

ASX ANNOUNCEMENT

23 NOVEMBER 2018

Termination of Duchess Paradise Project Transaction

Further to the announcements on 30 July 2018 and 7 November 2018, Rey Resources Limited ("**Rey**" or the "**Company**") (ASX: REY) advises the proposed transaction with Yuanrun Investment Ltd ("**Yuanrun**") for the sale of Blackfin Pty Ltd, a wholly owned subsidiary of the Company, which holds 100% interest in the Duchess Paradise Thermal Coal Project ("**DP Project**") has been terminated.

Under the terms of the signed Cooperation Framework Agreement ("**Agreement**"), Yuanrun was required to pay the full deposit of A\$2 million to the Company within 10 days of the date of the Agreement. The parties had mutually agreed to extend the payment date to 22 November 2018 however the required payment was not been made and as a result, the Agreement has been terminated.

The Company continues to investigate potential opportunities for the DP Project to maximise shareholder value.

For further information please contact:

Wei Jin

Managing Director +61 2 9290 9600