum Permits					
EP457	Exploration Permit	Rey Oil and Gas Pty Ltd	20	20		
EP458	Exploration Permit	Rey Oil and Gas Pty Ltd	20	20		
EP487 ²	Exploration Permit	Rey Lennard Shelf Pty Ltd ("RLS")	50	50		
EP487 ²	Exploration Permit	Rey Derby Block Pty Ltd ("RDB")	50	50		
L15	Production Licence	Gulliver Productions	100	100		
R1	Retention Licence	Gulliver Productions	100	100		
EP104	Exploration Permit	Gulliver Productions	100	100		

¹ All tenements are located in Western Australia.

Royalties attaching to EP487: RLS may, at its election, on the grant of a production licence on EP487, either: grant Backreef Oil Pty Ltd a 1% royalty on sales proceeds from future production from its interest in EP487; or pay \$2 million to Backreef.