

# ASX ANNOUNCEMENT

26 FEBRUARY 2016

## Non-renounceable pro-rata 1 for 3 Rights Issue to Eligible Shareholders

Rey Resources Limited (ASX: REY) is pleased to announce a non-renounceable pro-rata one (1) for three (3) rights issue of fully paid ordinary shares in the capital of the Company (**Offer**).

The Company will offer Eligible Shareholders one (1) share for every three (3) shares held as at the record date of 3 March 2016 at an offer price of \$0.015 per share (**Entitlement**).

Compared to the weighted average price of the Company's shares on the ASX in the five trading days up to and including 25 February 2016, of \$0.021 (rounded to three decimal places), the offer price represents a discount of approximately 28.57%. Compared to the closing price of the Company's shares on the ASX on 25 February 2016 of \$0.015, the offer price represents no discount.

### **Offer is non-renounceable**

The Offer is non-renounceable meaning that Eligible Shareholders who do not take up their Entitlement will not be able to transfer or receive any value for those Entitlements, and their equity interest in the Company will be diluted.

Eligible Shareholders may choose to accept all or part of their Entitlement or none at all. Entitlements of Eligible Shareholders which are not taken up will form part of the Shortfall. Eligible Shareholders are also invited to apply for additional New Shares which will be allocated from any Shortfall.

The Offer is being conducted in accordance with section 708AA of the Corporations Act (Cth) 2001 (**Act**), which means the Company is not required to lodge a prospectus with ASX or ASIC or provide one to shareholders. The Company has prepared a document explaining the Offer in more detail (**Offer Document**). The Offer Document and a personalised Entitlement and Acceptance Form will be mailed to Eligible Shareholders on Tuesday, 8 March 2016. The Offer Document is available on the Company's website at <http://reyresources.com/> and from the Company's registered office at Suite 5, 62 Ord Street, West Perth, Western Australia.

The closing date for the Offer will be 31 March 2016 (**Closing Date**).

### **Effect on Capital Structure**

The Company currently has 744,286,407 shares on issue. The maximum number of shares that may be issued under the Offer is 248,095,469 shares. Shares issued under the Offer will rank equally with existing shares. The Company will apply for official quotation on ASX of the new shares issued under the Offer.

The maximum amount raised by the Offer would be \$3,721,432 if every Eligible Shareholder exercised its rights to purchase New Shares, before expenses.

## Shortfall

There is no minimum acceptance amount and Eligible Shareholders are also invited to apply for additional New Shares which will be allocated from any Shortfall. The Directors may at their discretion place any Shortfall to third parties, at not less than the issue price within 3 months of the Closing Date.

## Purpose of the Offer

The Company will use the proceeds raised under the Rights Issue to:

- fund future investment opportunities;
- repay shareholder loans; and
- for general working capital.

Any person considering acquiring shares under the Offer should read the Offer Document carefully. Applications for shares under the Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying the Offer Document when it is posted in hard copy to Eligible Shareholders on 8 March 2016. Shares will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Offer Document.

## Timetable

The following timetable is indicative only. All dates are subject to change and accordingly are indicative only. The Company has the right to vary the dates of the Offer, without prior notice, subject to the Corporations Act and the ASX Listing Rules.

Event	Date
Announcement of Offer, lodgment Appendix 3B and Section 708AA cleansing notice released to ASX	26 February 2016
Notice to Shareholders containing information required by Listing Rules	29 February 2016
"Ex" Date	1 March 2016
Record Date to determine Entitlement to New Shares	3 March 2016
Despatch of Offer Document and Entitlement and Acceptance Form and announcement to ASX that despatch completed	8 March 2016
Last day to extend Closing Date	24 March 2016
Closing Date	31 March 2016
Securities quoted on a deferred settlement basis	1 April 2016
ASX notified of Shortfall	5 April 2016
Issue of New Shares, despatch date of holding statements	7 April 2016
Trading commences for New Shares on a normal settlement basis	8 April 2016

\*The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and ASX Listing Rules), to extend the Closing Date or to cancel the Offer without prior notice in its absolute discretion. The commencement of quotation of new securities is subject to confirmation from the ASX.

\*Shareholders should consult their professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the Offer is assured. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

**Read Offer Document Carefully**

Any person considering acquiring shares under the Offer should read the Offer Document carefully. Applications for shares under the Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying the Offer Document, which will be posted to Eligible Shareholders on 8 March 2016. Shares will only be issued on the basis of an Application Form issued together with the Offer Document.

For further information please contact:

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