

Appendix 5B

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

Name of entity

REY RESOURCES LIMITED

ABN

84 108 003 890

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	-	-
(e) administration and corporate costs	(141)	(455)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(50)	(1,409)
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	(191)	(1,864)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(201)	(659)
(e) investments	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(201)	(659)

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	-	2,430
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)
3.10	Net cash from / (used in) financing activities	(3)	2,420

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	532	240
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(1,864)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(201)	(659)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	2,420

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	137	137

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	137	532
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)	137	532

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	62 *
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 (\$23,400), Director fees (\$38,851)

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7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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	22,000	17,550
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	22,000	17,550
7.5	Unused financing facilities available at quarter end		4,450
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) <u>ASF Loan</u> - 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 2024 (ASF Loan Facility); and		
	(ii) <u>Liu Loan</u> - an unsecured loan facility of \$20 million from Wanyan Liu, a substantial shareholder of the Company. Interest accruing at the rate of 12% per annum, maturing on 31 October 2024 (Liu Loan Facility).		
	As at the quarter ended 31 March 2024, the Company had remaining available facilities of \$2.45 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)	(191)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(201)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(392)
8.4	Cash and cash equivalents at quarter end (item 4.6)	137
8.5	Unused finance facilities available at quarter end (item 7.5)	4,450
8.6	Total available funding (item 8.4 + item 8.5)	4,587
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.70
	<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?	
	Answer:	N/A

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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?

Answer: 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?

Answer: 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.

26 April 2024

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.
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.

March 2024

Quarterly Report

HIGHLIGHTS

Projects

- EP 458 transfer under progress
- EP 104 2D Seismic re-interpretation under progress

Authorised by:
Board of Rey Resources Limited

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

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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).

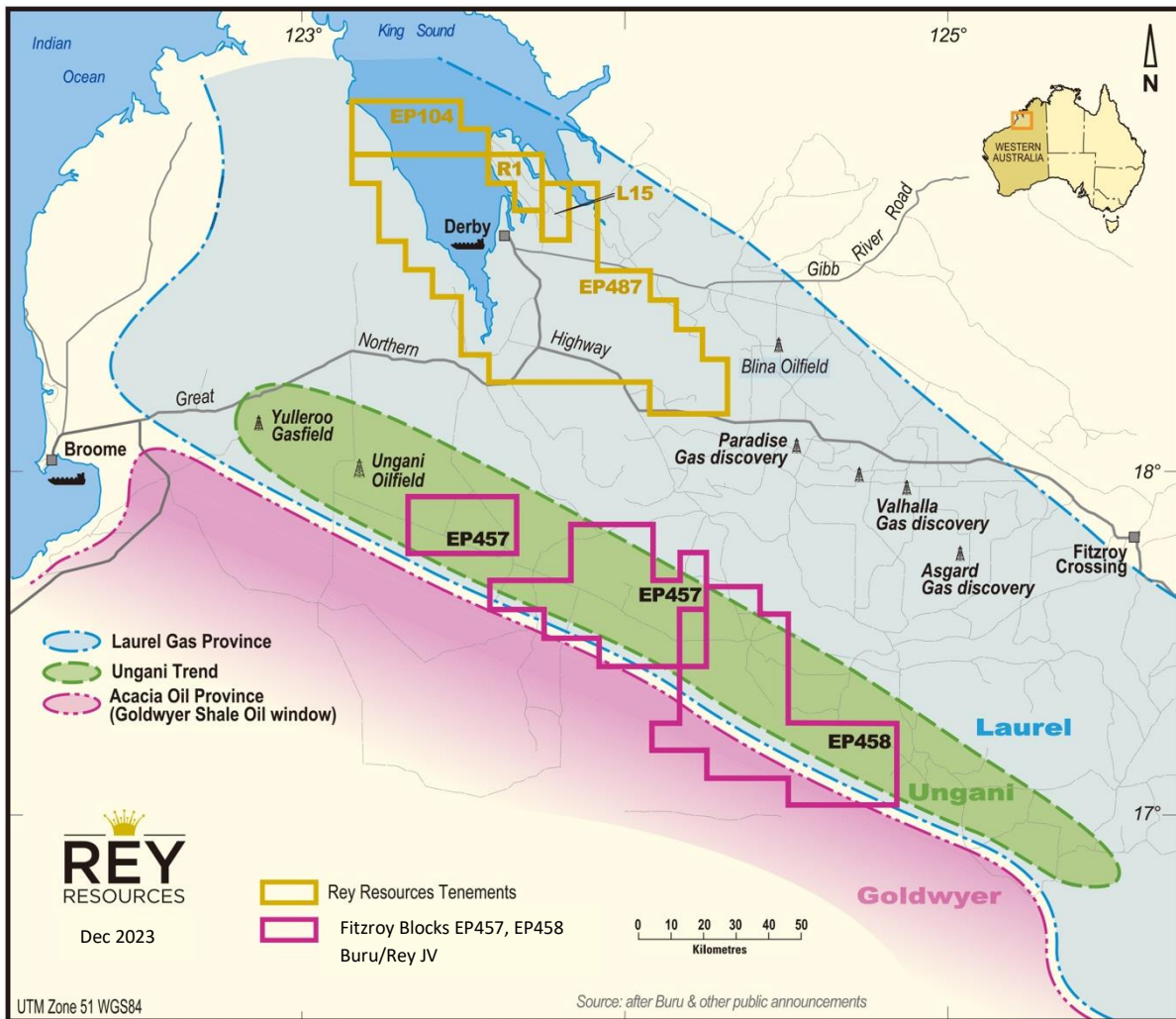


Figure 1: The three major prospective trends relative to Fitzroy Blocks EP457 and EP458 and Derby Block EP487.

Following the withdrawal of Buru Energy from the permit, the registration of remaining interest in EP458 to Rey has been lodged to the department. Subject to the approval of the transfer of interests, Rey will hold 100% interest in the permit.

The technical review of EP458 has also been completed during the reporting period. The review report has been received, providing a comprehensive understanding of the regional geology while also indicating the direction for future exploration. Additionally, the department has granted a three-month suspension and extension for EP458, affording Rey a prolonged duration to establish the exploration strategy.

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 (BCG) play 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.

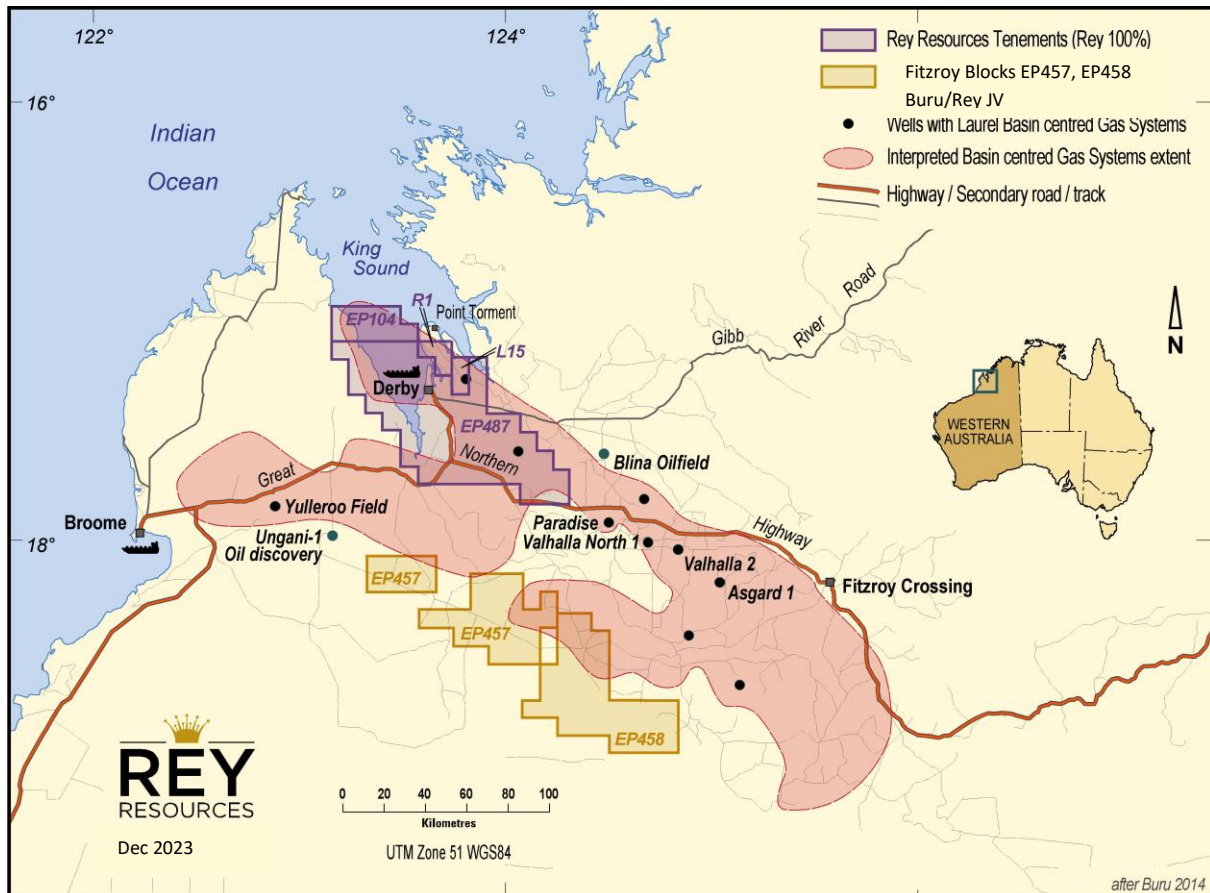


Figure 2: Interpreted extent of the Laurel Basin gas system in relation to Rey's petroleum interests (after Buru and others).

Rey received the first draft of environmental plan for the committed 3D seismic survey over eastern part of the permit. Rey is reviewing the plan and expecting to lodge it during next quarter.

Rey continues to contact NM people for the heritage survey but unfortunately no responses have been received yet.

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, with EP487 covering a total area of approximately 1,145 km² and considered prospective for conventional oil and tight gas.

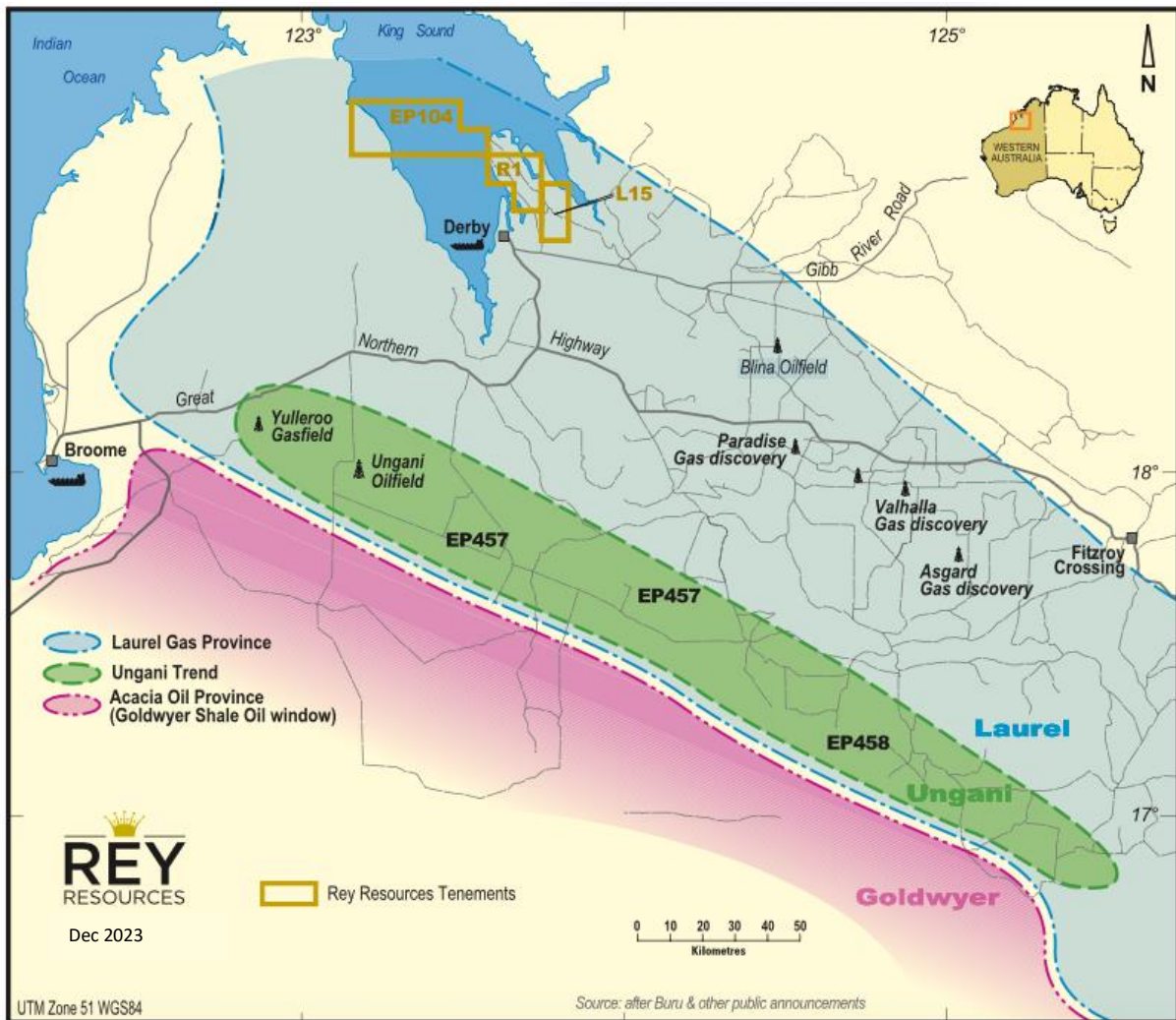


Figure 3: Location of Lennard Shelf Blocks.

As per the commitment, Rey completed the planned reprocessing of over 500km of 2D seismic data during the quarter. The outcomes of this reprocessing effort are under interpretation by Rey, and it will provide a better indication for the future exploration. Furthermore, an initial design for 3D seismic acquisition was also completed during the quarter.

Rey continues the work on West Kora-1 workover and Point Torment-1 side track drilling. A technical discussion took place among the consultants. The best method for conducting the West Kora-1 flow testing is under assessment by Rey management. The environmental plan for the workover wells has also been discussed with contractors and the environmental plan is in the process of preparation now.

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.

No further communication since the meeting with Walalakoo Aboriginal Corporate (WAC) at Derby in early October last year. Rey is trying to contact WAC for further communication.

2. Corporate

As at the quarter ended 31 March 2024, the Company maintained a cash balance of \$137,000 and available loan facilities from Ms Wanyan Liu and ASF Group Limited of \$2.45 million and \$2 million respectively.

As required pursuant to section 6 of the Company's Appendix 5B, the Company paid approximately \$62,000 to related parties during the quarter, of which \$23,000 were consulting fees and \$39,000 were Director fees.

Corporate Directory

Board of Directors

Min Yang	Non-Executive Chairman
Wei Jin	Managing Director
Yan Zhao	Executive Director
Geoff Baker	Non-Executive Director
Stanley Fu	Non-Executive Director

Company Secretary

William Kuan

Capital Structure

Rey Resources is listed on the Australian Securities Exchange (ASX: REY) and had 211,687,539 ordinary shares on issue as at 31 March 2024.

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 March 2024)

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	40	40
EP458	Exploration Permit	Rey Oil and Gas Pty Ltd	40	100 (subject to registration completion)
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.

² 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.