
REACH RESOURCES LTD
ACN 097 982 235
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9:30 am (WST)
DATE: 15 April 2024
PLACE: Ground Floor
216 St Georges Terrace
Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 9:30 am (WST) on 13 April 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 5 Shares be consolidated into 1 Share;*
- (b) every 5 Options be consolidated into 1 Option; and*
- (c) every 5 Performance Rights be consolidated into 1 Performance Right,*

and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round fractional entitlements of 0.5 and over will be rounded up to the nearest whole number."

2. RESOLUTION 2 – APPROVAL TO ISSUE OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 256,800,415 Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 2 – Approval to issue Options

A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Eligible Optionholders) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder 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 holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6268 2641.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval to consolidate the Company's issued capital on the basis that:

- (a) every 5 Shares be consolidated into 1 Share (subject to rounding);
- (b) every 5 Options be consolidated into 1 Option (subject to rounding);
and
- (c) every 5 Performance Rights be consolidated into 1 Performance Right (subject to rounding),

(the **Consolidation**).

1.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

1.3 Fractional entitlements

Not all security holders will hold that number of Securities which can be evenly divided by five (5). Fractional entitlements of 0.5 and over will be rounded up.

1.4 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

1.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable in Section 1.7 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

1.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

	Shares	Listed Options ¹	Unlisted Options ¹	Performance Rights
Pre-Consolidation	3,278,659,013	1,284,002,075	197,166,667	24,000,000
Securities to be issued prior to the Consolidation ²	1,092,886,338	546,443,169	-	-
Post Consolidation (Resolution 2)³	874,309,070	366,089,049	39,433,333	4,800,000

Notes:

1. The terms of these Options are set out in the table below.
2. Assuming the Entitlement Offer is fully subscribed.
3. Subject to rounding.

The effect the Consolidation will have on the terms of the Options is as set out in the below tables:

Options – pre-Consolidation

Terms	Number
Options under the Entitlement Offer, exercisable at \$0.003 on or before the date that is three (3) years from the date of issue	546,443,169
Listed Options exercisable at \$0.01 each on or before 20 May 2024	1,284,002,075
Unlisted Options exercisable at \$0.02 each on or before 17 April 2026	5,000,000
Unlisted Options exercisable at \$0.015 each on or before 17 April 2026	5,000,000
Unlisted Options exercisable at \$0.01 each on or before 4 August 2025	162,166,667
Unlisted Options exercisable at \$0.0074 each on or before 31 December 2026	25,000,000
Total	2,027,611,911

Options – post-Consolidation

Terms	Number
Options under the Entitlement Offer, exercisable at \$0.015 on or before the date that is three (3) years from the date of issue	109,288,634
Listed Options exercisable at \$0.05 each on or before 20 May 2024	256,800,415
Unlisted Options exercisable at \$0.10 each on or before 17 April 2026	1,000,000
Unlisted Options exercisable at \$0.075 each on or before 17 April 2026	1,000,000
Unlisted Options exercisable at \$0.05 each on or before 4 August 2025	32,433,333
Unlisted Options exercisable at \$0.037 each on or before 31 December 2026	5,000,000

Total	405,522,382
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1.7 Indicative timetable*

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation	Monday, 19 February 2024
Company sends out the Notice of Meeting	Friday, 15 March 2024
Shareholders pass Resolution 1 to approve the Consolidation	Monday, 15 April 2024
Company announces Effective Date of Consolidation	Monday, 15 April 2024
Effective Date of Consolidation	Thursday, 18 April 2024
Last day for pre-Consolidation trading	Friday, 19 April 2024
Post-Consolidation trading commences on a deferred settlement basis	Monday, 22 April 2024
Record Date	Tuesday, 23 April 2024
Last day for the Company to register transfers on a pre-Consolidation basis	Tuesday, 23 April 2024
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold	Wednesday, 24 April 2024
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred	Wednesday, 1 May 2024

2. RESOLUTION 2 – APPROVAL TO ISSUE OPTIONS

2.1 Background to Resolution 2

As announced on 21 February 2024, the Company is proposing to undertake a non-renounceable entitlement issue of one (1) listed Option (**Priority Option**) for every one (1) Listed Option held by Eligible Optionholders at the Record Date at an issue price of \$0.001 per Priority Option, exercisable at \$0.015 per Priority Option (on a post-Consolidation basis) on or before the date that is three (3) years from the date of issue, to raise up to approximately \$256,800 (**Priority Options Offer**).

The Company has engaged the services of Westar Capital Ltd (ACN 009 372 838) (AFSL 255789) (**Westar**) to act as lead manager to the Entitlement Offer and the Priority Options Offer (together, the **Offers**). Under the terms of this engagement, the Company will pay the Lead Manager:

- (a) a fee of 6% of total funds raised under the Offers (plus GST); and
- (b) a \$35,000 signing fee (plus GST).

Under the terms of the engagement, Westar has the exclusive right to the placement of any shortfall under the Offers.

Resolution 2 seeks Shareholder approval to issue a total of 256,800,415 Priority Options (on a post-Consolidation basis) under the Priority Options Offer.

Funds raised under the Priority Options Offer will be allocated towards funding the exploration of the Company's projects and for general working purposes.

Further details in respect of the Priority Options Offer are set out in the announcement released on 21 February 2024.

2.2 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Priority Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Priority Options. In addition, the issue of the Priority Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Priority Options.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Priority Options.

2.4 Technical 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 Resolution 2:

- (a) the Priority Options will be issued to the Eligible Optionholders;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Priority Options to be issued is 256,800,415 (on a post-Consolidation basis). The terms and conditions of the Priority Options are set out in Schedule 1;
- (d) the Priority Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Priority Options will occur on the same date;

- (e) the issue price will be \$0.001 per Priority Option (on a post-Consolidation basis). The Company will not receive any other consideration for the issue of the Priority Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of Priority Options and the intended use of funds is set out in Section 2.1 above;
- (g) the Priority Options are not being issued under an agreement; and
- (h) the Priority Options are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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 chair of the Meeting.

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

Consolidation has the meaning given in Section 1.1.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Optionholder means a holder of Listed Options at the Record Date.

Entitlement Offer means the non-renounceable entitlement issue as set out in the announcement released on 21 February 2024.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means 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, of 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 a quoted Option in the Company's existing quoted Option class, ASX:RR1O, exercisable at \$0.01 each on or before 20 May 2024 (on a pre-Consolidation basis).

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Offers means the Entitlement Offer and the Priority Options Offer.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Priority Option has the meaning given in Section 2.1.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the proposed eligibility record date for the Priority Options Offer, being 7 May 2024.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Westar means Westar Capital Ltd (ACN 009 372 838) (AFSL 255789).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PRIORITY OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (on a post-Consolidation basis) (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) 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**

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

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

Within five 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 Notice of Exercise 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 official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective 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) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX 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 the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

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