

25 October 2023

MINING LEASE ACQUIRED ADJOINING MORRISSEY HILL

HIGHLIGHTS

- The acquisition of Mining Lease M09/101 enables the Company to conduct trial bulk sampling and provides a significant number of logistical benefits.
- The acquisition of M09/101 is important strategically as it directly adjoins the Company's Morrissey Hill lithium project and provides further exploration opportunities.
- The low-cost acquisition provides further consolidation in the area, expanding the Company's footprint.

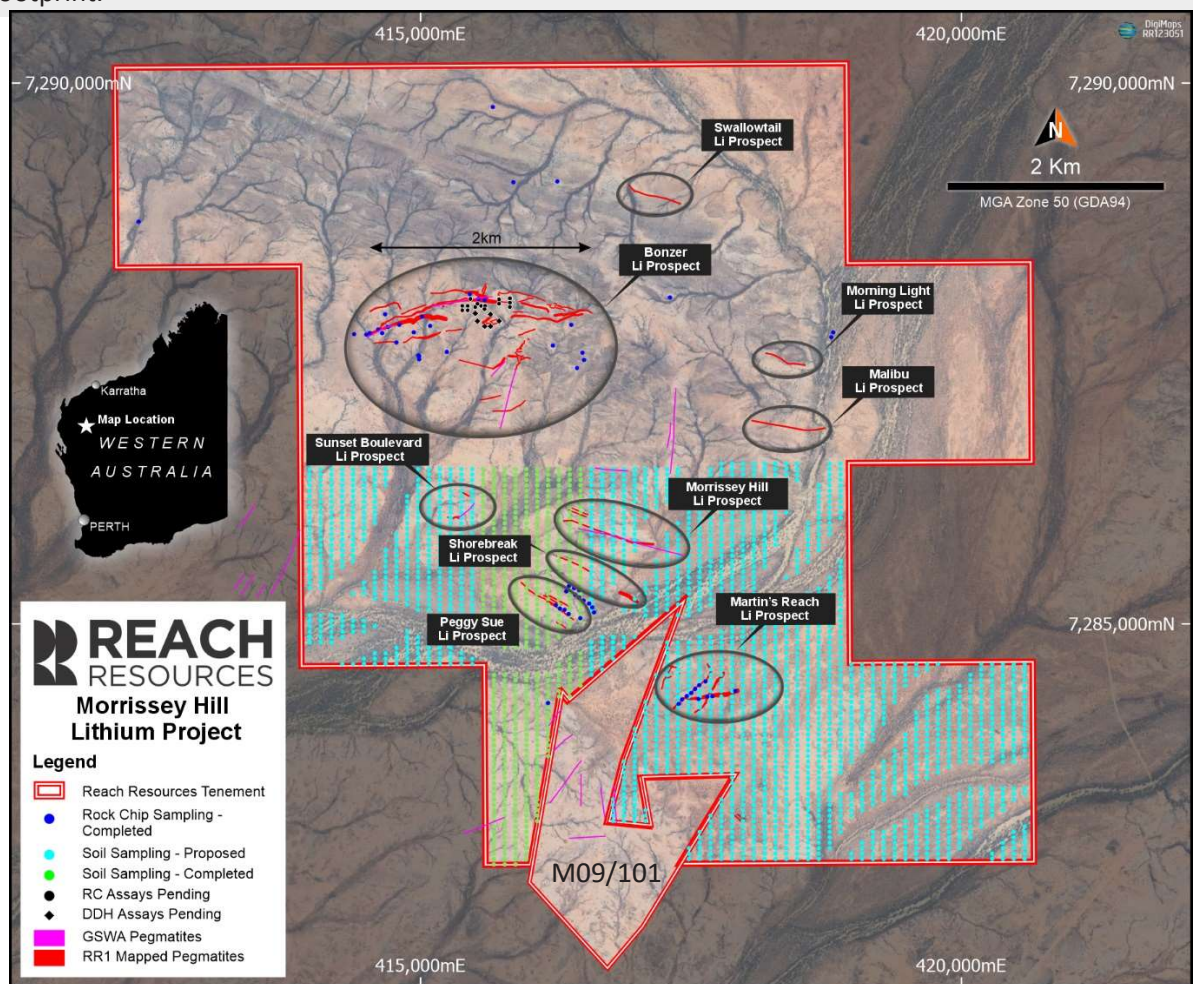


Figure 1: Morrissey Hill lithium project showing the location of M09/101

Reach Resources Limited (ASX: RR1 & RR10) ("Reach" or "the Company") is pleased to announce that the Company's wholly owned subsidiary, Critical Elements Pty Ltd has entered into a binding tenement purchase agreement ("Acquisition Agreement") with Tamas Kapitany ("Seller") for the acquisition of mining lease M09/101 ("Mining Lease").

In addition to expanding to the Company's landholding at Morrissey Hill, the mining lease provides a number of significant logistical benefits, and importantly allows the Company to conduct trial bulk sampling. Mining Lease M09/101 directly adjoins the Company's Morrissey Hill lithium project and is highly strategic to the Company (Figure 1).

Key Terms

Consideration

1. *Cash*: \$100,000 plus GST to be paid in three tranches:
 - a) Non-refundable deposit (\$20,000 plus GST) payable on signing of the Acquisition Agreement,
 - b) The second cash payment (\$30,000 plus GST), payable by Reach to the Seller on or before 31 December 2023, and
 - c) The third cash payment (\$50,000 plus GST), payable by Reach to the Seller on or before 31 March 2024.
2. *Consideration Shares*: Issue ordinary shares in RR1 with a total value of \$100,000 utilising a deemed issue price calculated using the 5 day volume weighted average price of Reach shares for the five trading days prior to the Completion Date.
3. *Contingent Consideration Shares*: Reach agrees to issue the contingent share consideration to the Seller in the event Reach produces a JORC 2012 compliant measured mineral resource on the Mining Lease of greater than 10,000,000 tonnes at greater than 1% Li₂O. The Seller acknowledges and agrees that the obligation of Reach to issue the contingent share consideration is for the term of the tenement.

Conditions Precedent

Completion of the Acquisition Agreement is subject to and conditional upon:

- the Seller and Reach obtaining written consent for the transfer of the mining lease, and
- Reach, the Seller and the Native Title Party executing a deed of assignment and assumption pursuant to the mining agreement in addition to obtaining consent from the Native Title Party for the transfer of the Mining Lease to Reach.

Otherwise, both the Seller and Reach must each use their reasonable endeavours to ensure the sale/purchase completes and the Mining Lease is transferred to Reach.

Completion Date

Means the date being two business days after the date that the conditions precedent are satisfied or such other date as agreed between the Seller and Reach. At completion, all key documents concerning the Mining Lease must be provided by the Seller to Reach including an unstamped transfer executed by the Seller in favour of the Company. At such time, the consideration shares in Reach must be transferred to the Seller. Completion must occur before the end date, being 31 December 2023.

Warranties

Standard warranties, undertakings and representations are included.

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

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About Reach Resources Limited

Reach Resources is a critical mineral explorer with a large portfolio of tenements in the resource rich Gascoyne Mineral Field. Recent and historical exploration results have confirmed the presence of Lithium, REE, Niobium and Manganese across the Company's land holdings.

However, the Company is distinct from other pure explorers by also having an Inferred Gold Resource at Payne's Find and an investment in a downstream patented technology that recycles the rare earth elements from the permanent magnets required in electric vehicles, wind turbines, hard disk drives and MRI machines (RECycle Inc.).

Competent Person's Statement

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Steve Vallance, who is a Member of the Australian Institute of Geoscientists. Mr Vallance is the Exploration Manager for Reach Resources Limited employed on a full-time basis. Mr Vallance has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Vallance consents to the inclusion in the announcement of the matters based on this 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.