

24 October 2023

## SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

Reach Resources Limited (ASX: RR1) ("the Company" or "Reach Resources") provides its activities report for the quarter ended 30 September 2023.

### HIGHLIGHTS

#### EV Vision Enhanced (20 September 2023)

- Reach acquired tenement E09/2543 from Firebird Metals (ASX: FRB).
- Tenement E09/2543 adjoins existing Reach tenure and expands the manganese and rare earth prospectivity of the Company's assets by ~25%.
- Significant land holding now held by Reach between Hastings and FMG.

#### Pegmatites provide potential Strike in excess of 10km (18 September 2023)

- Multiple new, wide and strike extensive pegmatites<sup>1</sup> were identified during mapping at the Morrissey Hill Lithium Project, Yinnetharra WA.
- The new target areas significantly increase the scale of opportunity at Morrissey Hill.
- Morrissey Hill has now demonstrated to host more than 50 previously unrecognised pegmatites with a combined cumulative strike length in excess of 10km.
- Individual outcropping pegmatites show strike lengths of up to 2kms and widths of up to 30m. The majority occur within a mixed package of sediments & mafic volcanics (greenstones).

#### Multiple Thick, Stacked Pegmatites Intersected at Morrissey (18 September 2023)

- Phase 1 drilling intersected multiple thick, stacked pegmatites<sup>1</sup> at the Bonzer Prospect within the Company's 100%-owned Morrissey Hill Lithium Project, Yinnetharra WA.
- Target pegmatite units were intersected in every hole drilled, with individual drill intercepts up to 30m in length.
- Diamond drill cores show multiple pegmatite intersections which is highly encouraging and consistent with the geology at neighbouring Delta Lithium's (ASX: DLI) Malinda Lithium Project.
- First round of assays and geochemical analysis eagerly expected in early November 2023.

#### Outstanding Lithium in Soils-Multiple Priority Drill Targets (9 August 2023)

- Outstanding results returned from detailed soil sampling program at the Bonzer Pegmatite Field.
- Individual assays have returned results up to 759ppm Li<sub>2</sub>O.
- From an initial sample batch of 833 samples, more than 60% have reported assays in excess of 100ppm Li<sub>2</sub>O.

#### \$4.0M Placement (1 August 2023)

- Reach successfully raised A\$4.0 million at 1 cent per share (0% discount to closing price on 27 July 2023).

<sup>1</sup> Cautionary Note: The identification of pegmatites in the mapping and drilling completed to date does not imply the presence of lithium mineralisation. The presence of any lithium mineralisation will be determined by laboratory analyses.

## EV Vision Enhanced

Reach announced it had entered into a binding tenement sale agreement to acquire tenement E09/2543 from Firebird Metals (ASX: FRB). The tenement acquisition consolidates ground already held by Reach in an area highly prospective for manganese and rare earths. The low-cost acquisition (A\$110,000) was paid via the issue of ordinary shares in Reach Resources (ASX Announcement dated 29 September 2023).

Manganese is recognised as a critical mineral by the Office of the Chief Economist (Australian Government Department of Industry, Innovation and Science). Further, a White House document (June 2021) states that manganese use in battery cathodes may result in the metals preferred element emergence in next generation battery cells, due to its 'relative safety' and 'having by far the most stability'.

### *Highlights and exploration summary*

Tenement E09/2543 is prospective for manganese and REE in the Gascoyne Mineral Field, WA

- E09/2543 consolidates a large parcel of land held or in application by Reach.
- E09/2543 and surrounding tenure lies in the Edmund Basin which is dominated by sedimentary rocks of the Edmund and Collier groups.
- The area is dominated by the Narimbunna Dolerite and sedimentary siliclastic rocks of the Ullawarra Formation. The Ullawarra Formation regionally hosts supergene-stratiform, lateritic and detrital style Mn mineralisation.
- Neighbours include Fortescue Metals Group to the east, Hastings Technology Metals to the west and Dreadnought Resources to the South West.
- As part of the due diligence process, the Reach geological team completed a helicopter reconnaissance rock chip sampling program. A total of 91 samples were collected from various outcropping manganese-bearing material.
- E09/2543 and the surrounding Reach tenure each secure sequences of the Edmund and Collier Groups, including sediments of the Ullawarra Formation – a known host to widespread manganese occurrences in the region. Rock chip sampling by Reach focussed on visual recognition of manganese-bearing outcrops with targets identified from available mapping and historical records (regional scale stream sediments and rock chips).
- Results were received subsequent to the quarter end (ASX Announcement dated 4 October 2023)

## Pegmatites provide potential Strike in excess of 10km

Reach was pleased to advise that recent mapping at the Company's 100% owned Morrissey Hill Lithium Project, Yinnetharra WA had identified multiple, previously unrecognised, wide and strike extensive pegmatite swarms.

Individual pegmatites extend up to 2km in strike length and over 30 metres in width. The majority are hosted within mafic volcanics (basalts/greenstones) and/or mafic sediments of the Leake Springs Metamorphics Group, the same sequence which hosts Delta Lithium's neighbouring Malinda Lithium Deposit (ASX: DLI).

Combining the potential strike length of the Bonzer Pegmatite Field with these new target areas suggests a total strike length of prospective pegmatites at Morrissey Hill to be in excess of 10km. However, this does not include the potential for additional strike from "blind" pegmatites which have been proven to be on site through the recent maiden drill program.

Three of the new target areas, Peggy Sue, Sunset Boulevard and the Morrissey Hill prospects have all had heritage surveys completed with Peggy Sue and Morrissey Hill cleared for drilling. The Martin's Reach prospect will be the subject of further heritage surveys with the Yinggarda people.

### **Multiple Thick, Stacked Pegmatites Intersected at Morrissey**

Reach advised that multiple stacked pegmatites<sup>1</sup> over substantial widths had been intersected at the Bonzer Prospect within the Company's 100% owned Morrissey Hill Lithium Project, Yinnetharra WA.

Importantly, target pegmatite units had been intersected in every hole drilled, with individual drill intercepts ranging from 1m to 30m in length. Consistent with Delta Lithium's Malinda Lithium Project located immediately to the east of Morrissey Hill, drilling at the Bonzer Prospect has confirmed the presence of multiple stacked pegmatites to depths of ~400m (down hole). In addition, at least one of the larger pegmatites intersected at depth appears to be "blind" (i.e., no pegmatite or anomalous assays present at surface) which opens up a potential new target for future drill testing.

### **Operations Update**

At the date of this announcement, the maiden phase 1 RC drilling had concluded with twenty-one (21) holes drilled for a total of 2,656m including pre-collars for diamond holes. Diamond drilling was continuing with four (4) holes complete for ~1072m.

Drilling to date confirmed the presence of multiple pegmatites in each hole with individual intercepts ranging from 1m to more than 30m in length. The pegmatites occur within a variety of host rock types including granites, and sediments/mafic units interpreted as being a part of the Leake Springs Metamorphics Group. Importantly these are the same rocks which host the Malinda Lithium Deposit pegmatites located 8km along strike to the east of Morrissey Hill.

The Company's maiden Phase 1 drilling campaign has been focussed on a 500m long section of the west-central portion of the Bonzer pegmatite field which extends for over 2km's in strike length. The potential of the area to host significant lithium mineralisation was highlighted by the results from earlier surface sampling conducted by RR1 which returned soil values in excess of 750ppm Li<sub>2</sub>O (ASX Announcement 9 August 2023) and rock chip values of up to 2.3% Li<sub>2</sub>O, 4295ppm Caesium and 705.8ppm Tantalum (ASX Announcement 15 May 2023).

As the area has never been drilled before, this initial drill program over one part of the prospective area, serves as a crucial data feed to understand the dip, plunge, extent and any structural controls of the pegmatites at depth. This information will be used during the proposed Phase 2 drilling program as additional soil samples are reviewed and upon receipt of future assay results from the maiden drilling campaign.

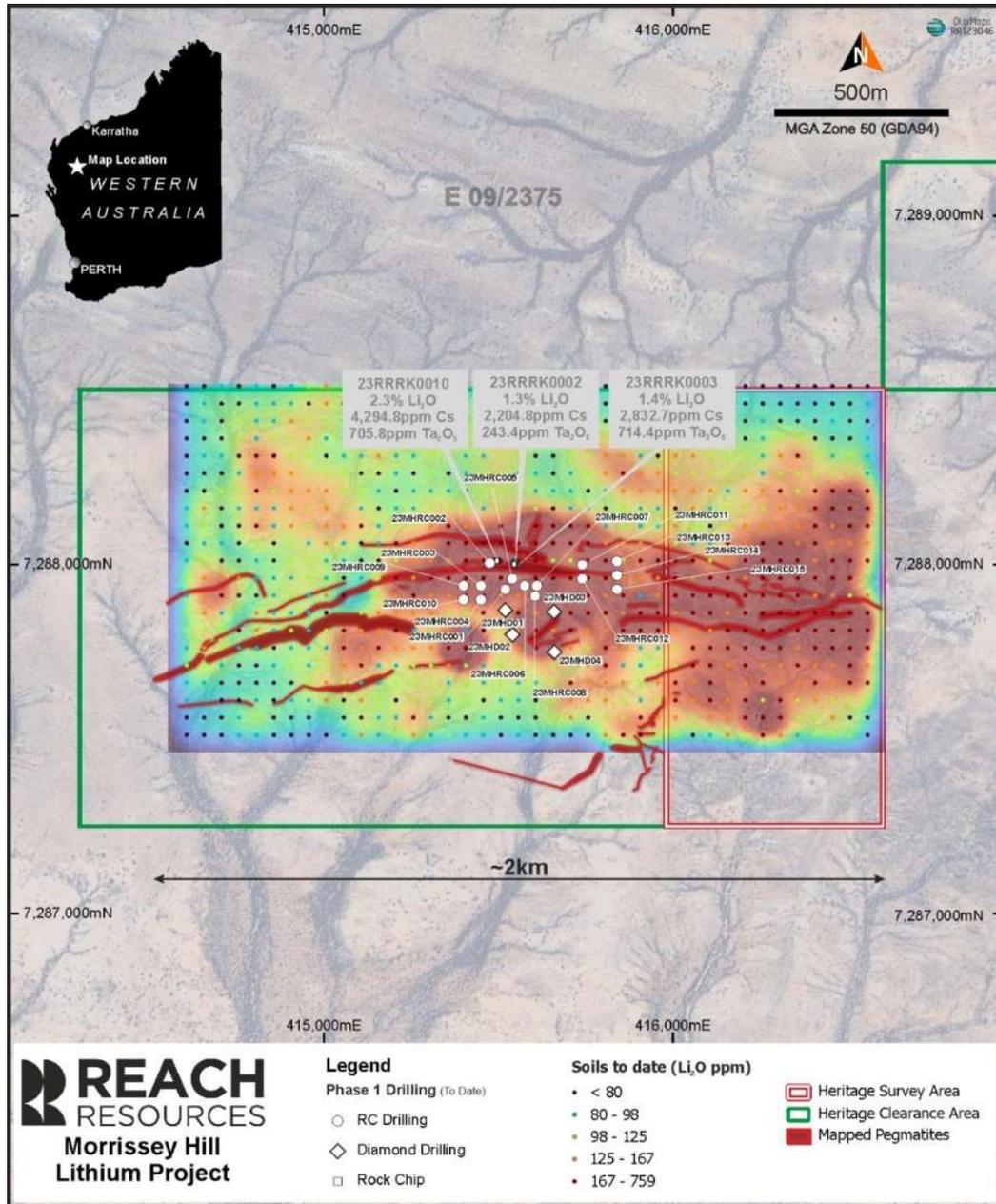


Figure 1: Morrissey Hill Lithium Project

### Outstanding Lithium in Soils-Multiple Priority Drill Targets

Reach advised that soil assay results returned from the first sample batch of 833 samples had returned extremely high grades across a large area at the Bonzer Pegmatite Field, Morrissey Hill, W.A.

Results from the first 833 soil samples covering the Bonzer pegmatite Field from a larger >2,000 regional and infill soil sample program at Morrissey Hill had returned results up to 759ppm Li2O.

Of the 833 assays received to date, more than 60% have reported lithium values greater than 100ppm Li<sub>2</sub>O. The average value reported is ~128ppm Li<sub>2</sub>O, roughly three times background, with a maximum value of 759ppm Li<sub>2</sub>O.

### **Heritage Clearance + \$4.0M Placement**

During the Quarter, Reach successfully raised A\$4 million through a strategic Placement.

The Company issued 400 million new shares at an issue price of \$0.01 per share (“Placement Shares”), each with a 1:3 free attaching unlisted option, exercisable at \$0.01 and expiring 4 August 2025 (“Options”).

The majority of the strategic Placement was granted to Australian & UK fund management institutions, in addition to new and existing Australian sophisticated investors.

The Company was also pleased to announce the receipt of all necessary approvals and permits, including Aboriginal heritage clearance and a program of works (“POW”), allowing the commencement of the Company’s maiden drilling program at the Morrissey Hill Lithium Project.

The Reach Exploration team worked with the Yinggarda Traditional Owners to assess and clear four large polygons across the Morrissey Hill project, which provided the Company with the flexibility to drill the large number of outcropping pegmatites identified and avoid any areas of cultural significance anywhere within the polygons. The POW was also submitted and approved on this basis.

### **CORPORATE**

- The Company’s Annual Report and Appendix 4G/Corporate Governance Statement were lodged on the ASX on 20 September 2023.
- 21,166,667 unlisted 1 cent options were exercised, raising \$211.7k (ASX Announcement dated 27 September 2023). Additionally, another \$83.3k was received on 29 September with shares issued upon conversion of options, subsequent to the quarter end (ASX Announcement dated 4 October 2023).
- Jeremy Bower presented at the Mining News Select Conference (ASX Announcement dated 18 September 2023).

The Company retains the potential for deferred consideration relating to the sale of Albury Heath, being an additional \$400,000 and further \$200,000 of cash or Westgold shares, if the Albury Heath project achieves performance targets, as outlined in the 23 April 2020 ASX release.

The Company’s Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company had \$3.9 million in cash as at 30 September 2023.

### **MATERIAL EVENTS SUBSEQUENT TO THE END OF QUARTER**

High grade manganese mineralisation confirmed with rock chip samples reporting assays of up to 48% Mn, at the Company’s White Castles project in the Gascoyne, W.A (ASX Announcement 4 October 2023).

**ASX DISCLOSURE REQUIREMENTS**

The proportion of expenditure incurred during the quarter ended 30 June 2023, in relation to the 'REcycle Waste Recycling Technology', was \$Nil.

**GUIDANCE NOTE 23 DISCLOSURES****Details of mining exploration activities**

Details of exploration activities during the quarter are set out above.

The \$1,016,000 of exploration and evaluation expenditure was largely attributed to drilling costs related to the Company's maiden drilling campaign at Morrissey Hill.

**Details of mining production and development activities**

No production and development activities were undertaken during the quarter.

**Details of tenement activities**

The tenement schedule included below shows all holdings and any change for the Company and its subsidiaries.

**Details of related party payments**

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$34,000, comprising Directors fees and superannuation.

**SCHEDULE OF TENEMENTS**

As at 30 September 2023

Project / Tenement		Interest at Start of Quarter	Interest at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
<b>Primrose Project - Western Australia</b>					
Paynes Find	M59/662	100%	100%	-	-
Paynes Find	P59/2076	100%	100%	-	-
Paynes Find	P59/2094	100%	100%	-	-
Paynes Find	P59/2130	100%	100%	-	-
Paynes Find	P59/2159	100%	100%	-	-
Paynes Find	P59/2160	100%	100%	-	-
Paynes Find	P59/2161	100%	100%	-	-
Paynes Find	L59/184	100%	100%	-	-
Paynes Find	M59/769	100%	100%	-	-
<b>Wanna Station Projects - Western Australia</b>					
Skyline	EL 09/2646	100%	100%	-	-
Skyline North	*ELA 09/2733	100%	100%	-	-
Skyline South	*ELA 09/2771	0%	100%	Y	-
White Castles	*ELA 09/2750	100%	100%	-	-
White Castles	*ELA 09/2751	100%	100%	-	-
White Castles	E09/2539	100%	100%	-	-
White Castles	E09/2542	100%	100%	-	-
<b>Yinnetharra Projects - Western Australia</b>					
Camel Hill	EL 09/2354	100%	100%	-	-
Camel Hill	E09/2388	100%	100%	-	-
Wabli Creek	EL 09/2377	100%	100%	-	-
Gascoyne Banks	*ELA 09/2748	100%	100%	-	-
Morrissey Hill	E09/2375	100%	100%	-	-

\*Application pending

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

For further information please contact:

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-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 (RECycle Inc.).

**Competent Person's Statement**

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Steve Vallance, who is a Member of the Australian Institute of Geoscientists. Mr Vallance is the Exploration Manager for Reach Resources Limited employed on a full-time basis. Mr Vallance has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Vallance consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

**No New Information**

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

**Forward Looking Statement**

This report contains forward looking statements concerning the projects owned by Reach Resources Limited. If applicable, statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

## Appendix 5B

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

Name of entity

Reach Resources Ltd

ABN

79 079 982 235

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(55)	(55)
(e) administration and corporate costs	(285)	(285)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(333)</b>	<b>(333)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation	(1,016)	(1,016)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,020)</b>	<b>(1,020)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,001	4,001
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	295	295
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(269)	(269)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,027</b>	<b>4,027</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,230	1,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(333)	(333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,020)	(1,020)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,027	4,027

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,904</b>	<b>3,904</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,884	1,210
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,904</b>	<b>1,230</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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		

Payments included in item 6.1 are related to fees and remuneration (inclusive of superannuation) paid to Directors.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		
* N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(333)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,016)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,349)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,904
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,904
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.89
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
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?	
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?	
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?	
N/A	

Note: where 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.

Date: 24 October 2023

Authorised by: "By the Board"

(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.
2. 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.
3. 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.== == == == ==