



Announcement Summary

Entity name

REACH RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

13/2/2023

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
RR1	ORDINARY FULLY PAID	830,000,000

Proposed +issue date

16/2/2023

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

REACH RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

097982235

1.3 ASX issuer code

RR1

1.4 The announcement is

New announcement

1.5 Date of this announcement

13/2/2023

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	31/3/2023	<input checked="" type="checkbox"/> Estimated	No

Comments

Tranche 1 of the Placement does not require shareholder approval, (utilizes ASX Listing rule 7.1 & 7.1A capacity)
Tranche 2 of the Placement is subject to shareholder approval.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

RR1 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

237,500,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash

What is the issue price per



consideration being paid?

AUD - Australian Dollar

+security?

AUD 0.00400

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

RR1 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

262,500,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.00400

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Will the proposed issue of this +security include an offer of attaching +securities?

No



Existing class

Details of +securities proposed to be issued

ASX +security code and description

RR1 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

230,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Part payment for acquisitions.

Acquisition 1. Morrissey Hill Lithium Project and the Camel Hill REE Project

200,000,000 shares (\$800k at \$0.004 per share)

Acquisition 2. White Castles Manganese and REE

30,000,000 shares (\$120k at \$0.004 per share)

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

920,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

RR1 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

75,000,000



Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Debt to equity conversion. The Company and its major creditor, Bath Resources Pty Ltd have agreed to a settlement of the \$450k owed by the Company to Bath via the issue of 75M shares which represents \$300k at \$0.004. The balance of debt will be forgiven (\$150k).

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

300,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

RR1 : ORDINARY FULLY PAID

Number of +securities proposed to be issued

25,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Payment for introductory services

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

100,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?



Yes

Part 7C - Timetable

7C.1 Proposed +issue date

16/2/2023

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

55,000,000 Placement shares (7.1)
230,000,000 Acquisition 1 & 2 shares

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

182,500,000 Placement shares (7.1A)

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

Most efficient mechanism to secure funds in a timely manner in the current market environment

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

200,000,000 shares (Acquisition 1) and 30,000,000 shares (Acquisition 2), 6 month voluntary escrow per terms of each of the binding acquisition agreements (from the date of issue of the shares - proposed for Thursday 16 February 2023.



Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

Westar Capital Limited

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

6% on gross proceeds raised under the offer.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

25M shares (\$100k) to Mintaka Nominees Pty Ltd for introductory services.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Placement: Exploration-new and existing tenements, cash component for acquisitions and provide additional working cap. Additionally shares issued for part payment -acquisitions, repayment of loan & payment for introductory services.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)