

Reach Resources Limited

ABN 79 097 982 235

Notice of
Annual General Meeting
11 November 2022
09:00 am WST

This is an important document. Please read it carefully.

Please speak to your professional advisers if you have any questions about this document or how to vote at the Meeting.

Notice of 2022 Annual General Meeting

Notice is hereby given that the 2022 Annual General Meeting of Reach Resources Limited (the **Company** or **RR1**) is to be held at 09:00 am WST on Friday, 11 November 2022, Ground Floor, 216 St Georges Terrace, Perth WA, 6000.

Ordinary Business of the Meeting

Financial Statements and Reports

To receive the Company's financial statements and the reports of the Directors and the Auditor for the financial year ended 30 June 2022. There is no requirement for a formal resolution on this item.

1. Resolution 1: Non-binding resolution to adopt the Remuneration Report

To consider and if thought fit, pass the following as a **non-binding ordinary resolution**:

Adoption of Remuneration Report

That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2022 be adopted.

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- a) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- b) the vote is not cast on behalf of a prohibited person.

Election of Directors

2. Resolution 2: Ordinary Resolution to Elect Sam Wright as a Director

To consider and if thought fit, pass the following as an **ordinary resolution**:

"That, Sam Wright, retiring in accordance with rule 14.4 of the Company's Constitution be re-elected as a director of the Company."

3. Resolution 3: Ordinary Resolution to Elect Matthew O’Kane as a Director

To consider and if thought fit, pass the following as **an ordinary resolution**:

“That, Matthew O’Kane, retiring in accordance with rule 14.2 of the Company’s Constitution be re-elected as a director of the Company.”

Placement Capacity

4. Resolution 4: Special Resolution to Approve Additional 10% Placement Capacity

To consider and if thought fit, pass the following as **a special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given to allow the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Note: this resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by members who are entitled to vote on the resolution, vote in favour.

As at the date of this Notice, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Appointment of Auditor

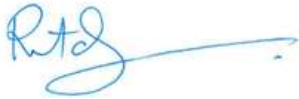
To consider and if thought fit, pass the following as **an ordinary resolution**:

"That for the purpose of section 327B of the Corporations Act and for all other purposes, Rothsay Audit & Assurance Pty Ltd having been nominated to act as the Company's auditor and having consented to act, be hereby appointed as the auditor of the Company."

Other Business

6. Other Business

To transact any other business which may be legally brought before this Annual General Meeting, in accordance with the Company's Constitution and the *Corporations Act 2001* (Cth).



Robert Downey

Chairman

Reach Resources Limited

13 September 2022

Explanatory Statement

This Explanatory Statement is intended to provide shareholders of Reach Resources Limited (**RR1** or the **Company**) with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you have any queries regarding the matters set out in this Explanatory Statement or the preceding Notice please contact RR1 or seek advice from your professional advisors.

Financial Statements and Reports

Financial Statements and Reports – Financial Year Ended 30 June 2022

The *Corporations Act 2001* (Cth) (the **Corporations Act**) requires the Financial Report, Directors' Report and Auditor's Report for the past financial year to be tabled before the Annual General Meeting, and the Company's Constitution provides for such reports to be received and considered at that meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comments on the Company's reports and accounts and on the business and operations of the Company for the year ended 30 June 2022.

In addition, at the meeting, shareholders may ask questions of the auditor in relation to the following:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the auditor's independence in relation to the above items.

Shareholders may view the Company's 2022 Annual Report on the Company's website: www.reachresources.com.au

Resolution 1: Non-binding resolution to adopt the Remuneration Report

In accordance with Section 250R(2) of the Corporations Act a resolution that the Remuneration Report be adopted must be put to a vote at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2022 Annual Report and is also available from the Company's website.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating non-executive directors and senior executives.

If Resolution 1 receives a 'No' vote of 25% or more of the votes cast at the meeting, the Company's Remuneration Report for 2023 will include a report on actions taken by the Board in response. The Board will take the outcome of the vote, even if less than 25% 'No' into consideration when reviewing the Company's remuneration policy. A 'No' vote of more than 25% was not received at last year's AGM.

Directors Recommendation

The Directors unanimously recommend that the shareholders vote in favour of adopting the Remuneration Report. The Chairman intends to vote all undirected proxies in favour of Resolution 1.

Voting Exclusion Statement

A Voting Exclusion Statement applies to this Resolution 1 relating to Key Management Personnel identified in the 2022 Annual Report and their Closely Related Parties as these terms are defined in the Corporations Act.

Election of Directors

Resolutions 2 and 3: Ordinary Resolutions to Elect Matthew O'Kane and Sam Wright as Directors

The Company's Constitution requires that a director must retire and stand for re-election at the first Annual General Meeting following their appointment unless they have previously stood for re-election at an earlier general meeting. Mr Sam Wright was appointed on 30 November 2021, and accordingly must retire and stand for re-election at this Annual General Meeting.

In accordance with clause 14.2 of the Company's constitution, one-third of the Directors shall retire from office. In determining the number of Directors to retire, no account is to be taken of a director who only holds office until the next annual general meeting pursuant to clause 14.4 of the Company's constitution who are exempt from retirement by rotation. Accordingly, Mr Sam Wright is not taken into account in determining the Directors who are to retire by rotation at the meeting. Pursuant to clause 14.2 and 14.4 of the Company's constitution, Mr O'Kane must retire and stand for re-election at this Annual General Meeting.

Directors Recommendation

The Directors, other than Mr Sam Wright and Mr Matthew O'Kane themselves in respect of their own appointments, recommend that shareholders vote in favour of Resolution 2 to re-elect Mr Sam Wright and Resolution 3 to re-elect Mr Matthew O'Kane as directors of the Company. The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 2 and 3.

Placement Capacity

Resolution 4 - Approval of 10% Placement Capacity

4.1 Background

Resolution 4 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A **(Additional Placement Facility)**.

If approved, Resolution 4 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An "eligible entity" means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Information on Additional Placement Facility

4.2.1 Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has two classes of Equity Securities quoted on ASX, being its fully-paid ordinary Shares and listed options.

4.2.2 Formula for Additional Placement Facility

If this Resolution 4 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
- less the number of fully-paid ordinary securities cancelled in the relevant period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

4.3 ASX Listing Rule requirements

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

4.3.1 Period for which the approval will be valid

The Additional Placement Facility would commence on the date of the Meeting and expire on the first to occur of the following:

- the date that is 12 months after this Meeting;

- the time and date of the Company's next annual general meeting; or
- the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

4.3.2 Minimum price at which equity securities may be issued

Any Equity Securities issued under the Additional Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the above date, the date on which the securities are issued.

4.3.3 Purposes for which the funds raised by an issue of equity securities may be used

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration only, and the Company intends to use any funds raised under such an issue for continued exploration and evaluation of the Company's exploration projects, to acquire new assets or make investments and for general working capital.

4.3.4 Risk of economic and voting dilution

If Resolution 4 is passed and the Company issues securities under the Additional Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (a) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (b) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.004 (50% decrease in issue price)	Funds raised based on issue price of \$0.008 (issue price)	Funds raised based on issue price of \$0.016 (100% increase in issue price)
1,910,050,639 (Current)	191,005,064	\$764,020	\$1,528,041	\$3,056,081
2,865,075,959 (50% increase)	286,507,596	\$1,146,030	\$2,292,061	\$4,584,122
3,820,101,278 (100% increase)	382,010,128	\$1,528,041	\$3,056,081	\$6,112,162

Notes: The above table has been prepared on the following bases/assumptions:

1. The latest available market price of Shares as at the date of the Notice was \$0.008 (closing 12 September 2022).
2. The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.
3. Existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility.
4. The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
5. The impact of additional issues of securities under ASX Listing Rule 7.1 or following the exercise of options is not included in the calculations.
6. Economic dilution for the table above is calculated using the following formula:

$$(1) \quad ED = (MP - (NMC / TS)) / MP$$

(2) where:

(3) **MC** = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;

(4) **MP** = the market price of Shares traded on ASX, expressed as in dollars;

(5) **NMC** = notional market capitalisation, being the market capitalisation plus the NSV;

(6) **NSV** = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total Shares on issue following new Equity Security issue.

4.3.5 Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

4.3.6 Previous issues under Listing Rule 7.1A in previous 12 months

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 25 October 2021.

In accordance with Listing Rule 7.3A.6, the following information is provided to shareholders regarding the equity securities issued in the previous 12 months preceding the date of the Annual General Meeting.

Listing Rule 7.3A.6(a)

The table below shows the total number of equity securities issued under Listing Rule 7.1A.2 in the previous 12 months preceding the date of the annual general meeting and the percentage that those issues represent of the total number of equity securities on issue at the commencement of that 12 month period.

Total number of equity securities issued in the 12 months preceding the date of the meeting	150,000,000
Percentage that they represent of the total number of equity securities on issue at the commencement of that 12 month period	5.5%

Listing Rule 7.3A.6(b)

The table below sets out specific details for each issue of equity securities that have taken place in the 12 month period prior to the date of the annual general meeting.

Date of issue	24 March 2022
Number issued	150,000,000
Summary of terms	Ordinary fully paid shares ranking equally with existing shares on issue.
Names of the persons who received securities or basis on which those persons were determined	The Shares were issued to non-related party investors, who were "Sophisticated Investors" within the meaning of section 708(8) of the Corporations Act or other investors to whom the Company may issue Shares without a disclosure document pursuant to section 708 of the Corporations Act. Investors were identified through a bookbuild process which involved the Lead Manager, Westar Capital Limited in consultation with the Company, seeking expressions of interest to participate in the capital raising from non-related parties.
Price	\$0.008
Discount to market price (if any)	6% premium to the 15-day VWAP of \$0.00752
For cash issues	
Total cash consideration received	\$1,200,000
Amount of cash consideration spent	\$1,200,000
Use of cash consideration	Funds raised from the capital raising were applied to the acquisition of the Company's investment in REEgenerate Pty Ltd.
Intended use for remaining amount of cash (if any)	Unspent funds: \$Nil

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

Directors Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 4. The approval sought in Resolution 4 can be used for issuing quoted securities for cash consideration and provides further flexibility to the Company should an opportunity arise requiring the issue of new quoted securities. The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

Placement Capacity

Resolution 5 – Appointment of Auditor

As announced on 7 September 2022, the Board resolved to change auditor of the company from Rothsay Auditing to Rothsay Audit & Assurance Pty Ltd.

Rothsay Auditing applied for and received ASIC consent to resign as auditor of the Company.

Pursuant to section 327C(1) of the Corporations Act the Company appointed Rothsay Audit & Assurance Pty Ltd as auditor of the Company. In compliance with section 327C(2) of the Corporations Act, an auditor appointed under section 327C(1) of the Corporations Act holds office until the Company's next AGM.

For the purpose of section 327B of the Corporations Act, Resolution 5 seeks shareholder approval for the appointment of Rothsay Audit & Assurance Pty Ltd as auditor of the Company.

Rothsay Audit & Assurance Pty Ltd have been duly nominated in accordance with section 328B(1) of the Corporations Act. In accordance with section 328B(3) of the Corporations Act, a copy of the notice of nomination of auditor accompanies this Notice of Meeting.

Rothsay Audit & Assurance Pty Ltd have provided their consent to be appointed as auditor.

Directors Recommendation

The Directors unanimously recommend that the shareholders vote in favour of Resolution 5. The Chairman intends to vote all undirected proxies in favour of Resolution 5.

DEFINITIONS

ASX means ASX Limited ABN 12 145 184 667.

ASIC means the Australian Securities & Investments Commission.

The Company means Reach Resources Limited ACN 097 982 235.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- i) is not included in the A&P/ASX 300 Index; and
- ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this Explanatory Statement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of ASX.

Meeting means the annual general meeting to be held on 11 November 2022.

Notice or **Notice of Meeting** means the notice of annual general meeting which forms part of this Explanatory Statement.

Ordinary Securities has the meaning set out in the Listing Rules.

Option means an option to acquire a Share.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolution means a resolution contained in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

NOMINATION OF PROPOSED AUDITOR

11 November 2022

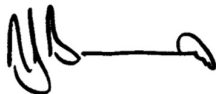
The Company Secretary
Reach Resources Limited
Level 4
216 St Georges Terrace
Perth WA 6000

Dear Sir

Nomination of Proposed Auditor

For the purposes of Section 328B(1) of the Corporations Act, Mandevilla Pty Ltd, being a member of Reach Resources Limited hereby nominate Rothsay Audit & Assurance Pty Ltd of Level 1, Lincoln House, 4 Ventnor Avenue, West Perth, WA 6005 for appointment as auditor of Reach Resources Limited at the 2022 Annual General Meeting of the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'NB', followed by a horizontal line and a small flourish at the end.

Neville Bassett
Director
Mandevilla Pty Ltd