



**REACH RESOURCES LTD
A.B.N. 79 097 982 235
AND CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Corporate Directory

Board of Directors

Robert Downey
Non-Executive Chairman

Matthew O’Kane
Non-Executive Director

Sam Wright
Non-Executive Director

Solicitors

Steinepreis Paganin	AGH Law
Level 14, QV1 Building	1/50 Kings Park Rd
Perth WA 6001	West Perth WA 6005

Auditors

In.Corp Audit & Assurance Pty Ltd
(formerly Rothsay Audit & Assurance Pty Ltd)
Level 1 Lincoln House, 4 Ventnor Avenue
West Perth WA 6005

Company Secretary

Chris Achurch

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Tel: 1300 288 664

Registered Office

Level 4, 216 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange
(Home Exchange: Perth Western Australia)
152-158 St George Terrace,
Perth WA 6000
ASX Code: RR1 & RR10A

Contact Details

Reach Resources Ltd
Level 4, 216 St George Terrace
Perth WA 6000

Tel: +61 8 6268 2641
Email: admin@reachresources.com.au
Website: www.reachresources.com.au

Bankers

National Australia Bank Ltd
Capital Office
100 St Georges Terrace
Perth WA 6000

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES
INDEX

Contents	Page
Directors' Report	2
Directors' Declaration	13
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Consolidated Entity Disclosure Statement	40
Shareholder Information	41
Schedule of Tenements	45
Auditor's Independence Declaration	46
Independent Auditor's Report to the Members	47

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entity, for the year ended 30 June 2024.

Principal Activities and Significant Change in Nature of Activities

The principal activities of the Group during the financial year were the exploration and evaluation of mineral resource projects.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

The profit / (loss) of the Group for the financial year after providing for income tax amounted to:

Year ended 30 June 2024	Year ended 30 June 2023
\$	\$
1,936,128	(2,659,800)

Review of Operations

The Financial year ending 30 June 2024 was highlighted by the significant development at the Company's Morrissey Hill Lithium project, which ultimately resulted in a financially advantageous deal for the Company via its neighbour, Delta Lithium Ltd.

In addition, further discovery of high-grade niobium/REE potential at the Company's Wabli Creek project and high-grade manganese at the Company's White Castles project in the Gascoyne has given the Company a truly diversified portfolio when considering Reach already has a ~1Mt 3.2g/t 105kt gold resource, which clearly sets us apart from similar capitalized junior explorers (ASX Announcement 6 December 2021). During the third and fourth quarters of 2023 and the first quarter of 2024, the Company also spent time on the ground evaluating its Murchison gold project and commenced an external engineering and resource review of its gold resource.

The Company completed a \$4M placement in August 2023, which provided additional funding to commence the maiden drill program (August/September) and a follow up program (November/December) at Morrissey Hill. Additionally, and as announced in May 2024, Reach raised a further \$2.4M following the completion of a non-renounceable rights issue and priority offer.

As announced on 11 March 2024, neighbouring company Delta Lithium entered into an earn in deal with Reach. The key terms of the deal included a \$3.2M cash payment to Reach on signing. Delta can earn an initial 51% joint venture interest in the tenements comprising the Morrissey Hill and Camel Hill lithium projects by spending \$3M on exploration over an initial 2-year period. Delta may earn a further 29% upon further expenditure of \$6M over the next 2 years. Reach and Delta also agreed to negotiate in good faith the terms pursuant to which Delta may purchase Reach's remaining 20% interest. In the event that Delta delineates a mineral resource estimate of equal to or greater than 7.5Mt at 0.8% Li₂O (at 0.5% cut off grade) at any time within 8 years of signing the earn in, Delta has agreed to pay Reach \$10M in either cash, Delta ordinary shares or a combination of both (ASX Announcement 11 March 2024).

Ongoing exploration at the Company's Wabli Creek project including extensive soil and rock chip sampling resulted in the confirmation of high-grade Niobium, the most exciting being the confirmation of up to 17.65% Nb₂O₅ from an in-situ source (straight off the bedrock). Specifically, the identification of this mineralisation was within bedrock material on the contact with a plug of alkaline granite.

The Company also has an exposure to Manganese. As announced on 4 October 2023, a field reconnaissance trip was undertaken over the White Castles Manganese project area which confirmed high grade manganese with rock chip samples reporting assays of up to 48% Mn over a potential strike length of up to 50km.

Finally, as the gold price continued to climb toward the end of 2023 and through 2024, the Company completed a series of site visits to its Murchison gold project and collected valuable field data to assist in its internal review of historical drilling results, and to provide to external engineering and resource consultants for independent analysis.

The Company continues to focus on its Niobium/REE project at Wabli Creek in the Gascoyne and its gold project in the Murchison.

Competent Person's Statement

Information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Nick Revell, who is a Member of the Australian Institute of Geoscientists and a Member of the Australian Institute of Mining and Metallurgy.

Mr Nick Revell is the geological consultant for Reach Resources Limited. Mr Nick Revell 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 Nick Revell consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

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.

Financial Position

The net assets of the Group have increased by \$8,658,822 at 30 June 2024 to \$14,685,675. The increase was predominantly as a result of the Company's exploration and evaluation expenditure incurred which was capitalised during the year and a non-refundable cash payment of \$3,200,000 received as part of the "Earn-in and Joint Venture Agreement, Morrissey Hill and Camel Hill Lithium Project".

Significant Changes in the State of Affairs

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Group occurred during the financial year other than that referred to in the financial statements or notes thereto in the *Review of Operations*.

Dividends Paid or Recommended

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental Issues

The Group is subject to environmental regulations in respect of its exploration activities. Tenements in Western Australia are granted subject to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines and Petroleum.

Reach Resources Ltd conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breaches of statutory conditions or obligations.

Greenhouse gas and energy data reporting requirements

The Directors have considered compliance with both the Energy Efficiency Opportunity Act 2006 and the National Greenhouse and Energy Reporting Act 2007 which require entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2024, however reporting requirements may change in the future.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Information on Current Directors

Robert Downey

Qualifications

CHAIRMAN (Non-Executive)

B.Ed, LLB (Honors)

Experience

Mr Downey is a qualified solicitor who has practised mainly in the areas of international resources law, corporate law and initial public offerings as well as mergers and acquisitions. He has extensive experience as an adviser, founder and director of various ASX, TSX and AIM companies. Mr Downey is currently a partner of Dominion Legal, a boutique law firm in Perth. Mr Downey was appointed to the Board on 20 May 2021.

Interest in shares and options

800,000 fully paid ordinary shares and 100,000 options exercisable at \$0.015, expiring 15 April 2027.

Interest in performance rights

600,000 performance rights.

Special responsibilities

Mr Downey is a member of the audit committee.

Directorships held in other listed entities during the three years prior to the current year

Mr Downey is currently a director of Zeotech Limited (ASX: ZEO), Connexion Telematics Ltd (ASX: CXZ), Askari Metals Ltd, Mt Malcolm Mines NL and Twenty Seven Co Ltd.

Matthew O’Kane

Qualifications

DIRECTOR (Non-Executive)

Bachelor (Econ. Finance), MBA, CPA, Graduate Dip. Mineral Exploration Geoscience (Distinction)

Experience

Mr O’Kane is an experienced mineral industry executive and company director with 25 years’ experience in mining, commodities and automotive sectors. Matt has held senior leadership roles in Australia, the USA and Asia, in both developed and emerging markets, from start-up companies through to MNC’s. Matt has served on the board of mining companies in Canada, Hong Kong and Australia. During his career Mr O’Kane has worked with companies involved with exploration, development and with producing companies. Mr O’Kane was appointed to the Board on 20 May 2021.

Interest in shares and options

600,000 fully paid ordinary shares.

Interest in performance rights

600,000 performance rights.

Special responsibilities

Mr O’Kane is a member of the audit committee.

Directorships held in other listed entities during the three years prior to the current year

Mr O’Kane is currently a director of Comet Resources Ltd (ASX: CRL) and International Graphite Ltd (ASX: IG6). He was previously a director of RotoGro International Ltd (resigned 19 October 2021) and Azarga Uranium Corporation (resigned 31 December 2021).

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Sam Wright Qualifications	DIRECTOR (Non-Executive) AFin DipAcc ACIS MAICD
Experience	Mr Wright has 20 years' experience in the administration of ASX listed companies, corporate governance and corporate finance. He is a member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia, and the Chartered Secretaries of Australia. Mr Wright was appointed to the Board on 30 November 2021.
Interest in shares and options	800,000 fully paid ordinary shares and 100,000 options exercisable at \$0.015, expiring 15 April 2027.
Interest in performance rights	600,000 performance rights.
Special responsibilities	Mr Wright is a member of the audit committee.
Directorships held in other listed entities during the three years prior to the current year	Mr Wright is currently a Non-Executive Director and Company Secretary of Structural Monitoring Systems plc (ASX: SMN) and Non-Executive Director of Great Dirt Resources Ltd (ASX: GR8). Mr Wright was previously a director of Pharmaust Limited (ASX: PAA).

Company Secretary

Chris Achurch (BCom, CA ANZ) held the position of company secretary during the financial year.

Mr Achurch provides company secretarial, corporate advisory and general consulting services to a number of ASX listed clients. Mr Achurch was appointed Company Secretary on 20 May 2021.

Meetings of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Downey	4	4
Matthew O'Kane	4	4
Sam Wright	4	4

Indemnifying Officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by them in their capacity as Officer of the Company or a related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

As at the date of this report the Company holds Directors and Officers Indemnity insurance. In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers for 2024 has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

Corporate Governance Statement

The Company's 2024 Corporate Governance Statement has been released as a separate document and is located on the Company's website at www.reachresources.com.au

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

In.Corp Audit & Assurance Pty Ltd (formerly Rothsay Audit & Assurance Pty Ltd), the Company's auditors, did not provide non-audit services to the Group during the 2024 financial year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 46 of the financial report.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and key management personnel of the Group. Broadly, the Group's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and that it is competitive in attracting, retaining and motivating people of the highest quality.

Fixed Remuneration

Executive Directors and Non-Executive Directors are remunerated by way of a consulting fee and receive a fixed monthly amount for their services. This remuneration package is reviewed annually by the Board.

Performance Linked Remuneration and Entitlements

The Board may from time to time approve cash bonuses and/or options designed to reward or incentivise executives, contractors and staff on such terms and conditions determined appropriate at the time of payment or issue. Often this will be linked to the achievement of Group objectives with a direct link to the creation of shareholder value.

Director Remuneration and Incentives

The Board policy is to remunerate Non-Executive Directors at market rates for time commitment and responsibilities. Independent external advice is sought where required. All securities issued to Directors and related parties must be approved by shareholders. In addition to Directors' fees, it is a policy of the Group that a Director may be paid fees or other amounts as the Board determines where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

No securities were issued to Directors or key management personnel of the Group since the end of the financial year as remuneration.

Post-Employment Benefits

The Group does not have any scheme relating to retirement benefits for Directors or key management personnel.

Nomination and Remuneration Committee

Currently, the full Board together with the Company Secretary, will consider all Nomination and Remuneration matters. The objective when the Board is convened to consider these matters is to ensure that the Group adopts and complies with remuneration policies that:

- attract, retain and motivate high calibre executives and directors so as to encourage enhanced performance by the Group;
- are consistent with the human resource needs of the Group;
- motivate directors and management to pursue the long-term growth and success of the Group with an appropriate framework; and
- demonstrate a clear relationship between key executive performance and remuneration.

Employment Details of Members of Key Personnel and Other Executives

The following table provides detail of persons who were, during the financial year, members of key management personnel of the Group.

Group Key Management Personnel	Position held as at 30 June 2024 and any change during the year	Proportion of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non-salary cash-based incentives %	Shares/Units %	Options/Rights %	Fixed Salary/Fees %	Total %
Robert Downey	Chairman (Non-Executive) Appointed 20 May 2021	-	-	18	82	100
Mathew O’Kane	Director (Non-Executive) Appointed 20 May 2021	-	-	28	72	100
Sam Wright	Director (Non-Executive) Appointed 30 November 2021	-	-	28	72	100
Jeremy Bower	Chief Executive Officer Appointed 23 March 2022	-	-	8	92	100

The service terms and conditions of key management personnel other than the Chief Executive Officer are not formalised via a contract of employment. The service terms and conditions are not for a fixed term. There is no notice period and no entitlement upon termination.

Service Agreements

On 23 March 2022, the Company entered into an Executive Service Agreement with Mr Jeremy Bower.

Under the Agreement, Mr Bower was engaged by the Company to provide services to the Company in the capacity of Chief Executive Officer.

The material terms of the executive service agreement with Mr Bower are as follows:

1. \$200,000 per annum on an FTE basis, plus superannuation. At the reporting date, Mr Bower currently works 5 days per week (100% FTE). Subsequent to 30 June 2024, Mr Bower’s salary was approved by the Board to be increased to \$224,000 per annum on an FTE basis, plus superannuation.
2. 1,000,000 (post-consolidation) unlisted options exercisable at \$0.075 (Tranche A) and 1,000,000 (post-consolidation) options exercisable at \$0.10 (Tranche B). Both Tranches have an expiry of 3 years from the date of issue. The options were issued on 14 April 2023.
3. There is no fixed term although the Company or Mr Bower may terminate the employment agreement by providing three month’s written notice.

Share-based Payments

There were no shares, options and performance rights that were granted as remuneration during the year to key management personnel and other executives.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

The following table of payments and benefits detail the components of remuneration for each member of the key management personnel of the Group for the financial years ended 30 June 2024 and 30 June 2023.

		Short Term Benefit		Post	Equity-settled share-based payments		Total
		Salaries & Fees \$	Other \$	Employment Super-annuation \$	Shares \$	Options / Rights ⁽ⁱⁱ⁾ \$	
Robert Downey ⁽ⁱⁱⁱ⁾ Chairman	2024	63,000	-	-	-	13,881	76,881
	2023	63,000	-	-	-	1,649	64,649
Matthew O'Kane Non-Executive Director	2024	36,000	-	-	-	13,881	49,881
	2023	36,000	-	-	-	1,649	37,649
Sam Wright Non-Executive Director	2024	36,000	-	-	-	13,881	49,881
	2023	36,000	-	-	-	1,649	37,649
Jeremy Bower ^{(i) (iv)} Chief Executive Officer	2024	200,000	-	22,000	-	20,087	242,087
	2023	160,889	-	16,913	60,000	12,535	250,337
Total	2024	335,000	-	22,000	-	61,730	418,730
Total	2023	295,889	-	16,913	60,000	17,482	390,284

There were no long-term, Cash settled share-based payments or termination benefits paid to Key Management Personnel or Other Executives other than what is detailed above.

- (i) Jeremy Bower was appointed as Chief Executive Officer of the Company on 23 March 2022.
- (ii) Per Note 17, performance rights are recognised over multiple periods in accordance with their vesting conditions. Options are fully recognised in the period issued.
- (iii) Legal fees of \$36,168 (2023: \$2,617) and property rent of \$12,000 (2023: nil) were paid to Dominion Legal, a partnership of which Mr Robert Downey is a Director. The amounts paid were on arm's length commercial terms.
- (iv) Caravan hire fees of \$21,750 (2023: \$Nil) were paid to Mr Jeremy Bower. The amounts paid were on arm's length commercial terms.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Key Management Personal Shareholdings

The number of ordinary shares in Reach Resources Ltd held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options and performance rights during the year	Other changes during the year	Share consolidation (5:1)	Balance on resignation / appointment	Balance at end of year
30 June 2024							
Robert Downey	-	-	3,000,000	1,000,000	(3,200,000)	-	800,000
Matthew O'Kane	-	-	3,000,000	-	(2,400,000)	-	600,000
Sam Wright	-	-	3,000,000	1,000,000	(3,200,000)	-	800,000
Jeremy Bower	19,500,000	-	5,000,000	2,000,000	(21,200,000)	-	5,300,000
	19,500,000	-	14,000,000	4,000,000	(30,000,000)	-	7,500,000
30 June 2023							
Robert Downey	-	-	-	-	-	-	-
Matthew O'Kane	-	-	-	-	-	-	-
Sam Wright	-	-	-	-	-	-	-
Jeremy Bower	-	15,000,000	-	4,500,000	-	-	19,500,000
	-	15,000,000	-	4,500,000	-	-	19,500,000

Key Management Personal Options Holdings

The number of options over ordinary shares in Reach Resources Ltd held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Exercise of options during the year	Other changes during the year	Option consolidation (5:1)	Balance on resignation / appointment	Balance at end of year
30 June 2024							
Robert Downey	-	-	-	500,000	(400,000)	-	100,000
Matthew O'Kane	-	-	-	-	-	-	-
Sam Wright	-	-	-	500,000	(400,000)	-	100,000
Jeremy Bower	10,000,000	-	-	666,667	(8,533,333)	-	2,133,334
	10,000,000	-	-	1,666,667	(9,333,333)	-	2,333,334
30 June 2023							
Robert Downey	-	-	-	-	-	-	-
Matthew O'Kane	-	-	-	-	-	-	-
Sam Wright	-	-	-	-	-	-	-
Jeremy Bower	-	10,000,000	-	-	-	-	10,000,000
	-	10,000,000	-	-	-	-	10,000,000

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Key Management Personal Performance Rights Holdings

The number of performance rights in Reach Resources Ltd held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Exercise of performance rights during the year	Other changes during the year	Performance Rights consolidation (5:1)	Balance on resignation / appointment	Balance at end of year
30 June 2024							
Robert Downey	6,000,000	-	(3,000,000)	-	(2,400,000)	-	600,000
Matthew O'Kane	6,000,000	-	(3,000,000)	-	(2,400,000)	-	600,000
Sam Wright	6,000,000	-	(3,000,000)	-	(2,400,000)	-	600,000
Jeremy Bower	10,000,000	-	(5,000,000)	-	(4,000,000)	-	1,000,000
	28,000,000	-	(14,000,000)	-	(11,200,000)	-	2,800,000
30 June 2023							
Robert Downey	-	6,000,000	-	-	-	-	6,000,000
Matthew O'Kane	-	6,000,000	-	-	-	-	6,000,000
Sam Wright	-	6,000,000	-	-	-	-	6,000,000
Jeremy Bower	-	10,000,000	-	-	-	-	10,000,000
	-	28,000,000	-	-	-	-	28,000,000

End of Audited Remuneration Report

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Robert Downey
Chairman
Dated 18 September 2024

DIRECTORS DECLARATION

The Directors of the Company declare that, in the opinion of the Directors:

- (a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated statement of financial position as at 30 June 2024 and of the performance for the year then ended on that date of the Consolidated Entity; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) The financial statements and notes thereto comply with International Financial Reporting Standards, as disclosed in Note 1.
- (c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.
- (d) The information disclosed in the attached consolidated entity disclosure statement is true and correct;
- (e) There are reasonable grounds to believe that Reach Resources Ltd will be able to pay its debts as and when they become due and payable; and
- (f) The remuneration disclosures included in the Director's Report (as part of the audited Remuneration Report), for the year ended 30 June 2024, comply with section 300A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.



Robert Downey
Chairman

Dated this 18 September 2024

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

		Consolidated Entity	
	Note	2024	2023
		\$	\$
Revenue			
Interest income		36,110	6,588
Forgiveness of debt		-	150,000
Other income	13	3,200,000	-
		3,236,110	156,588
Employee benefits expense	3	(437,003)	(320,518)
Depreciation expense		(15,759)	(5,021)
Occupancy expenses		(44,320)	(24,000)
Administration expenses		(711,980)	(504,933)
Tenement surrendered		(1,550)	-
Share based payments expense		(89,370)	(94,416)
Impairment of financial assets		-	(1,867,500)
Profit / (Loss) before income tax		1,936,128	(2,659,800)
Income tax benefit	5	-	-
Profit / (Loss) after income tax		1,936,128	(2,659,800)
Other Comprehensive Income		-	-
Total Comprehensive Income Attributable to Members of Reach Resources Ltd		1,936,128	(2,659,800)
Profit / (loss) per share attributable to the ordinary equity holders of the Company			
Basic profit / (loss) per share (cents per share)	6	0.287	(0.615)
Diluted profit / (loss) per share (cents per share)	6	0.200	(0.380)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Statement of Financial Position as at 30 June 2024

		Consolidated Entity	
	Note	2024	2023
		\$	\$
Current Assets			
Cash and cash equivalents	7	6,014,564	1,229,665
Trade and other receivables	9	62,006	143,254
		<u>6,076,570</u>	<u>1,372,919</u>
Total Current Assets			
Non-Current Assets			
Plant and equipment	10	55,760	65,999
Exploration assets	12	8,892,204	5,112,488
		<u>8,947,964</u>	<u>5,178,487</u>
Total Non-Current Assets			
		<u>15,024,534</u>	<u>6,551,406</u>
Total Assets			
Current Liabilities			
Trade and other payables	14	305,471	519,145
Provision for employee entitlements	15	33,388	5,408
		<u>338,859</u>	<u>524,553</u>
Total Current Liabilities			
		<u>338,859</u>	<u>524,553</u>
Total Liabilities			
		<u>14,685,675</u>	<u>6,026,853</u>
Net Assets			
Equity			
Issued equity	16	28,891,204	22,466,171
Reserves	16	332,077	346,916
Accumulated losses		(14,537,606)	(16,786,234)
		<u>14,685,675</u>	<u>6,026,853</u>
Total Equity			

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Statement of Changes in Equity for the year ended 30 June 2024

Consolidated Entity					
	Issued Equity	Performance Rights Reserve	Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	19,342,079	-	312,500	(14,126,434)	5,528,145
Shares issued during the year	3,380,000	-	-	-	3,380,000
Options issued during the year	-	-	10,000	-	10,000
Performance rights issued during the year	-	24,416	-	-	24,416
Transaction costs	(255,908)	-	-	-	(255,908)
Comprehensive income for the year					
Loss for the year	-	-	-	(2,659,800)	(2,659,800)
Total Comprehensive Income for the Year	-	-	-	(2,659,800)	(2,659,800)
Balance at 30 June 2023	22,466,171	24,416	322,500	(16,786,234)	6,026,853
Balance at 1 July 2023	22,466,171	24,416	322,500	(16,786,234)	6,026,853
Shares issued during the year	6,185,819	-	-	-	6,185,819
Shares issued for acquisition	210,000	-	-	-	210,000
Shares issued through exercise of options	481,966	-	-	-	481,966
Shares issued on satisfaction of performance rights	79,300	(79,300)	-	-	-
Options issued during the year	-	-	332,414	-	332,414
Options expired during the year	-	-	(312,500)	312,500	-
Performance rights vested during the year	-	89,370	-	-	89,370
Transaction costs	(532,052)	-	(44,823)	-	(576,875)
Comprehensive income for the year					
Profit for the year	-	-	-	1,936,128	1,936,128
Total Comprehensive Income for the Year	-	-	-	1,936,128	1,936,128
Balance at 30 June 2024	28,891,204	34,486	297,591	(14,537,606)	14,685,675

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Statement of Cash Flows for the year ended 30 June 2024

	Note	Consolidated Entity	
		2024 \$	2023 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(986,904)	(873,960)
Interest received		36,110	6,588
		<u> </u>	<u> </u>
Net Cash Used in Operating Activities	7b	<u>(950,794)</u>	<u>(867,372)</u>
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(3,649,847)	(470,323)
Payments for plant and equipment		(5,520)	(71,020)
Payments to acquire tenements		(161,798)	(200,000)
Payments to acquire subsidiary		-	(140,000)
Proceeds from JV earn in		3,200,000	-
		<u> </u>	<u> </u>
Net Cash Used in Investing Activities		<u>(617,165)</u>	<u>(881,343)</u>
Cash Flows from Financing Activities			
Proceeds from shares issued		6,185,819	2,000,000
Proceeds from options issued		257,414	-
Proceeds from exercise of options		481,966	-
Cost of shares issued		(531,251)	(155,908)
Cost of options issued		(41,090)	-
		<u> </u>	<u> </u>
Net Cash Provided by Financing Activities		<u>6,352,858</u>	<u>1,844,092</u>
Net Increase in Cash Held		4,784,899	95,377
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>1,229,665</u>	<u>1,134,288</u>
Cash and Cash Equivalents at the End of the Financial Year	7a	<u>6,014,564</u>	<u>1,229,665</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 30 June 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material in the preparation of the financial statements are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. This financial report of Reach Resources Ltd ('the Company'), for the year ended 30 June 2024 comprises the Company and its subsidiaries (collectively referred to as 'the Consolidated Entity' or 'Group'). Reach Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 18 September 2024.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2024. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Reach Resources Ltd is a for-profit entity for the purposes of preparing the financial statements.

The consolidated financial statements of Reach Resources Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and other comprehensive income.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Notes to the Financial Statements for the year ended 30 June 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION continued

Income Tax

The Consolidated Entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) Other Services

Other services are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

(ii) Farm-Out Arrangements

On entering into a farm-out agreement the Group records cash and non-cash consideration received against the carrying amount, with any excess included as a gain in profit or loss.

The Group does not record exploration expenditures on the tenement made by the farmee.

Notes to the Financial Statements for the year ended 30 June 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION continued

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 30 June 2024 the Directors considered that the carrying value of the mineral tenement interests of the Consolidated Entity was as shown in the Statement of Financial Position and there have been no indicators of impairment in accordance with AASB 6.

Share-Based Payments

The fair value of options and performance rights granted to Directors and executives is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the Directors and/or executives become unconditionally entitled to the options. Where options or performance rights are issued to consultants the fair value of the options or performance rights given is valued by the market value of the service being provided.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or performance rights.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Financial Statements for the year ended 30 June 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Provisions

Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the Group.

Key Judgment – Exploration and Evaluation Expenditure

The Group's policy for exploration and evaluation requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

3 EMPLOYEE BENEFITS EXPENSE

	Consolidated Entity	
	2024	2023
	\$	\$
Employee benefits expenses		
Employee superannuation expenses	30,172	16,913

4 SEGMENT INFORMATION

The Consolidated Entity operates in a single business segment being mineral exploration in Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia.

5 INCOME TAX EXPENSE

5a Reconciliation of income tax expense to prima facie tax payable:

Profit / (loss) before income tax	1,936,128	(2,659,800)
Prima facie income tax at 30.0% (2023: 30.0%)	580,838	(797,940)
Allowable items		
Capital raising costs	(173,062)	(181,190)
Exploration expenditure	(1,133,914)	(647,478)
Tax losses not brought to account	726,138	1,626,608
	-	-
Net Deferred Tax Assets	5,505,451	5,906,107

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

5 INCOME TAX EXPENSE continued

5b Unrecognised temporary differences

The potential tax benefit will only be obtained if the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

- (i) the relevant company continues to comply with the conditions for deductibility imposed by the law; and
- (ii) no changes in tax legislation adversely affect the relevant company in realising the benefit.

6 PROFIT / (LOSS) PER SHARE	2024 Cents Per Share	2023 Cents Per Share
Basic profit / (loss) per share	0.287	(0.615)
Diluted profit / (loss) per share	0.200	(0.380)
	2024 \$	2023 \$
The profit / (loss) for the year and the weighted average number of ordinary shares used in the calculation of basic profit / (loss) per share are as follows:		
Profit / (loss) for the year after income tax	1,936,128	(2,659,800)
	2024 No.	2023 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	674,048,356	432,989,580
Weighted average number of options outstanding	295,451,665	263,418,497

7 CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2024 \$	2023 \$
7a Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short term deposits	6,014,564	1,229,665

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

7 CASH AND CASH EQUIVALENTS continued

	Consolidated Entity	
	2024 \$	2023 \$
7b Reconciliation of Net Cash used In Operating Activities to Operating Profit / (Loss) after Income Tax		
Profit / (loss) for the year	1,936,128	(2,659,800)
Adjustments for non-cash items		
Deferred exploration expenditure written off	1,550	-
Depreciation expense	15,759	5,021
Forgiveness of debt	-	(150,000)
Impairment of financial assets	-	1,867,500
Share based payments expense	89,370	94,416
Share based payment – in lieu of consulting fees	75,000	-
Re-classified to investment cashflows		
Revenue from JV with Delta Lithium Ltd	(3,200,000)	-
Change in assets and liabilities during the financial year:		
Receivables	81,248	(124,754)
Payables	50,151	100,245
Net cash (outflow) from operating activities	(950,794)	(867,372)

8 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

The totals for each category of financial instruments, measured in accordance with AASB 139 (Financial Instruments: Recognition and Measurement) as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Entity	
		2024 \$	2023 \$
Financial Assets			
Cash and cash equivalents	7	6,014,564	1,229,665
Trade and other receivables	9	62,006	143,254
Total Financial Assets		6,076,570	1,372,919
Financial Liabilities			
Trade and other payables	14	305,471	519,145
Total Financial Liabilities		305,471	519,145

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risk as they consider appropriate.

8a Market Risk

(i) Cash Flow Interest Rate Risk

Refer to (d) below.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

8 FINANCIAL RISK MANAGEMENT continued

8b Credit Risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 8. Financial assets that are neither past due and not impaired are as follows:

	Consolidated Entity	
	2024	2023
	\$	\$
Cash and cash equivalents		
‘AA’ S&P rating	6,014,564	1,229,665

8c Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources.

The Group has normal trade and other payables incurred in the general course of business.

The Group also manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and financial liabilities.

8d Cash Flow Risk

As the Group has interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have increased the consolidated profit by \$60,146 (2023: Loss \$12,297) and increased the cash balances by the corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

9 TRADE AND OTHER RECEIVABLES

Prepayments	13,156	12,346
GST refundable	48,850	130,908
	62,006	143,254

No receivables are impaired or past due but not impaired. Refer to Note 8 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

10 PLANT AND EQUIPMENT

	Consolidated Entity	
	2024	2023
	\$	\$
Plant and Equipment		
Cost	76,540	71,020
Accumulated depreciation	(20,780)	(5,021)
	<u>55,760</u>	<u>65,999</u>
Net book amount		
Plant and Equipment		
Opening net book amount	65,999	-
Additions	5,520	71,020
Depreciation charge	(15,759)	(5,021)
	<u>55,760</u>	<u>65,999</u>
Closing net book amount		

11 FINANCIAL ASSETS

	Consolidated Entity	
	2024	2023
	\$	\$
Investments at fair value through profit or loss and other comprehensive income		
Investment in REEgenerate Pty Ltd	1,867,500	1,867,500
Provision for impairment	(1,867,500)	(1,867,500)
	<u>-</u>	<u>-</u>

The Company maintains its investment in REEcycle Holdings Inc., a North American rare earth elements (REE) recycling company focused on the recovery of rare earths from end-of-life neodymium magnets. No additional investment has been made by the Company during the financial year ended 30 June 2024.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

12 EXPLORATION & EVALUATION

	Consolidated Entity	
	2024	2023
	\$	\$
Balance at beginning of year	5,112,488	3,063,306
Tenements acquired – E09/2388 and E09/2375 (i)	-	1,048,960
Tenements acquired – Kouzan Pty Ltd (ii)	-	260,000
Tenements acquired – E09/2543 (iii)	112,366	-
Tenements acquired – M09/101 (iv)	210,423	-
Exploration expenditure capitalised	3,458,477	740,222
Tenement surrendered	(1,550)	-
	<u>8,892,204</u>	<u>5,112,488</u>

(i) On 13 February 2023, the Company announced the acquisition of 100% of the Western Australian exploration licenses E09/2388 and E09/2375 from Tasex Geological Services Pty Ltd for \$200,000 cash and 200 million fully paid ordinary shares at an issue price of \$0.004 per share (\$800,000). Stamp Duty payable on the acquisition was \$48,960.

(ii) On 13 February 2023, the Company announced the acquisition of 100% of the issued capital of Kouzan Pty Ltd which held 100% of the Western Australian licenses E09/2539 and E09/2542 for \$140,000 cash and 30 million fully paid ordinary shares at an issue price of \$0.004 per share (\$120,000).

(iii) On 18 September 2023, the Company announced the acquisition of 100% of the Western Australian exploration licence E09/2543 from Firebird Metals Ltd for the equivalent of \$110,000 fully paid ordinary shares using the 5-day volume weighted average price of Reach shares for the five trading days preceding completion. 7,413,140 fully paid ordinary shares at an issue price of \$0.0135 per share were issued on 29 September 2023. Stamp Duty payable on the acquisition was \$2,366.

(iv) On 25 October 2023, the Company announced the acquisition of 100% of the Western Australian mining lease M09/101 from Tamas Kapitany ("Seller") for the equivalent for \$100,000 cash and \$100,000 fully paid ordinary shares using the 5-day volume weighted average price of Reach shares for the five trading days preceding completion. 46,361,901 fully paid ordinary shares at an issue price of \$0.00216 per share were issued on 11 March 2024. Stamp Duty payable on the acquisition was \$10,423. Contingent consideration shares will also be issued 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 ("Milestone"). The contingent consideration shares will be a number of Reach fully paid ordinary shares with a total value of \$100,000 using the 5-day volume weighted average price of Reach shares for the five trading days prior to the date following satisfaction of the Milestone. The Seller acknowledges and agrees that the obligation of Reach to issue the contingent share consideration is for the term of the tenement.

Notes to the Financial Statements for the year ended 30 June 2024

13 EARN-IN AND JOINT VENTURE AGREEMENT

Earn-in and Joint Venture Agreement, Morrissey Hill and Camel Hill Lithium Project

On 11 March 2024, the Company announced it had entered into an 'Earn-in and Joint Venture Agreement, Morrissey Hill and Camel Hill Lithium Project' (the "Agreement"), with Electrostate Malinda Pty Ltd, a wholly owned subsidiary of Delta Lithium Ltd (ASX: DLI) ("Delta").

Key Material Terms of the Agreement

- Delta agreed to pay to Reach a **non-refundable cash payment of \$3,200,000** (received on 13 March 2024).
- Delta (via its subsidiary Electrostate) **can earn an initial 51% joint venture interest** ("Joint Venture Interest") in the tenements comprising the Morrissey Hill and Camel Hill Lithium Projects ("Tenements") **by spending \$3,000,000 on exploration over an initial 2-year period** from the Commencement Date.
- If Delta earns an initial 51% Joint Venture Interest (Stage 1 Earn In), the parties agree to form an unincorporated joint venture (the "Joint Venture"), to explore for minerals in the area of the Tenements, on the standard terms and conditions, as set out in the Agreement.
- Delta **can earn a further 29% Joint Venture Interest** (Stage 2 Earn In), taking its total Joint Venture Interest to 80%, **upon further expenditure of \$6,000,000 over the next 2 years** from Stage 1 completion.
- On completion of the Stage 2 Earn In, Reach can elect to either maintain its 20% Joint Venture Interest by co-contributing to further expenditures pro rata to its Joint Venture Interest or dilute its 20% Joint Venture Interest in accordance with a standard dilution formula.
- **The parties have also agreed to negotiate in good faith the terms pursuant to which Delta may purchase Reach's 20% Joint Venture Interest** (assuming that Delta has either earned its 80% Joint Venture Interest or Reach has diluted its Joint Venture Interest to 20%) **for a fair market value which may be determined by an independent expert.**
- In the event that **Delta delineates a mineral resource estimate** (as that term is defined in the JORC Code) **of equal to or greater than 7.5Mt at 0.8% Li2O (at a 0.5% cut off grade)** at any time within 8 years of the Commencement Date, on the Tenements, Delta agrees to pay Reach \$10,000,000 in either in cash, Delta ordinary fully paid shares or a combination of both.
- The Agreement contains standard terms and conditions for documents of this nature, including standard contractual joint venture terms, warranties, representations, dilution provisions, default provisions as well as assignment and pre-emptive rights.

Tenements the subject of earn in by Delta:

The Agreement includes the below listed granted exploration tenements, mining lease tenement, and tenement ballot applications (the "Tenements"), for the purposes of earn in by Delta:

- *Reach Granted Tenements:*
exploration licenses 09/2375 and 09/2388 held by RR1;
exploration license 09/2354 held by Critical Elements;
- M09/101; and
- *Reach Ballot Applications (applied for by Critical Elements):*
09/2805; 09/2807; 09/2897; 09/2902; 09/2906; and 09/2909.

14 TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2024	2023
	\$	\$
Trade payables	305,471	519,145
	305,471	519,145

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

15 PROVISION FOR EMPLOYEE ENTITLEMENTS

	Consolidated Entity	
	2024	2023
	\$	\$
Provision for annual leave	33,388	5,408
	33,388	5,408

16 ISSUED EQUITY AND RESERVES

	Consolidated Entity	
	2024	2023
	\$	\$
16a Issued Equity		
Issued Equity at the beginning of the financial year	22,466,171	19,342,079
Share issue: 16 Feb 2023: Placement tranche 1	-	950,000
Share issue: 16 Feb 2023: Tenement acquisition from TasEx Geological Services Pty Ltd	-	800,000
Share issue: 16 Feb 2023: Kouzan Pty Ltd acquisition	-	120,000
Share issue: 7 Apr 2023: Placement fee	-	100,000
Share issue: 7 Apr 2023: In lieu of debt owed	-	300,000
Share issue: 12 Apr 2023: Placement tranche 2	-	1,050,000
Share issue: 14 Apr 2023: Issued to CEO	-	60,000
Share issue: 4 Aug 2023: Placement	4,000,000	-
Share issue: 27 Sep 2023: Exercise of options	211,667	-
Share issue: 29 Sep 2023: Tenement acquisition from Firebird Metals Ltd	110,000	-
Share issue: 4 Oct 2023: Exercise of options	83,333	-
Share issue: 9 Oct 2023: Exercise of options	83,333	-
Share issue: 2 Nov 2023: Exercise of options	100,000	-
Share issue: 11 Mar 2024: Tenement acquisition for Tamas Kapitany	100,000	-
Share issue: 11 Mar 2024: Exercise of performance rights	79,300	-
Share issue: 20 Mar 2024: Exercise of options	641	-
Share issue: 15 Apr 2024: Placement	822,595	-
Share issue: 2 May 2024: Exercise of options	2,959	-
Share issue: 6 May 2024: Placement	1,363,224	-
Share issue: 13 May 2024: Exercise of options	33	-
Share issue costs	(532,052)	(255,908)
At the End of the Financial Year	28,891,204	22,466,171

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

16 ISSUED EQUITY AND RESERVES continued

16b Share capital

	2024	2023
	No. Shares	No. Shares
Ordinary Shares		
At the beginning of the financial year	2,755,050,639	1,910,050,639
Issued 16 Feb 2023	-	467,500,000
Issued 7 Apr 2023	-	100,000,000
Issued 12 Apr 2023	-	262,500,000
Issued 14 Apr 2023	-	15,000,000
Issued: 4 Aug 2023	400,000,000	-
Issued: 27 Sep 2023	21,166,667	-
Issued: 29 Sep 2023	7,413,140	-
Issued: 4 Oct 2023	8,333,333	-
Issued: 9 Oct 2023	8,333,333	-
Issued: 2 Nov 2023	10,000,000	-
Issued: 11 Mar 2024	68,361,901	-
Issued: 20 Mar 2024	64,140	-
Issued: 15 Apr 2024	411,297,088	-
Share consolidation (5:1)	(2,952,015,774)	-
Issued: 2 May 2024	103,890	-
Issued: 6 May 2024	136,322,342	-
Issued:13 May 2024	650	-
At the End of the Financial Year	874,431,349	2,755,050,639

The value of shares issued for the settlement of services or acquisitions is based on the fair value of the service or acquisition provided as determined by the Directors.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

16 ISSUED EQUITY AND RESERVES continued

	Consolidated Entity	
	2024	2023
	\$	\$
16c Reserves		
Performance Rights Reserve		
Performance Rights Reserve at the beginning of the financial year	24,416	-
Performance rights issue: 14 Apr 2023 ⁽ⁱ⁾	-	9,003
Performance rights issue: 8 May 2023 ⁽ⁱ⁾	-	15,413
Performance rights vested: 11 Mar 2024	72,870	-
Performance rights exercised: 11 Mar 2024	(79,300)	-
Performance rights vested: 30 Jun 2024 ⁽ⁱ⁾	16,500	-
At the End of the Financial Year	34,486	24,416
Options Reserve		
Options Reserve at the beginning of the financial year	322,500	312,500
Options issue: 14 Apr 2023: Sign on terms from CEO's service agreement	-	10,000
Options issue: 4 Aug 2023: Lead Manager options	667	-
Options issue: 11 Mar 2024: In lieu of consulting fees	75,000	-
Options expired: 20 May 2024	(312,500)	-
Options issue: 28 May 2024	256,747	-
Option issue costs	(44,823)	-
At the End of the Financial Year	297,591	322,500
Total Reserves	332,077	346,916

⁽ⁱ⁾ Per Note 17, performance rights are recognised over multiple periods in accordance with their vesting conditions.

16d Options

	2024	2023
	No. Options	No. Options
Options		
At the beginning of the financial year	1,312,002,075	1,327,752,075
Number of options issued during the year	755,556,616	10,000,000
Number of options exercised during the year	(48,002,013)	-
Number of options expired during the period	(264,746,966)	(25,750,000)
Option consolidation (5:1)	(1,349,402,269)	-
At the End of the Financial Year	405,407,443	1,312,002,075

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

16 ISSUED EQUITY AND RESERVES continued

16d Options continued

Movement in Listed Options

Options on or Before	Expiring	Exercise Price ⁽ⁱ⁾	<-----Pre-consolidation----->				Consolidation (5:1)	<-----Post-consolidation----->			
			Balance at 1 Jul 2023	Issued	Exercised	Expired		Issued	Exercised	Expired	Balance at 30 Jun 2024
20 May 2024		\$0.05	1,134,002,075	-	(64,140)	-	(907,150,319)	-	(40,650)	(226,746,966)	-
20 May 2024		\$0.05	150,000,000	-	-	-	(120,000,000)	-	-	(30,000,000)	-
15 Apr 2027		\$0.015	-	205,648,479	-	-	(164,518,642)	324,908,137	(63,890)	-	365,974,084
			1,284,002,075	205,648,479	(64,140)	-	(1,191,668,961)	324,908,137	(104,540)	(256,746,966)	365,974,084

Movement in Unlisted Options

Options on or Before	Expiring	Exercise Price ⁽ⁱ⁾	<-----Pre-consolidation----->				Consolidation (5:1)	<-----Post-consolidation----->			
			Balance at 1 Jul 2023	Issued	Exercised	Expired		Issued	Exercised	Expired	Balance at 30 Jun 2024
31 Dec 2023		\$0.05	18,000,000	-	(10,000,000)	(8,000,000)	-	-	-	-	-
17 Apr 2026		\$0.075	5,000,000	-	-	-	(4,000,000)	-	-	-	1,000,000
17 Apr 2026		\$0.10	5,000,000	-	-	-	(4,000,000)	-	-	-	1,000,000
4 Aug 2025		\$0.05	-	200,000,000	(37,833,333)	-	(129,733,308)	-	-	-	32,433,359
31 Dec 2026		\$0.037	-	25,000,000	-	-	(20,000,000)	-	-	-	5,000,000
			28,000,000	225,000,000	(47,833,333)	(8,000,000)	(157,733,308)	-	-	-	39,433,359

(i) The option exercise prices have been restated on a post consolidation basis.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

16 ISSUED EQUITY AND RESERVES continued

16e Performance rights

	2024 No. Performance Rights	2023 No. Performance Rights
Performance Rights		
At the beginning of the financial year	46,000,000	-
Number of performance rights issued during the year	-	46,000,000
Number of performance rights exercised during the year	(22,000,000)	-
Performance rights consolidation (5:1)	(19,200,000)	-
At the End of the Financial Year	4,800,000	46,000,000

Movement in Performance Rights

Performance Rights	Expiry Date	Balance at 1 Jul 2023	Exercised	Consolidation (5:1)	Balance at 30 Jun 2024
Tranche A (\$25m Market Cap)	17 Apr 2026	17,000,000	(17,000,000)	-	-
Tranche A (\$25m Market Cap)	7 May 2026	5,000,000	(5,000,000)	-	-
Tranche B (\$50m Market Cap)	17 Apr 2026	17,000,000	-	(13,600,000)	3,400,000
Tranche C (JORC Inferred Li2O and TREO)	7 May 2025	5,000,000	-	(4,000,000)	1,000,000
Tranche D (JORC Inferred MnO)	7 May 2025	2,000,000	-	(1,600,000)	400,000
		46,000,000	(22,000,000)	(19,200,000)	4,800,000

16f Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares, pay dividends or return capital to shareholders.

Capital is calculated as 'equity' as shown in the Statement of Financial Position, and is monitored on the basis of funding current activities.

Notes to the Financial Statements for the year ended 30 June 2024

17 SHARE-BASED PAYMENTS

17a Share based payments to unrelated parties

Performance Rights

There were no performance rights issued to unrelated parties during the financial year ended 30 June 2024.

On 14 April 2023, the Company issued a total of 3,000,000 (pre-consolidation) Tranche A (\$25m Market Cap) and a total of 3,000,000 (pre-consolidation) Tranche B (\$50m Market Cap) performance rights to the Company Secretary (or his respective nominees) as remuneration for his service as Company Secretary of the Company under the Employee Incentive Share Plan.

On 8 May 2023, the Company issued a total of 5,000,000 (pre-consolidation) Tranche A (\$25m Market Cap), a total of 5,000,000 (pre-consolidation) Tranche C (JORC Inferred Li2O and TREO) and a total of 2,000,000 (pre-consolidation) Tranche D (JORC Inferred MnO) performance rights to the Exploration Manager (or his respective nominees) as remuneration for his service as Exploration Manager of the Company under the Employee Incentive Share Plan.

17b Share based payments to related parties

Shares

There were no shares issued to related parties during the financial year ended 30 June 2024.

On 14 April 2023, the Company issued a total of 15,000,000 (pre-consolidation) ordinary shares at \$0.004 per share for a total value of \$60,000 under the Employee Incentive Share Plan to Mr Jeremy Bower (or his respective nominees) as a non-cash bonus.

Options

There were no options issued to related parties during the financial year ended 30 June 2024.

On 14 April 2023, the Company issued a total of 5,000,000 (pre-consolidation) unlisted options exercisable at \$0.015 and expiring on 17 April 2026 and a total of 5,000,000 (pre-consolidation) unlisted options exercisable at \$0.02 and expiring on 17 April 2026 to Mr Jeremy Bower (or his respective nominees) as part of the terms of his appointment under his service agreement.

Performance Rights

There were no share-based payments to related parties during the financial year ended 30 June 2024.

On 14 April 2023, the Company issued a total of 5,000,000 (pre-consolidation) Tranche A (\$25m Market Cap) and a total of 5,000,000 (pre-consolidation) Tranche B (\$50m Market Cap) performance rights to Mr Jeremy Bower (or his respective nominees) as remuneration for his service as CEO of the Company under the Employee Incentive Share Plan.

On 14 April 2023, the Company issued a total of 9,000,000 (pre-consolidation) Tranche A (\$25m Market Cap) and a total of 9,000,000 (pre-consolidation) Tranche B (\$50m Market Cap) performance rights to Messrs Robert Downey, Matthew O’Kane and Sam Wright (or their respective nominees) as remuneration for their service as directors of the Company under the Employee Incentive Share Plan.

These share based payments to directors were approved at the General Meeting of the Company held on 5 April 2023.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

17 SHARE-BASED PAYMENTS continued

17c Options

	Consolidated Group							
	2024				2023			
	Number of Options	Weighted Average Fair Value	Weighted Average Ex Price	Weighted Average Remaining Life	Number of Options	Weighted Average Fair Value	Weighted Average Ex Price	Weighted Average Remaining Life
Outstanding at beginning of the year	28,000,000	0.001	0.013	1	25,000,000	0.001	0.010	2
Granted	-	-	-	-	10,000,000	0.001	0.0175	3
Forfeited	-	-	-	-	-	-	-	-
Exercised	(10,000,000)	0.001	0.010	-	-	-	-	-
Expired	(8,000,000)	0.001	0.010	-	(7,000,000)	0.002	0.010	-
Consolidation (5:1)	(8,000,000)	-	-	-	-	-	-	-
Outstanding at year end	<u>2,000,000</u>	0.005	0.088	1	<u>28,000,000</u>	0.001	0.013	1
Exercisable at year-end	<u>2,000,000</u>	0.005	0.088	1	<u>28,000,000</u>	0.001	0.013	1

The range of the exercise prices at 30 June 2024 is \$0.075 to \$0.10 (2023: \$0.01 to \$0.02)

The weighted average fair value of the options granted during financial year was \$nil (2023: \$0.001).

This price for the options was calculated using a binomial option pricing model applying the following inputs:

Weighted average exercise price	\$0.0175
Weighted average life of the option	3 years
Underlying share price	\$0.004
Expected share price volatility	100.0 %
Risk free interest rate	2.99 %

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the option is based on the historical exercise patterns, which may not eventuate in the future.

Included under share based payments expenses in the statement of profit or loss is \$nil (2023: \$10,000).

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

17 SHARE-BASED PAYMENTS continued

17d Performance rights

There were no performance rights issued to directors, employees and consultants during the financial year.

There were 46,000,000 (pre-consolidation) performance rights issued to directors, employees and consultants during the 2023 financial year which are detailed below.

Performance Rights	Quantity ⁽ⁱ⁾	Issue Date	Expiry Date	Recipient
Tranche A (\$25m Market Cap) 1	9,000,000	14 April 2023	17 April 2026	Directors
Tranche A (\$25m Market Cap) 2	8,000,000	14 April 2023	17 April 2026	CEO and Company Secretary
Tranche A (\$25m Market Cap) 5	5,000,000	7 May 2023	7 May 2026	Exploration Manager
Tranche B (\$50m Market Cap) 3	9,000,000	14 April 2023	17 April 2026	Directors
Tranche B (\$50m Market Cap) 4	8,000,000	14 April 2023	17 April 2026	CEO and Company Secretary
Tranche C (JORC Inferred Li2O and TREO) 6	5,000,000	7 May 2023	7 May 2025	Exploration Manager
Tranche D (JORC Inferred MnO) 7	2,000,000	7 May 2023	7 May 2025	Exploration Manager

(i) Pre-consolidation

1. Tranche A (\$25m Market Cap) performance rights will vest upon the Company having a market capitalisation of at least \$25,000,000 over 20 consecutive days on which the Company's shares have actually traded and expire 3 years from the date of issue. These were all exercised on 11 March 2024.

2. Tranche B (\$50m Market Cap) performance rights will vest upon the Company having a market capitalisation of at least \$50,000,000 over 20 consecutive days on which the Company's shares have actually traded and expire 3 years from the date of issue.

3. Tranche C (JORC Inferred Li2O and TREO) performance rights will vest upon the Company delineating a JORC Code 2012 compliant Indicated and Inferred Mineral resource with a minimum tonnage of 10MT of equal to or greater than 0.8% Li2O and/or 0.8% TREO at the Company's projects, as verified by an independent competent person under the JORC Code 2012, within two years from the date of issue. These were forfeited subsequent to year end on 1 July 2024.

4. Tranche D (JORC Inferred MnO) performance rights will vest upon the Company delineating a JORC Code 2012 compliant Indicated and Inferred Mineral resource with a minimum tonnage of 10MT of equal to or greater than 10% MnO at the Company's projects, as verified by an independent competent person under the JORC Code 2012, within two years from the date of issue. These were forfeited subsequent to year end on 1 July 2024.

The fair value of the market based performance rights granted during the financial year are determined using a trinomial options pricing model with the following inputs.

Performance Rights	Quantity ⁽ⁱ⁾	Grant Date	Share price at Grant Date ⁽ⁱⁱ⁾	Expiry Date	Risk Free Interest Rate	Volatility	Fair Value Estimate at Grant Date ⁽ⁱ⁾	Value Recognised During Year	Value Recognised in Future Years
Tranche A (\$25m Market Cap) 1 ⁽ⁱⁱⁱ⁾	9,000,000	5 April 2023	\$0.0045	17 April 2026	3.00%	100%	\$0.0039	32,343	-
Tranche A (\$25m Market Cap) 2 ⁽ⁱⁱⁱ⁾	8,000,000	31 March 2023	\$0.004	17 April 2026	3.00%	100%	\$0.0034	24,940	-
Tranche A (\$25m Market Cap) 5 ⁽ⁱⁱⁱ⁾	5,000,000	31 March 2023	\$0.004	7 May 2026	3.00%	100%	0.0034	19,805	-
Tranche B (\$50m Market Cap) 3	9,000,000	5 April 2023	\$0.0045	17 April 2026	3.00%	100%	\$0.0031	\$1,413	\$14,174
Tranche B (\$50m Market Cap) 4	8,000,000	31 March 2023	\$0.004	17 April 2026	3.00%	100%	0.0027	\$2,191	\$23,518

(i) Pre-consolidation

(ii) Exercised on 11 March 2024

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

17 SHARE-BASED PAYMENTS continued

The fair value of the non-market based performance rights granted during the 2023 financial year are determined using the following inputs.

Performance Rights	Quantity ⁽ⁱ⁾	Grant Date	Share Price ⁽ⁱ⁾ on Grant Date	Probability of Vesting	Fair Value Estimate at Grant Date ⁽ⁱ⁾	Value Recognised During the Year
Tranche C (JORC Inferred Li2O and TREO) 6 ⁽ⁱⁱ⁾	5,000,000	31 March 2023	\$0.004	50%	\$0.002	-
Tranche D (JORC Inferred MnO) 7 ⁽ⁱⁱ⁾	2,000,000	31 March 2023	\$0.004	50%	\$0.002	-

(i) Pre-consolidation

(i) Forfeited on 1 July 2024

18 PARENT ENTITY INFORMATION

18a Summary Financial Information

The following information relates to the parent entity, Reach Resources Limited, at 30 June 2024. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	Parent	
	2024 \$	2023 \$
Financial Position		
Assets		
Current assets	11,117,618	5,044,913
Total assets	15,001,228	6,628,369
Liabilities		
Current liabilities	309,135	524,553
Total liabilities	309,135	524,553
Equity		
Issued capital	28,891,204	22,466,171
Reserves	332,077	346,916
Accumulated losses	(14,531,188)	(16,709,271)
Total equity	14,692,093	6,103,816
Financial Performance		
Profit / (Loss) for the year	1,938,373	(2,567,996)
Other comprehensive income	1,938,373	(2,567,996)
Total comprehensive income for the year	1,938,373	(2,567,996)

18b Guarantees

Reach Resources Ltd has not entered into any guarantees in relation to the debts of its subsidiaries.

18c Other Commitments and Contingencies

Reach Resources Ltd has no commitments to acquire property, plant and equipment. Refer to Note 22 and Note 23 for the Company's other commitments and contingent liabilities.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Notes to the Financial Statements for the year ended 30 June 2024

19 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2024 %	2023 %
Cervantes Gold Pty Ltd	Australia	Ordinary	100	100
Skyline Resources Corporation Pty Ltd	Australia	Ordinary	100	100
Critical Elements Pty Ltd	Australia	Ordinary	100	100
Kouzan Pty Ltd	Australia	Ordinary	100	100

20 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES & RELATED PARTY TRANSACTIONS

	Consolidated Entity	
	2024 \$	2023 \$
20a Details of Remuneration of Key Management Personnel		
Short-term benefits	335,000	295,889
Post-employment benefits	22,000	16,913
Share-based payments	61,730	77,482
	<u>418,730</u>	<u>390,284</u>

20b Aggregate Amount Payable to Directors and their Director Related Entities

Legal fees of \$36,168 (2023: \$2,617) and property rent of \$12,000 (2023: nil) were paid to Dominion Legal, a partnership of which Mr Robert Downey is a Director. The amounts paid were on arm's length commercial terms.

20c Aggregate Amount Payable to Directors and their Director Related Entities at Balance Date

Current liabilities	<u>18,019</u>	<u>11,250</u>
	<u>18,019</u>	<u>11,250</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 8 – 12.

20d Aggregate Amount Payable to Key Management Personnel and their Key Management Personnel Related Entities

Caravan hire fees of \$21,750 (2023: \$Nil) were paid to Mr Jeremy Bower. The amounts paid were on arm's length commercial terms.

21 REMUNERATION OF AUDITORS

	Consolidated Entity	
	2024 \$	2023 \$
Remuneration for audit and review of the financial reports of the Group:		
Audit and review of the financial statements	<u>37,500</u>	<u>36,000</u>
	<u>37,500</u>	<u>36,000</u>

No non-audit services have been provided to the Group by the auditors.

Notes to the Financial Statements for the year ended 30 June 2024

22 COMMITMENTS FOR EXPENDITURE

Exploration commitments

Under the requirements of the Western Australian Department of Mines and Petroleum, the Company has an annual minimum expenditure of \$479,302 on the granted tenements. As at 30 June 2024 the Company had met the minimum expenditure requirement on all granted tenements.

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirement but may reduce these at any time by reducing the size of the tenements, selling or surrendering tenements, or joint venture. The figure below assumes that no new tenements are granted and that only compulsory statutory area reductions are made.

	\$
Not later than 1 year	371,802
Later than 1 year but not later than 5 years	1,194,648
Later than 5 years	<u>377,000</u>
Total	<u>1,943,450</u>

23 CONTINGENCIES

There are no contingent liabilities or assets at the reporting date, other than those disclosed below.

1. Westgold Shares

The Company retains the potential for deferred consideration payable on the sale of Albury Health, being an additional \$400,000 and further \$200,000 of cash or Westgold shares, if the Albury Health project achieves performance targets, as outlined in the 23 April 2020 ASX release.

2. M09/101 Contingent Consideration

On 25 October 2023, the Company announced the acquisition of 100% of the Western Australian mining lease M09/101 from Tamas Kapitany ("Seller") for the equivalent for \$100,000 cash and \$100,000 fully paid ordinary shares using the 5-day volume weighted average price of Reach shares for the five trading days preceding completion. 46,361,901 fully paid ordinary shares at an issue price of \$0.00216 per share were issued on 11 March 2024. Stamp Duty payable on the acquisition was \$10,423. Contingent consideration shares will also be issued 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 ("Milestone"). The contingent consideration shares will be a number of Reach fully paid ordinary shares with a total value of \$100,000 using the 5-day volume weighted average price of Reach shares for the five trading days prior to the date following satisfaction of the Milestone. The Seller acknowledges and agrees that the obligation of Reach to issue the contingent share consideration is for the term of the tenement.

24 EVENTS OCCURRING AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Entity	Entity Type	Country of Incorporation	Ownership Interest %	Tax Residency
Cervantes Gold Pty Ltd	Body Corporate	Australia	100	Australia
Skyline Resources Corporation Pty Ltd	Body Corporate	Australia	100	Australia
Critical Elements Pty Ltd	Body Corporate	Australia	100	Australia
Kouzan Pty Ltd	Body Corporate	Australia	100	Australia

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current at 5 September 2024.

A. Distribution of Holders of Equity Securities

i) Analysis of numbers of shareholders by size of holding:

Ordinary Shares (RR1)		
	# of Shareholders	# of Ordinary Shares
Spread of Holdings		
1 1,000	76	36,850
1,001 - 5,000	326	893,426
5,001 - 10,000	238	1,985,116
10,001 - 100,000	1,317	59,174,696
100,001 - and over	878	812,341,261
TOTAL	2,835	874,431,349

ii) Analysis of numbers of option holders by size of holding:

Options (RR1OA)		
	# of Option holders	# of Options
Spread of Holdings		
1 1,000	23	9,765
1,001 - 5,000	70	206,427
5,001 - 10,000	56	443,854
10,001 - 100,000	171	7,138,645
100,001 - and over	204	358,175,393
TOTAL	524	365,974,084

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

B. Twenty Largest Holders of Quoted Equity Securities

Fully Paid Ordinary Shares

The names of the 20 largest holders of quoted ordinary shares (ASX:RR1) are listed below:

		Number of Ordinary Shares Held	%
1	TASEX GEOLOGICAL SERVICES PTY LTD	46,666,667	5.34
2	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	44,799,995	5.12
3	GOLDFIRE ENTERPRISES PTY LTD	26,960,000	3.08
4	ZERO NOMINEES PTY LTD	20,775,318	2.38
5	AG INVESTMENT SERVICES PTY LTD	17,612,490	2.01
6	MANDEVILLA PTY LTD	13,883,488	1.59
7	CAPRETTI INVESTMENTS PTY LTD <CASTELLO A/C>	13,820,000	1.58
8	MR SYED KHALIL BIN SYED IBRAHIM	13,083,334	1.50
9	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	13,033,193	1.49
10	NEW YORK HOLDINGS PTY LTD <CV SUPERANNUATION FUND A/C>	11,700,000	1.34
11	MR GAVIN JOHN ARGYLE <THE GAVIN ARGYLE FAMILY A/C>	11,000,000	1.26
12	MR LAWRENCE GERRARD BRIMACOMBE	10,565,101	1.21
13	SOLEQUEST PTY LTD	10,000,000	1.14
14	MR TAMAS KAPITANY	9,272,381	1.06
15	TT NICHOLLS PTY LTD <NICHOLLS SUPER FUND A/C>	9,133,334	1.04
16	CORRIDOR NOMINEES PTY LTD	8,100,000	0.93
17	MR FARIS SALIM CASSIM	8,000,000	0.91
18	BNP PARIBAS NOMINEES PTY LTD	6,747,358	0.77
19	COOL EQUITY PTY LTD <BAT A/C>	6,400,000	0.73
20	MR ANTHONY GEORGE BRIGGS	6,220,443	0.71
		307,773,102	35.20%

REACH RESOURCES LTD (ABN 79 097 982 235)
AND CONTROLLED ENTITIES

Options

The names of the 20 largest holders of quoted options (ASX:RR1O) are listed below:

		Number of Options Held	%
1	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	56,695,721	15.49
2	CAPRETTI INVESTMENTS PTY LTD <CASTELLO A/C>	30,357,611	8.30
3	GOLDFIRE ENTERPRISES PTY LTD	18,308,800	5.00
4	MANDEVILLA PTY LTD	10,444,504	2.85
5	DR DARREN ROBERT EMERICK	10,000,000	2.73
6	MANDEVILLA PTY LTD <NJ BASSETT S/F A/C>	10,000,000	2.73
7	MR SYED KHALIL BIN SYED IBRAHIM	9,916,667	2.71
8	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	8,861,750	2.42
9	ZERO NOMINEES PTY LTD	7,233,334	1.98
10	RATDOG PTY LTD	6,817,751	1.86
11	CORRIDOR NOMINEES PTY LTD	6,526,570	1.78
12	MR JAGDISH MANJI VARSANI <PINDORIA FAMILY AC A/C>	6,500,000	1.78
13	MR ANDREW EDWIN YOUNG	6,186,250	1.69
14	MISS PREM RUETHAI KHRAWONG	5,500,000	1.50
15	CHARLTON WA PTY LTD <TINAMARA SUPER FUND A/C>	5,033,334	1.38
16	SOLEQUEST PTY LTD	4,367,480	1.19
17	TT NICHOLLS PTY LTD <NICHOLLS SUPER FUND A/C>	4,084,847	1.12
18	MR ROHAN CHARLES EDMONDSON	3,547,200	0.97
19	MR GAVIN JOHN ARGYLE <THE GAVIN ARGYLE FAMILY A/C>	3,500,000	0.96
20	TASEX GEOLOGICAL SERVICES PTY LTD	3,333,334	0.91
		220,367,706	60.21

Unlisted Securities Information

-32,433,359 unlisted \$0.05 options exercisable on or before 4 August 2025. There are 88 holders of this security.

-1,000,000 unlisted \$0.075 options exercisable on or before 17 April 2026. There is 1 holder of this security.

-1,000,000 unlisted \$0.10 options exercisable on or before 17 April 2026. There is 1 holder of this security.

-5,000,000 unlisted \$0.037 options exercisable on or before 31 December 2026. There is 1 holder of this security.

-3,400,000 Performance Rights – Tranche B (\$50m Market Cap), expiring 17 April 2026. There are 5 holders of this security.

C. Substantial Holders

As at 5 September 2024, the Company had received substantial shareholder notices from the following shareholders:

Shareholder	No. of shares
Mr David Brian Argyle	18,775,318
Mr Colin Vost and his controlled entities	17,224,500
Tasex Geological Services Pty Ltd	40,000,000

Note:

- i) The above details may not reconcile to the information in the Twenty Largest Security Holders list as revised substantial shareholder notices had not been received by the Company as at 5 September 2024.
- ii) The number of shares have been restated on a post-consolidation basis.

D. Voting Rights

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

E. On-market buy-back

There is no on-market buy-back of the Company's securities in progress.

F. Unmarketable parcel holders

There were 1,284 shareholders holding less than a marketable parcel of ordinary shares at 5 September 2024.

SCHEDULE OF TENEMENTS

As at 30 June 2024

	Project / Tenement	Nature of Interest
	L59/184	100%
Paynes Find	M59/662	100%
Paynes Find	M59/769	100%
Paynes Find	P59/2130	100%
Paynes Find	P59/2159	100%
Paynes Find	P59/2160	100%
Paynes Find	P59/2161	100%
Paynes Find	P59/2076 ⁽ⁱⁱⁱ⁾	100%
Paynes Find	P59/2094	100%
Paynes Find	MLA59/786	100%
Wabli Creek	E09/2377	100%
Skyline	E09/2646	100%
White Castles	E09/2539	100%
White Castles	E09/2542	100%
Skyline North	E09/2733	100%
Wabli Creek (North)	E07/2748	100%
White Castles	E09/2751	100%
Wanna Station	E09/2939	100%
Skyline South	E09/2771	100%
Gascoyne Banks	E09/2543	100%
Morrissey Hill	E09/2375 ⁽ⁱⁱ⁾	100%
Camel Hill	E09/2388 ⁽ⁱⁱ⁾	100%
Camel Hill	E09/2354 ⁽ⁱⁱ⁾	100%
Morrissey Hill	M09/101 ⁽ⁱⁱ⁾	100%
Morrissey Hill	E09/2805 ⁽ⁱ⁾⁽ⁱⁱ⁾	100%
Morrissey Hill West	E09/2807 ^{(i) (ii)}	100%
Morrissey Hill	E09/2897 ^{(i) (ii)}	100%
Morrissey Hill	E09/2902 ^{(i) (ii)}	100%
Morrissey Hill East	E09/2906 ^{(i) (ii)}	100%
Camel Hill	E09/2909 ^{(i) (ii)}	100%

(i) Tenement application pending.

(ii) Included within the “Earn-in and Joint Venture Agreement, Morrissey Hill and Camel Hill Lithium Project”, with Electrostate Malinda Pty Ltd, a wholly owned subsidiary of Delta Lithium Ltd (ASX: DLI).

(iii) P59/2076 was end of term and the area is included in a new mining lease application MLA59/786.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001**

To the directors of Reach Resources Ltd:

As lead auditor of the audit of Reach Resources Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Reach Resources Ltd and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd



Volha Romanchik
Director

18 September 2024

In.Corp Audit & Assurance Pty Ltd
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REACH RESOURCES LTD
INDEPENDENT AUDITOR'S REPORT

To the members of Reach Resources Ltd

Opinion

We have audited the financial report of Reach Resources Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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REACH RESOURCES LTD

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters to communicate in our report:

Key Audit Matter - Exploration and Evaluation Expenditure	How our Audit Addressed the Key Audit Matter
As disclosed in Note 12 to the financial statements, the Group records capitalised exploration assets with a carrying value of \$8,892,204, which represents 60% of the Group's total assets. The recognition and recoverability of exploration was considered a key audit matter due to the following: - the carrying value represents a significant asset to the Group. Therefore, we considered it necessary to assess whether facts and circumstances existed to suggest that an impairment to the carrying value of the asset may be required; - significant management judgement is involved in determining whether impairment indicators exist.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: - We reviewed the ownership rights to the tenements, against which the expenditure is capitalised, their expiry dates and, where required, that expenditure commitments were met; - We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>; - We tested a sample of exploration and evaluation expenditure to supporting documentation, including acquisition agreements, to ensure they were bona fide transactions; - We assessed the reasonableness of the management's assessment for the existence impairment indicators; and - We assessed the appropriateness of the related disclosures included in the financial report.

REACH RESOURCES LTD

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matter - Earn-In and Joint Venture Agreement	How our Audit Addressed the Key Audit Matter
During the year, the Group announced that it had entered into an agreement with Delta Lithium Limited (Delta) whereby Delta can earn up to 80% interest in a number of the company's tenements. We consider this transaction a key audit matter due to the following: • the general significance to the shareholders; • its effect on the financial report; • the complexity of the accounting treatment of joint venture arrangements; and • materiality of the balance.	Our procedures in relation to this agreement included but were not limited to the following: • We reviewed the agreement with Delta to understand the terms and conditions of the arrangements; • We reviewed the accounting treatment of the transactions to date in relation to the agreement; • We confirmed the receipt of non-refundable deposit amounting to \$3,200,000; and • We assessed the appropriateness of the related disclosures included in the financial report.

REACH RESOURCES LTD

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- ii) the financial report (other than consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- iii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

REACH RESOURCES LTD

INDEPENDENT AUDITOR'S REPORT (continued)

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion the remuneration report of Reach Resources Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

In.Corp Audit & Assurance Pty Ltd



Volha Romanchik
Director

18 September 2024