



4 November 2021

## Rare Earth Project Acquisition

### Highlights

- Acquisition of a prospective rare earth element project in the Gifford Creek Ferrocarbonatite Suite (GCFS) in the Gascoyne Province of Western Australia (Project)
- Project located 20 km east of Hastings Technology Metals Limited's (ASX: HAS) Yangibana REE Project
- The Project covers ~247 km<sup>2</sup> of the GCFS with the potential to host a high value REE assemblage with low radioactivity ore characteristics
- Planning underway for testing by drilling to investigate for the presence of laterally extensive shallow rare earth mineralisation
- Rare Earth Elements (REE) are essential to the production of high-capacity magnets and batteries used in Electric Vehicles and turbines
- The global rare earths market was valued at around US\$2 billion in 2020, and is forecast to grow to around US\$12 billion by 2030, up an average 16% a year <sup>(1)</sup>

**Reach Resources Ltd** (ASX: CVS) (**Reach** or the **Company**) is pleased to announce that it has entered into a conditional Binding Heads of Agreement (**HoA**) to acquire all of the shares in Skyline Resource Corporation Pty Ltd (**Skyline Resources**) which holds exploration licence application ELA 09/2643 in the Gascoyne Province of Western Australia that is considered to be prospective for monazite hosted rare earth elements (**Skyline Rare Earth Project** or **Project**).

**Chairman Robert Downey commented:** *"The acquisition of Skyline Resources represents an exciting exploration opportunity in a region that is highly prospective for monazite hosted rare earth deposits. Previous work conducted in the area has outlined an extensive mineralised system where shallow near surface exploration has the potential to delineate shallow JORC Resources, offering the Company what we believe to be excellent exploration upside potential."*

<sup>1</sup> (Outlook for Selected Critical Minerals – Australia 2021 – Australian Government, Department of Industry, Science, Energy and Resources – Office of the Chief Economist).



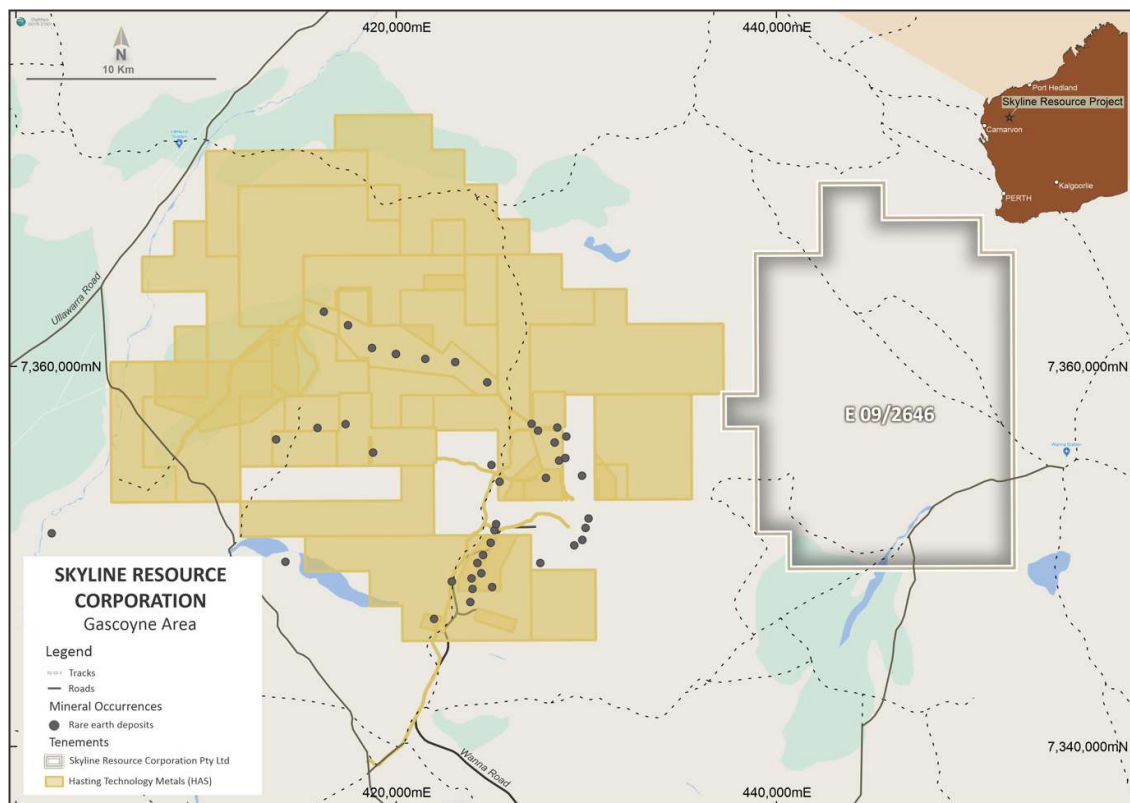
**Figure 1. Location Map of the Skyline Resources Pty Ltd Projects in the Gascoyne Province of Western Australia**

The Skyline Rare Earth Project is located in the Gascoyne Province in Western Australia and consists of exploration licence application ELA 09/2643, covering an area of ~247 square kilometres. The region is seeing a renewed focus for REE minerals with the noted success of Hastings Technology Metals Limited (ASX:HAS) at their 100% owned Yangibana Project, host to a mineral resource of 27.42 Mt @ 0.97% TREO (ASX announcement 27 July 2021).

### Tenement Details

Details of the tenement which covers the Project area are set out in the table below. The exploration tenement that makes up the Skyline Rare Earth Project is 100% owned by Skyline Resources:

Tenement	Registered Holder	Ownership
ELA 09/2643	Skyline Resource Corporation Pty Ltd	100%



**Figure 2. Tenement Map of the Skyline Resources Project in the Gascoyne Province of Western Australia.**

## Monazite hosted REE deposits - background

Approximately >50% of global rare earth element (REE) resources are hosted by carbonatite related deposits, of which monazite is one of the most important REE minerals. Monazite dominates more than 30 carbonatite-related REE deposits around the world, including currently exploited mineralization at Yangibana and Mount Weld.

Though rare, monazite is often hosted by carbonatites as a secondary mineral that has a strong association with apatite. It can partially or completely replace apatite. Other mineral phases that usually crystallise together with monazite include barite, fluorite, xenotime, sulfide, and quartz in a carbonate matrix (e.g., dolomite, calcite).

## Critical Minerals - REE market and forecasts

Critical minerals, metals and non-metals have important economic functions that cannot be easily substituted and thus are subject to supply risk.



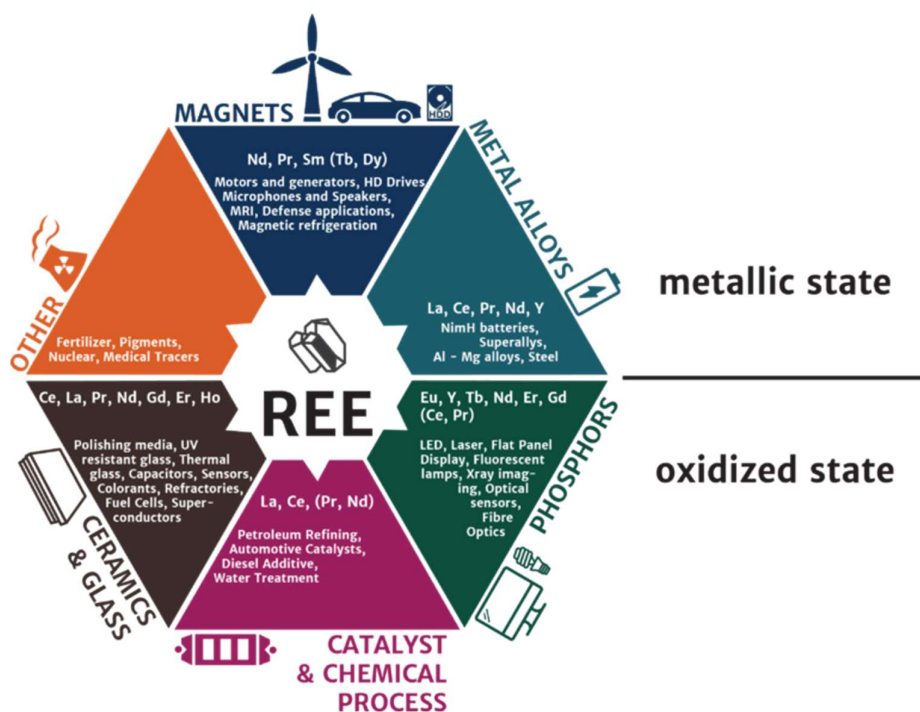


Critical minerals have an important role in various industrial applications and have become vital to new technologies that are becoming essential to the new age of corporations, nations and households reducing their carbon footprint to meet carbon targets and ultimately carbon neutrality.

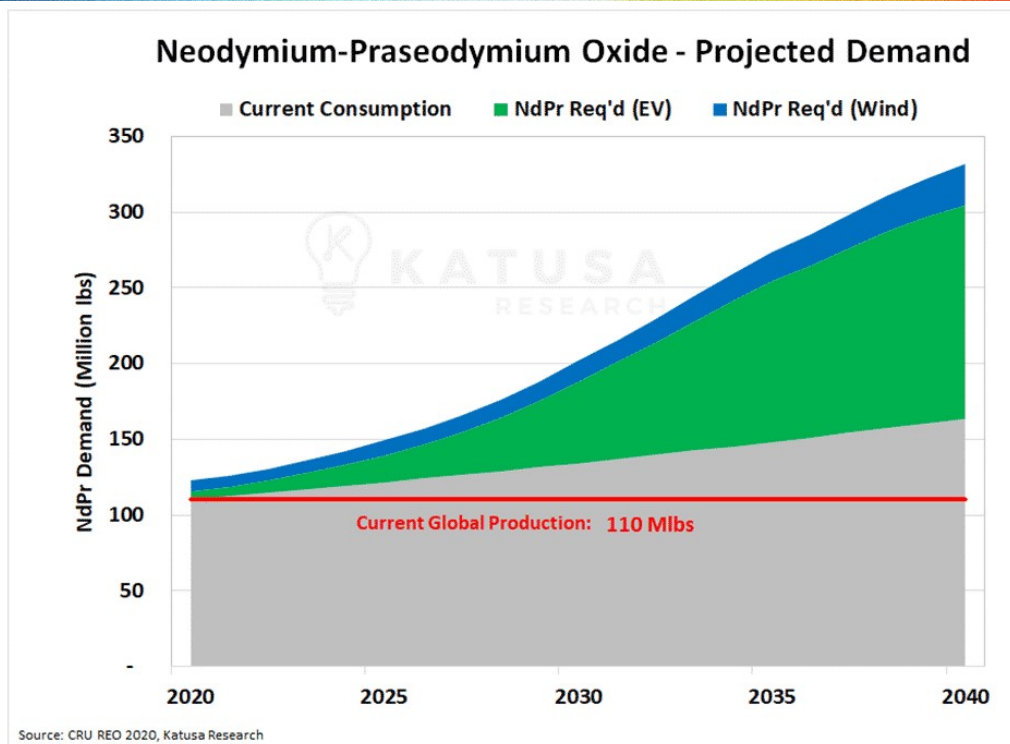
The increasing awareness and scrutiny associated with the ethics of mineral sourcing such as environmental impact and social impacts further fuels interest in, and demand on, mineral supply chains. This has been seen in recent EU battery regulations changes and the industry led cobalt traceability measures and are prime examples of ethical awareness affecting supply chain demand.

Given REE magnets are used heavily in low-emissions technologies such as wind turbines and EVs; forecasted demand is expected to grow (Figure 3).

Over the next 10 years, the average annual growth in the price of magnet metals until 2030 is projected to be 8-9%. The global rare earths market was estimated to be ~US\$2 billion in 2020, and is forecast to grow to around US\$12 billion by 2030, averaging ~16% p.a. (Figure 4) (1).



**Figure 3. Critical Minerals such as rare earth elements that make up permanent magnets are expecting strong demand due to growing demand from electric vehicles and renewable energies such as wind turbines.**



**Figure 4. NdPr Oxide Projected Demand Outlook. Source: CRU REO 2020, Katusa Research.**

## Proposed exploration

On completion of the acquisition and granting of the tenement, the Company will complete a review of all historic exploration data and the geologic models applicable to the area. Focused field reconnaissance, including targeted surface geochemical sampling, will be undertaken prior to drilling target identification and prioritisation.

## Key terms of the Proposed Transaction

The Company proposes to acquire 100% of the issued capital of Skyline Resource Corporation Pty Ltd from Bath Resources Pty Ltd.

Bath Resources Pty Ltd is not a related party of the Company. The consideration payable for the Proposed Acquisition pursuant to the HoA is \$20,000 being the acquisition costs for applying for the tenement area.

Completion of the Proposed Acquisition is subject to final due diligence which is to be completed by the Company within the next 20 days.



*This announcement has been authorised by the Board of Reach Resources Limited.*

**For Further information please contact:**

Chris Achurch  
Company Secretary

-ENDS-

**About Reach Resources Limited**

*Reach Resources is an emerging gold explorer and aspiring gold miner. It has built up a portfolio of gold properties in a well-known and historically producing gold district with a strategy to apply novel exploration and development thinking. The company is committed to maximising shareholder value through the development of those opportunities.*

**Competent Person's Statement**

*The details contained in this report that pertain to exploration results are based upon information compiled by Mr Marcus Flis, Technical Director of Reach Resources Limited. Mr Flis is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Flis consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.*

**No New Information**

*Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.*

**Forward Looking Statement**

*This report contains forward looking statements concerning the projects owned by Reach Resources Limited. If applicable, statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.*