

16 October 2024

Dale Allen
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: listingscomplianceperth@asx.com.au

Dear Dale

Rey Resources Limited ('REY'): ASX Aware Query

We refer to your letter dated 11 October 2024 referring to REY's Annual Report for period ending 30 June 2024 released on the ASX Market Announcement Platform on 25 September 2024 ('Annual Report').

In response to your questions outlined in the letter, we provide the following information:

Financial Statements & Financial Condition

1. Is REY able to confirm that in its directors' opinion the Annual Report:

1.1 complies with the relevant Accounting Standards; and

REY's directors confirm that the financial statements contained in the Annual Report complies with the relevant Accounting Standards.

1.2 gives a true and fair view of REY's financial performance and position?

REY's directors confirm that the financial statements contained in the Annual Report gives a true and fair view of REY's financial performance and position.

2. Does REY consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?

Yes

3. If the answer to question 2 is 'yes', please explain the basis for this conclusion commenting specifically on the following:

3.1.1 the Independent Auditor's Review Report containing a material uncertainty paragraph regarding going concern;

In line with other exploration companies, a material uncertainty paragraph regarding its going concern on the auditor report is common.

REY, being an oil and gas exploration company, does not have regular recurring income and thus incurred negative operating cash flows for the financial year. REY expects it will continue to have negative operating cash flows for the time being until such time REY achieves a positive cash flow position by realising its investments (through locating meaningful quantities of oil and gas), joint venturing, farming-out or commencing mining operations.

Furthermore, as expressed in greater detail below, particularly in responses 5, 26 and 32, REY has access to \$8.55 million in aggregate in debt financing under the ASF Loan and Liu Loan which is available to REY to remain a going concern.

3.1.2 REY reported 'Cash and cash equivalents' of \$268,000 as at 30 June 2024; and

At the moment REY's operation are mainly funded by debt financing. In order to avoid unnecessary interest expenses, REY attempts to draw down just enough funds for its operations and therefore does not keep an excessive cash balance.

3.1.3 in the event the ASF Loan and the Liu Loan expire, and are not renewed, it appears REY would have less than 2 quarters of funding available.

While REY cannot guarantee, it is confident that the ASF Loan and the Liu Loan will be extended as and when required. In particular, while the ASF Loan and Liu Loan were first granted in 2017 and their maturity dates have been extended until 30 April 2026.

4. If the answer to question 2 is 'no', please explain what steps REY has taken, or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?

N/A

5. Do REY's directors consider there are reasonable grounds to believe that REY will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.

REY's directors consider there are reasonable grounds to believe that REY will be able to pay its debts as and when they become due and payable. As of 30 June 2024, REY still has undrawn facilities of \$6.55 million and \$2 million under the Liu Loan and ASF Loan respectively. The availability of these funds was disclosed to shareholders on page 31 of its 30 June 2024 annual report announced to market on 25 September 2024.

Asset Valuations and Impairment

EP458 JOA

6. Noting the disclosure in REY's December 2023 Quarterly Activities Report regarding Buru's decision to withdraw from the EP458 JOA, please advise on what date Buru provided notice to REY of its decision to withdraw from the EP458 JOA?

The notice was received on 27 October 2023.

7. Does REY consider the decision by Buru to withdraw from the EP458 JOA to be information a reasonable person would expect to have a material effect on the price or value of its securities?

No

8. If the answer to question 7 is 'no', please advise the basis for that view, commenting specifically on the \$1.836 million impairment affecting EP458 contained in Note 12 of the Annual Report.

REY disclosed in its December 2023 quarterly activities report that REY received a notice from Buru of its decision to withdraw from EP458 JOA. The quarterly activities report was announced to market on 30 January 2024. There was no material price drop when that information was announced (fall of \$0.005 from \$0.105 per share to \$0.10 per share).

In accordance with accounting practices, REY capitalised exploration expenditures until such time an impairment indicator (such as disposal or relinquishment) is identified. During the course of the year end audit, the auditor considered that the transfer by Buru of its 60% interest in EP458 to REY at nil consideration might constitute an impairment indicator. Accordingly full impairment was made on EP458 for the financial year ended 30 June 2024.

9. What date did REY first become aware of the impairment affecting EP458?

Refer to response 8 above.

10. Does REY consider the \$1.836 million impairment charge reducing the carrying value of EP 458 to \$nil as at 30 June 2024 to be information a reasonable person would expect to have a material effect on the price or value of its securities?

No

11. If the answer to question 10 is 'no', please advise the basis for that view.

EP458 is not a core asset for REY. The value of EP458 represented approximately 5.5% of the total value of REY's exploration assets as of 30 June 2024.

Furthermore, upon release of REY's 30 June 2024 results (and therefore the impairment) to market on 25 September 2024, there has been no drop in the share price – which last traded on 17 September 2024 at \$0.036 per share.

Duchess Project (DP Project)

12. Having regard to the disclosure in REY's Quarterly Activities Reports regarding progress at the DP Project, specifically that REY appears to have had no contact with the Walalakoo Aboriginal Corporation ('WAC') since October 2023, do REY's directors consider there are any indicators of impairment in relation to the DP Project carrying value as at 30 June 2024 (\$21.8 million) disclosed in REY's Annual Report?

No

13. If the answer to question 12 is 'no', please provide the basis for that view, including the factors REY's directors have considered in determining that the reported carrying value of the DP Project as at 30 June 2024 remains appropriate in the circumstances.

According to the financial model prepared by REY during the course of the year end audit, the projected value of the DP Project is higher than its carrying value as at 30 June 2024. The model was prepared based on the FOB Newcastle 5,500 NAR Coal price and the reserves of the DP Project, factored by a discount rate of 12%. In addition, it is not correct to say that REY has not had contact with the WAC since October 2023, rather REY continues negotiating with WAC to further develop the project. Therefore REY's directors considered that there was no indicator for impairment and the reported carrying value of the DP Project remains appropriate.

14. Has REY had any contact with the WAC subsequent to its most recent Quarterly Activity report disclosures?

Yes

15. If the answer to question 14 is 'yes', please provide details.

The most recent email received from WAC was on 14 October 2024.

Gulliver Assets

16. Does REY consider the aggregate impairment of the Gulliver Assets of \$4,748,000 to be information a reasonable person would expect to have a material effect on the price or value of its securities?

The aggregate impairment of \$4,748,000 as well as the disposal of the Gulliver Assets was announced on 1 August 2024 and it might have a material effect on the price or value of REY securities. It was marked as price sensitive when announced on that date.

17. If the answer to question 16 is 'no', please provide the basis for that view.

N/A

18. What date did REY first become aware of the impairment affecting the Gulliver Assets? In answering this question, please comment specifically on the Disposal of Gulliver announcement which noted the assets were to be disposed of for consideration of \$400,000.

As soon as REY finalised the Binding Cooperation Framework Agreement with China Guoxin Investment Holdings Co., Limited on 29 July 2024 for the disposal of Gulliver, REY became aware that an impairment indicator arose and decided to write down the Gulliver asset by \$4.8 million to \$400,000 which is the cash consideration to be received by REY for the disposal of Gulliver. Other than this cash consideration, REY is also entitled to a wellhead royalty of 10% from the production of Gulliver's tenements.

19. Is the proposed acquirer of the Gulliver Assets, China Guoxin Investment Holdings Co., Limited a related party or associate of REY?

No

20. If the answer to question 19 is 'yes', please provide details.

N/A

21. Has REY received the \$50,000 deposit from China Guoxin Investment Holdings Co., Limited described in the Disposal of Gulliver announcement?

Yes

22. If the answer to question 21 is 'no', when does REY expect to receive the deposit?

N/A

Loans and Borrowings

ASF Loan

23. Does Rey consider the extension of the maturity date of the ASF Loan from 31 October 2024 to 30 April 2026 to be information a reasonable person would expect to have a material effect on the price or value of its securities?

No

24. If the answer to question 23 is 'no', please advise the basis for that view, commenting specifically on the Emphasis of Matter paragraph relating to going concern contained in the Auditor's Report, REY's cash on hand at 30 June 2024 (\$268,000) relative to the unpaid interest amounts owing (\$900,231) on the ASF Loan as at 30 June 2024.

The ASF Loan has been extended a number of times and the recent extension to 30 April 2026 was announced on 17 June 2024. Under the loan agreement all outstanding amounts, including unpaid interest, is payable on the maturity date. As such, the unpaid interest (\$900,231) is due to be paid on the maturity date and the cash balance (\$268,000) as at 30 June 2024 is not relevant in contextualising or otherwise understanding, the value of the unpaid interest or REY's going concern status.

25. What date did REY first become aware of ASF's decision to extend the maturity date of the ASF Loan?

Prior to the financial year ended 30 June 2024, REY liaised with ASF for further extension of the maturity date and it was agreed on 17 June 2024 that the maturity date would be extended to 30 April 2026.

26. Having regard to the level of activities undertaken by REY as set out in its Quarterly Activities Reports over the past 12 months, and that the principal amount of the ASF Loan was repaid in 2021, what is the purpose of the ASF Loan?

The ASF Loan is a standby facility which enables REY to draw down any time before the maturity date. The directors of REY consider it beneficial for REY to maintain such a facility which provides an alternative funding source for REY when required.

27. Please provide details regarding what benefit(s) REY derives from having the ASF Loan remain on foot? In answering this question, please comment specifically on the following:

27.1 the \$144,000 annual service fee charged to REY;

That \$144,000 was not the annual service fee for the ASF Loan. It was the service fees charged by ASF for the provision of corporate services including office accommodation, use of office furniture and equipment, provision of administration, accounting and company secretarial services etc.

27.2 that the ASF Loan principal amount was repaid in 2021; and

The ASF Loan principal was fully repaid in 2021, making it available to be draw down upon again before the maturity date. The outstanding amount of \$900,231 represented unpaid accrued interest up to 30 June 2024. Refer to response 26 above for the reason behind REY maintaining the ASF Loan.

27.3 that \$900,231 of compound unpaid interest remains outstanding as at 30 June 2024 on a principal ASF Loan balance of \$nil.

Refer to response 27.2 above and to the benefits REY believes it has in maintaining the ASF Loan at response 26.

28. Please provide details of the 'services' provided to REY by ASF pursuant to the ASF Annual Service Fee amount of \$144,000.

Refer to response 27.1 above.

29. Having regard to ASF's disclosures contained in ASF's 30 June 2024 Financial Statements, including that ASF appears to have impaired the full amount owing (\$900,000) to ASF from REY pursuant to the ASF Loan, did REY indicate to ASF an intention not to repay the ASF Loan amounts outstanding?

No, REY did not indicate to ASF an intention not to repay the ASF Loan (or accrued interest) which is not due until the loan maturity date.

As advised by ASF to REY, the provision for impairment was made at the request of ASF's auditor having considered the financial position of REY and the provision can be "written back" when the loan is repaid in the future.

30. If the answer to question 29 is 'yes', please provide relevant details.

N/A

31. If the answer to question 29 is 'yes' please advise why REY's director's believe the amounts owing to ASF pursuant to the ASF Loan are appropriately disclosed as non-current liabilities in REY's 30 June 2024 Annual Report.

N/A

Ms Wanyan Liu Loan

32. Having regard to the level of activities undertaken by REY as set out in its Quarterly Activities Reports over the past 12 months, what is the purpose of the Liu Loan?

The Liu Loan is a standby facility which enables REY to draw down any time before the maturity date. During the financial year, part of the Liu Loan was drawn down by REY on a quarterly basis for its working capital requirements.

33. Are any amounts owing under the Liu Loan secured in favour of Ms Lui? If yes, please provide relevant details.

No. The Liu Loan is unsecured.

34. What factors led REY's auditor include an Emphasis of Matter paragraph in its audit report regarding 'material transactions with related parties for the year ended 30 June 2024'?

Ms Wanyan Liu is the second largest shareholder of REY. REY understands that the auditor, taking this substantial holding and the balance of the Liu Loan into account, as of 30 June 2024, the auditor's opinion was that the Liu Loan is a material transaction with related party. Ms Wanyan Liu is not however a related party within the meaning of the Corporations Act.

Level of Operations and Structure

35. Does REY consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please comment specifically on the following:

35.1 Buru's withdrawal from EP458 JOA in December 2023 and the limited work undertaken by REY on that permit since Buru's withdrawal;

Being operator of other permits in the region, REY has the capacity to operate EP458 by itself. However, given the technical analysis requirements, REY is considering relinquishing the whole of EP458.

35.2 that REY has had no contact with the NM People since December 2023 in respect of proposed operations on EP487;

REY has kept in contact with the NM People via WAC. The most recent email was sent on 22 April 2024 to notify the NM people that the proposed activities are deemed to be cleared by WAC pursuant to condition 6 of the permit and heritage condition 3.3. This was because the NM People had not responded to REY's December 2023 correspondence. Notwithstanding that the proposed activities were deemed to be accepted by the NM People due to their non response by 22 April 2024, REY still intends to work with the NM People so that the proposed activities can be conducted with their cooperation.

35.3 REY has agreed to dispose of the Gulliver Assets; and

While the Gulliver Asset has been disposed, REY does not consider that it was a material assets, the disposal of which would in and of itself, or together with other factors, materially reduces REY's operations.

35.4 that REY has had no contact with the WAC in relation to the DP Project since October 2023.

REY has kept in contacting with the WAC. Refer to response 12 to 15.

36. Does REY consider that its structure and operations is appropriate for a listed entity?

Yes. With reference to section 3.1 of guidance note 1, REY believes its operations and structure are not like the examples set out in that section of when ASX considers an entity as having a structure and operations inappropriate for listing. REY understands ASX has concerns with REY's solvency, which is addressed more specifically below but more generally throughout this response.

In answering this

question, please explain the basis for REY's conclusion and please comment specifically on the following:

36.1 the Emphasis of Matter paragraph regarding Material Transactions with Related Parties contained in the independent Auditor's Report; and

As with other explorers whose working capital are mainly contributed by either capital raising and debt financing, REY is in discussion with a number of investors in Hong Kong and China to raise capital by issuing new shares. Prior to finalising any capital raising plan, REY is relying on the ASF Loan and Liu Loan, hence why both are being maintained and have not been discharged. For these reasons REY believes it has operations and a structure which is appropriate for a listed entity with respect to its solvency and working capital requirements.

36.2 REY's interest expense of \$2,030,000 incurred during 2024 on loans owing to substantial holders compared to REY's exploration spend of \$1,107,000 during 2024.

At the moment the major expense for REY is the interest expenses and REY is aiming to lower its debts by investigating capital raising opportunities. REY is also minimising its interest expenses by only drawing down funds when required, hence its cash and cash equivalents of \$268,000 as queried by ASX in response 3.1.2.

37. Please confirm that REY is complying with the Listing Rules and in particular, Listing Rule 3.1.

REY confirms that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

38. Please confirm that REY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of REY with delegated authority from the board to respond to ASX on disclosure matters.

REY confirms that the above responses have been approved by the board of directors.

Please do not hesitate to contact me if further information is required.

Yours sincerely
On behalf of the Board of
Rey Resources Limited

A handwritten signature in black ink, appearing to read "W Kuan".

William Kuan
Company Secretary



11 October 2024

Reference: 100551

Mr William Kuan
Company Secretary
Rey Resources Limited

By email

Dear Mr Kuan

Rey Resources Limited ('REY'): ASX Aware Query

ASX refers to the following:

The Annual Report

A. REY's Annual Report for period ending 30 June 2024 released on the ASX Market Announcement Platform ('MAP') on 25 September 2024 ('Annual Report'), which discloses:

- (i) at 30 June 2024, REY had cash and cash equivalents of \$268,000; and
- (ii) for the financial year ended 30 June 2024, REY recorded:
 - (1) a loss before tax of \$9,401,000 (FY23: \$2,232,000);
 - (2) an impairment charge of \$6,819,000 in relation to exploration and evaluation assets ('Impairment Charge'); and
 - (3) exploration and evaluation expenditure of \$1,045,000 (FY23: \$779,000)

Carrying Value of Exploration and Evaluation Assets

- (iii) adjustments in the carrying values of EP 104, R1 and L15 as at 30 June 2024, as highlighted below in yellow from Note 12 of the Annual Report and
- (iv) reduction in the carrying value of EP 458 as highlighted in red below from Note 12 of the Annual Report:

12. EXPLORATION AND EVALUATION EXPENDITURE

| in respect of: | Working Interests | | Exploration and evaluation expenditures carried forward | |
|-------------------------------|-------------------|------|---|--------|
| | | | in thousands of dollars | |
| | 2024 | 2023 | 2024 | 2023 |
| Duchess Paradise ¹ | 100% | 100% | 21,870 | 21,773 |
| EP457 ² | 40% | 40% | 3,422 | 3,176 |
| EP458 ² | 100% | 40% | - | 1,836 |
| EP104 ³ | 100% | 100% | 400 | 3,047 |
| R1 ³ | 100% | 100% | 2,662 | 1,561 |
| L15 ³ | 100% | 100% | 515 | 3,717 |
| EP487 ⁴ | 100% | 100% | 4,192 | 4,051 |
| Costs carried forward | | | 33,061 | 39,161 |

Movements in carrying amount:

| in thousands of dollars | 2024 | 2023 |
|---|---------|--------|
| Opening balance | 39,161 | 38,353 |
| Current year expenditure capitalised | 1,107 | 778 |
| Impairment of capitalised exploration expenditure | (6,819) | - |
| Adjustment of restoration provision for L15, R1 | (388) | 30 |
| | 33,061 | 39,161 |

Loans and Borrowings

(v) at Note 20(d):

- (1) *“an unsecured loan of \$3.8 million was granted by ASF Group Ltd, substantial shareholder of the Company, with maturity date on 31 December 2019 and interest bearing at 12% per annum. On 31 December 2019, the Company announced that it has agreed with ASF to reduce the facility amount from \$3.8 million to \$2 million and to extend the maturity date of the loan facility to 31 March 2020 which was subsequently further extended to 30 April 2026.*

The principal had been fully repaid in the financial year ended 30 June 2021 and as at 30 June 2024, the outstanding amount of \$900,231 represented compound accrued unpaid interests [sic] and the total \$2 million facility remains available for draw down” (‘ASF Loan’)

ASX understands based on the disclosures contained at Note 20(d) that the ASF Loan attracts annual service fees of \$144,000 (‘ASF Annual Service Fees’).

- (2) *An unsecured loan of \$500,000 was granted by Wanyan Liu (‘Liu’), a substantial shareholder of the Company, with maturity date on 31 March 2021 and interest bearing 12% per annum (‘First Liu Loan’). On 18 April 2019, the Company entered into another loan agreement with Liu for the granting of \$3 million additional loan [sic] (‘Second Liu Loan’), with maturity date on 31 December 2020 and interest bearing at 12% per annum payable quarterly by cash. On 17 July 2019, the Company entered into a new loan agreement with Liu pursuant to which Liu agreed to grant a further loan of \$3 million (‘Third Liu Loan’) to the Company maturing 31 December 2021 and interest bearing 12% per annum. On 25 June 2020, the Company announced that Liu agreed to increase the Second Liu Loan from \$3 million to \$5 million and extend the maturity date from 31 December 2020 to 31 October 2021. On 30 April 2021, the Company announced that Liu agreed to consolidate the aforesaid three loan facilities and to increase the loan facility amount to a total of \$12.5 million and extend the maturity date to 31 October 2022. Subsequently the loan facility amount was further increased to a total of \$25 million and the maturity date was further extended to 30 April 2026.*

During the year ended 30 June 2024, total interest expenses charged to profit or loss is \$2.03 million of which \$1.49 million has been paid to Ms Liu and \$540,000 remains payable as at 30 June 2024” (‘Liu Loan’)

Auditor’s Report

- (vi) REY’s independent Auditor’s Report, which contains a paragraph regarding a material uncertainty on REY as a going concern:

“We draw attention to Note 2(b) in the financial report, which indicates that the Group incurred a net loss of \$9,401,000 (2023: \$2,232,000) and had operating and investing cash outflows totalling \$1,356,000 (2023: \$1,305,000) for the year ended 30 June 2024. The Group’s current liabilities exceeded current assets by \$563,000 (2023: \$292,000) as at 30 June 2024. As stated in Note 2(b), these conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

- (vii) REY’s independent Auditor’s Report also contains an Emphasis of Matter paragraph regarding Material Transactions with Related Parties:

“We draw attention to Note 20(d) in the financial report, which indicates that the Group had material transactions with related parties for the year ended 30 June 2024. Our opinion is not modified in respect of this matter.”

Gulliver Disposal

- B. REY's announcement entitled 'Disposal of Gulliver' released to MAP on 1 August 2024 and marked as 'price sensitive' which disclosed the following:

"Rey Resources Limited (the "Company") is pleased to announce that it has executed a Binding Cooperation Framework Agreement ("Framework Agreement") with China Guoxin Investment Holdings Co., Limited ("Guoxin") pursuant to which Guoxin will acquire all the issued capital of Gulliver Productions Pty Ltd ("Gulliver"), a wholly owned subsidiary of the Company, for a total cash consideration of \$400,000. The proceeds will be used for working capital of the Company.

Gulliver holds a 100% interest in the Lennard Shelf Blocks, comprising EP104, a Retention Lease (R1) and one Production Licence (L15) ('Gulliver Assets'). The Lennard Shelf Blocks are situated to the north of the Company's existing interests in the Canning Basin petroleum exploration licence and considered prospective for conventional oil and tight gas.

Pursuant to the Framework Agreement, a deposit of \$50,000 will be paid within 1 week after the execution of the Framework Agreement and the balance of \$350,000 is payable within 3 weeks after the execution of a formal agreement, FIRB approval and the extension of R1 is approved by the government. The Company is also entitled to a wellhead royalty of 10% from the production of Gulliver's tenements."

('Gulliver Asset Disposal')

Quarterly Activities and Cash Flow Reports

| Quarterly Report Period End | Disclosure Regarding EP 457 & 458 | Disclosure Regarding EP 487 | Disclosure Regarding EP104, R1 and L15 | Disclosure Regarding Duchess Paradise (DP Project) |
|-----------------------------|--|---|--|--|
| 30 September 2023 | <i>Buru completed the Rafael 3D Survey during the report period as solo risk project. The data has been collected and under interpretation for the commitment drilling</i> | <i>Rey is in discussions with other Native Title holders for the heritage survey in other areas within the seismic polygon."</i> | <i>Rey completed the sidetrack drilling plan, new well drilling concept and P&A study over the R1 area during the September quarter with Labrador. Rey is in active discussions with a well service company for the committed work program</i> | <i>Walalakoo Aboriginal Corporate is planning to invite Rey to attend their annual Board meeting at Derby WA early October.</i> |
| 31 December 2023 | <i>During the quarter, Rey received a withdrawal notice from Buru that it decided to withdraw from EP458 JOA. After internal discussion and permit assessment, Rey is willing to take over Buru's 60% interest in the permit. An assignment agreement has been executed and an application for the</i> | <i>Rey is continually working on the proposed 3D Seismic design and preparation work. After discussed with service providers, the first draft of the environmental plan is close to be finalised. Rey is also actively contacting the Native Title holders for the heritage clearance</i> | <i>Rey is also actively discussing with drilling contractors for the planned sidetrack drilling in R1. Unfortunately no suitable rig can be sourced in short term but Rey is discussing with contractors for other options.</i> | <i>Rey's director had met the Walalakoo Aboriginal people at Derby in early October and discussed the HPA & Protocol terms. The meeting maintained a</i> |

| Quarterly Report Period End | Disclosure Regarding EP 457 & 458 | Disclosure Regarding EP 487 | Disclosure Regarding EP104, R1 and L15 | Disclosure Regarding Duchess Paradise (DP Project) |
|-----------------------------|--|--|---|--|
| | <i>transfer of the permit interest has been lodged with the department</i> | | | <i>well relationship with them [sic].</i> |
| 31 March 2024 | <i>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</i> | <i>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</i> | <i>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</i> | <i>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.</i> |
| 30 June 2024 | <i>Following the withdrawal of Buru Energy from the permit EP458, the transfer of remaining interest in EP458 to Rey has been lodged with the department in previous quarter and approved by the department in this quarter. Rey is currently assessing the technical information of the permit</i> | <i>During the quarter, Rey lodged Environmental Plan for the committed 3D seismic which aims to cover Butler the East Yeeda prospects. Rey is currently re-assessing the received quotation and planning to have a further seismic line adjustment to avoid environment sensitive area. Rey continues to contact NM people and</i> | <i>The vintage seismic reprocessing, being the commitment work program of EP104, has been completed and final reports has been submitted to DEMIRS during the quarter. Rey continues the work on West Kora-1 workover and Point Torment-1 side track drilling and</i> | <i>No further communication since the meeting with Walalakoo Aboriginal Corporate (WAC) at Derby in early October last year. Rey is trying to contact</i> |

| Quarterly Report Period End | Disclosure Regarding EP 457 & 458 | Disclosure Regarding EP 487 | Disclosure Regarding EP104, R1 and L15 | Disclosure Regarding Duchess Paradise (DP Project) |
|-----------------------------|-----------------------------------|--|--|--|
| | for next step work program | cattle stations for the heritage survey and land access, but unfortunately no responses have been received yet | actively discussing with potential rig operators | WAC for further communication. |

The ASX Listing Rules

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

F. Listing Rule 12.1 which states:

"The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing."

G. Listing Rule 12.2 which states:

"An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing."

H. Listing Rule 12.5 which states:

“An entity’s structure and operations must be appropriate for a listed entity.”

I. Listing Rule 19.11A, which states:

19.11A If a listing rule requires an entity to give ASX +accounts, the following rules apply.

- (a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the +accounts must be consolidated +accounts.*
- (b) The +accounts must be prepared to Australian accounting standards. If the entity is a +foreign entity the +accounts may be prepared to other standards agreed by ASX.*
- (c) If the listing rule requires audited +accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a +foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.*
- (d) If the listing rule requires +accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a +foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a +foreign entity, an overseas equivalent of a registered company auditor).*
- (e) If there is a +directors’ declaration that relates to the +accounts, the +directors’ declaration must be given to ASX with the +accounts.*
- (f) If there is a +directors’ report that relates to the period covered by the +accounts, the +directors’ report must be given to ASX with the +accounts.*

Request for information

Having regard to the above, ASX asks REY to respond separately to each of the following questions and requests for information:

Financial Statements & Financial Condition

1. Is REY able to confirm that in its directors’ opinion the Annual Report:
 - 1.1 complies with the relevant Accounting Standards; and
 - 1.2 gives a true and fair view of REY’s financial performance and position?
2. Does REY consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?
3. If the answer to question 2 is ‘yes’, please explain the basis for this conclusion commenting specifically on the following:
 - 3.1.1 the Independent Auditor’s Review Report containing a material uncertainty paragraph regarding going concern;
 - 3.1.2 REY reported ‘Cash and cash equivalents’ of \$268,000 as at 30 June 2024; and

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- 3.1.3 in the event the ASF Loan and the Liu Loan expire, and are not renewed, it appears REY would have less than 2 quarters of funding available.
4. If the answer to question 2 is 'no', please explain what steps REY has taken, or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?
5. Do REY's directors consider there are reasonable grounds to believe that REY will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.

Asset Valuations and Impairment

EP458 JOA

6. Noting the disclosure in REY's December 2023 Quarterly Activities Report regarding Buru's decision to withdraw from the EP458 JOA, please advise on what date Buru provided notice to REY of its decision to withdraw from the EP458 JOA?
7. Does REY consider the decision by Buru to withdraw from the EP458 JOA to be information a reasonable person would expect to have a material effect on the price or value of its securities?
8. If the answer to question 7 is 'no', please advise the basis for that view, commenting specifically on the \$1.836 million impairment affecting EP458 contained in Note 12 of the Annual Report.
9. What date did REY first become aware of the impairment affecting EP458?
10. Does REY consider the \$1.836 million impairment charge reducing the carrying value of EP 458 to \$nil as at 30 June 2024 to be information a reasonable person would expect to have a material effect on the price or value of its securities?
11. If the answer to question 10 is 'no', please advise the basis for that view.

Duchess Project (DP Project)

12. Having regard to the disclosure in REY's Quarterly Activities Reports regarding progress at the DP Project, specifically that REY appears to have had no contact with the Walalakoo Aboriginal Corporation ('WAC') since October 2023, do REY's directors consider there are any indicators of impairment in relation to the DP Project carrying value as at 30 June 2024 (\$21.8 million) disclosed in REY's Annual Report?
13. If the answer to question 12 is 'no', please provide the basis for that view, including the factors REY's directors have considered in determining that the reported carrying value of the DP Project as at 30 June 2024 remains appropriate in the circumstances.
14. Has REY had any contact with the WAC subsequent to its most recent Quarterly Activity report disclosures?
15. If the answer to question 14 is 'yes', please provide details.

Gulliver Assets

16. Does REY consider the aggregate impairment of the Gulliver Assets of \$4,748,000 to be information a reasonable person would expect to have a material effect on the price or value of its securities?
17. If the answer to question 16 is 'no', please provide the basis for that view.
18. What date did REY first become aware of the impairment affecting the Gulliver Assets? In answering this question, please comment specifically on the Disposal of Gulliver announcement which noted the assets were to be disposed of for consideration of \$400,000.
19. Is the proposed acquirer of the Gulliver Assets, China Guoxin Investment Holdings Co., Limited a related party or associate of REY?

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20. If the answer to question 19 is 'yes', please provide details.
21. Has REY received the \$50,000 deposit from China Guoxin Investment Holdings Co., Limited described in the Disposal of Gulliver announcement?
22. If the answer to question 21 is 'no', when does REY expect to receive the deposit?

Loans and Borrowings

ASF Loan

23. Does Rey consider the extension of the maturity date of the ASF Loan from 31 October 2024 to 30 April 2026 to be information a reasonable person would expect to have a material effect on the price or value of its securities?
24. If the answer to question 23 is 'no', please advise the basis for that view, commenting specifically on the Emphasis of Matter paragraph relating to going concern contained in the Auditor's Report, REY's cash on hand at 30 June 2024 (\$268,000) relative to the unpaid interest amounts owing (\$900,231) on the ASF Loan as at 30 June 2024.
25. What date did REY first become aware of ASF's decision to extend the maturity date of the ASF Loan?
26. Having regard to the level of activities undertaken by REY as set out in its Quarterly Activities Reports over the past 12 months, and that the principal amount of the ASF Loan was repaid in 2021, what is the purpose of the ASF Loan?
27. Please provide details regarding what benefit(s) REY derives from having the ASF Loan remain on foot? In answering this question, please comment specifically on the following:
- 27.1 the \$144,000 annual service fee charged to REY;
- 27.2 that the ASF Loan principal amount was repaid in 2021; and
- 27.3 that \$900,231 of compound unpaid interest remains outstanding as at 30 June 2024 on a principal ASF Loan balance of \$nil.
28. Please provide details of the 'services' provided to REY by ASF pursuant to the ASF Annual Service Fee amount of \$144,000.
29. Having regard to ASF's disclosures contained in ASF's 30 June 2024 Financial Statements, including that ASF appears to have impaired the full amount owing (\$900,000) to ASF from REY pursuant to the ASF Loan, did REY indicate to ASF an intention not to repay the ASF Loan amounts outstanding?
30. If the answer to question 29 is 'yes', please provide relevant details.
31. If the answer to question 29 is 'yes' please advise why REY's director's believe the amounts owing to ASF pursuant to the ASF Loan are appropriately disclosed as non-current liabilities in REY's 30 June 2024 Annual Report.

Ms Wanyan Liu Loan

32. Having regard to the level of activities undertaken by REY as set out in its Quarterly Activities Reports over the past 12 months, what is the purpose of the Liu Loan?
33. Are any amounts owing under the Liu Loan secured in favour of Ms Lui? If yes, please provide relevant details.
34. What factors led REY's auditor include an Emphasis of Matter paragraph in its audit report regarding 'material transactions with related parties for the year ended 30 June 2024'?

Level of Operations and Structure

35. Does REY consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please comment specifically on the following:
- 35.1 Buru's withdrawal from EP458 JOA in December 2023 and the limited work undertaken by REY on that permit since Buru's withdrawal;
 - 35.2 that REY has had no contact with the NM People since December 2023 in respect of proposed operations on EP487;
 - 35.3 REY has agreed to dispose of the Gulliver Assets; and
 - 35.4 that REY has had no contact with the WAC in relation to the DP Project since October 2023.
36. Does REY consider that its structure and operations is appropriate for a listed entity? In answering this question, please explain the basis for REY's conclusion and please comment specifically on the following:
- 36.1 the Emphasis of Matter paragraph regarding Material Transactions with Related Parties contained in the independent Auditor's Report; and
 - 36.2 REY's interest expense of \$2,030,000 incurred during 2024 on loans owing to substantial holders compared to REY's exploration spend of \$1,107,000 during 2024.
37. Please confirm that REY is complying with the Listing Rules and in particular, Listing Rule 3.1.
38. Please confirm that REY's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of REY with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10.00 AM AWST Thursday, 17 October 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, REY's obligation is to disclose the information 'immediately'.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in REY's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to REY's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that REY's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance