

For personal use only

**REACH RESOURCES LTD  
(FORMERLY CERVANTES CORPORATION LIMITED)  
A.B.N. 79 097 982 235  
AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2021**



**Contents**

	Page
Directors' Report	2
Consolidated Statement of Profit or Loss and other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flow	9
Notes to the Financial Statements	10
Directors' Declaration	17
Auditor's Independence Declaration	18
Independent Auditor's Review Report to the Members	19

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**DIRECTORS' REPORT**

---

Your directors submit the financial report of the consolidated group for the half year ended 31 December 2021.

**Directors**

The names of directors who held office during and since the end of the half-year:

Mr Robert Downey	Chairman	Appointed 20 May 2021
Mr Mathew O'Kane	Non Executive Director	Appointed 20 May 2011
Mr Sam Wright	Non Executive Director	Appointed 30 November 2021
Mr Marcus Flis	Non Executive Director	Appointed 9 October 2017 Resigned 30 November 2021

**Review of Operations**

The consolidated loss of the Group for the half-year ended 31 December 2021 after providing for income tax amounted to \$251,342 (2020: loss of \$116,414).

**Resource Estimation**

A Mineral Resource estimate was developed at the Blue Heaven Prospect within the Company's Primrose Gold Project. The estimation was completed by Philip A. Jones as a Competent Person based on data provided by the Company.

A total Inferred Resource of approximately **1.035 Mt @ 3.2g/t Au for 105,000oz** was estimated for the Blue Heaven Prospect, within the Company's Primrose Gold Project above a nominal 1.0g/t Au cut-off grade. Using a cut-off of 1.5g/t this Inferred Resource is approximately **0.582 Mt @ 4.7g/t Au for 87,000oz Au**.

Encouraging exploration upside remains at the Blue Heaven Prospect in the form of an Exploration Target estimated within a range of approximately **0.963 to 1.925 Mt @ 2.0 to 3.2 g/t Au**. *For any Exploration Target Estimate the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.* This Exploration Target estimate takes into consideration all the wireframed lodes below and along strike of historic shafts and stopes exposed at the surface but not intersected by drilling and not included in the Mineral Resource.

Additionally, the Inferred Mineral Resource and exploration target is isolated to drilling completed at the Company's Blue Heaven Prospect alone. Drilling at the Pansy Pit could potentially increase the Company's Resource, providing additional value to shareholders.

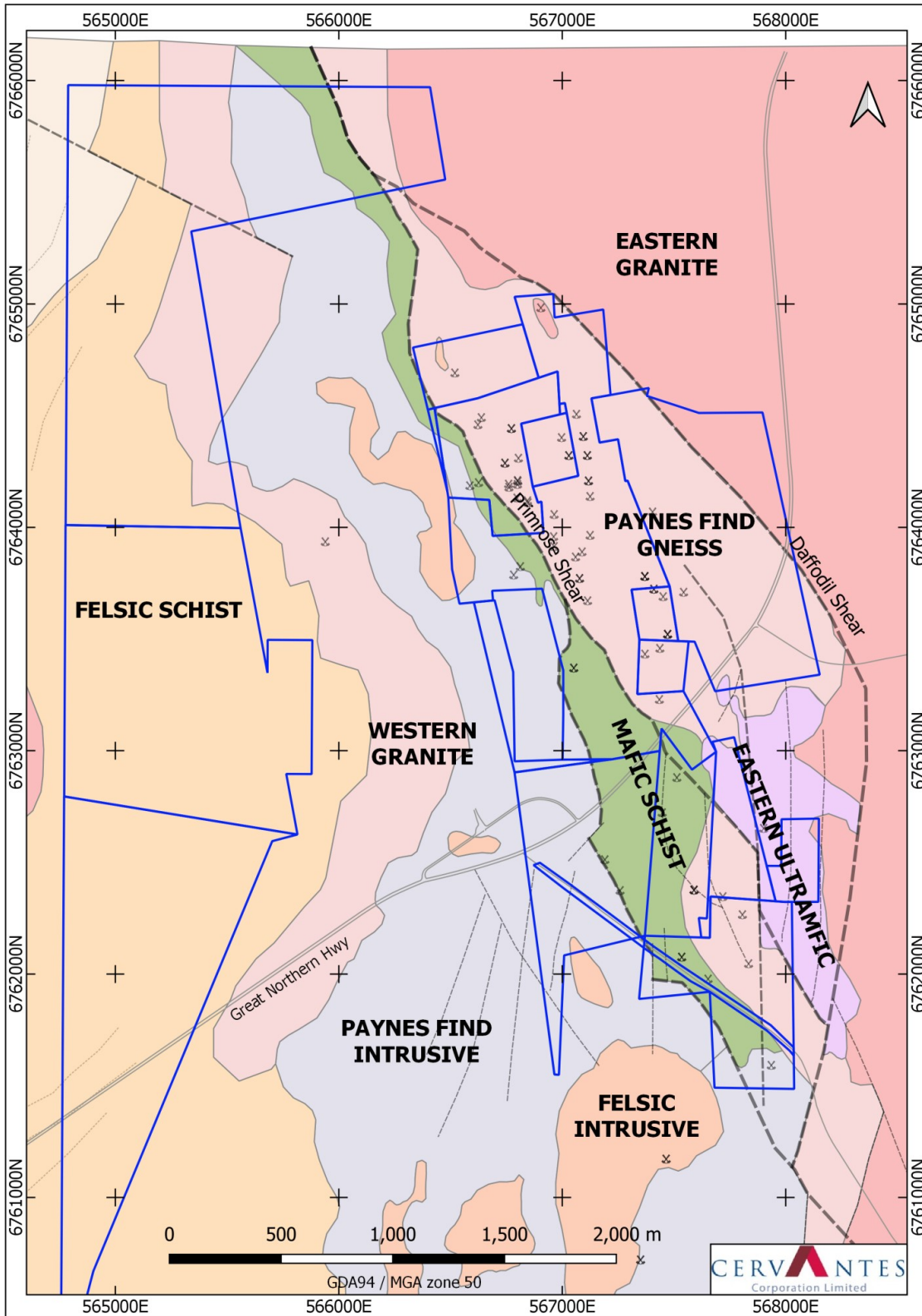
**Paynes Find November 2021 Mineral Resource Estimate**

Cut Off (Au g/t)	Thousand Tonnes	Au (g/t)	Au (Koz)
5.0	62	24.1	48
4.0	86	18.6	52
3.0	164	11.4	60
2.0	340	6.8	74
1.5	582	4.7	87
1.0	1,035	3.2	105
0.5	1,755	2.2	123
0.0	2,347	1.7	127

NB- Differences in sum totals of tonnages and grades may occur due to rounding

For personal use only

Reach Resources Ltd and Controlled Entities  
ABN 79 097 982 235  
DIRECTORS' REPORT



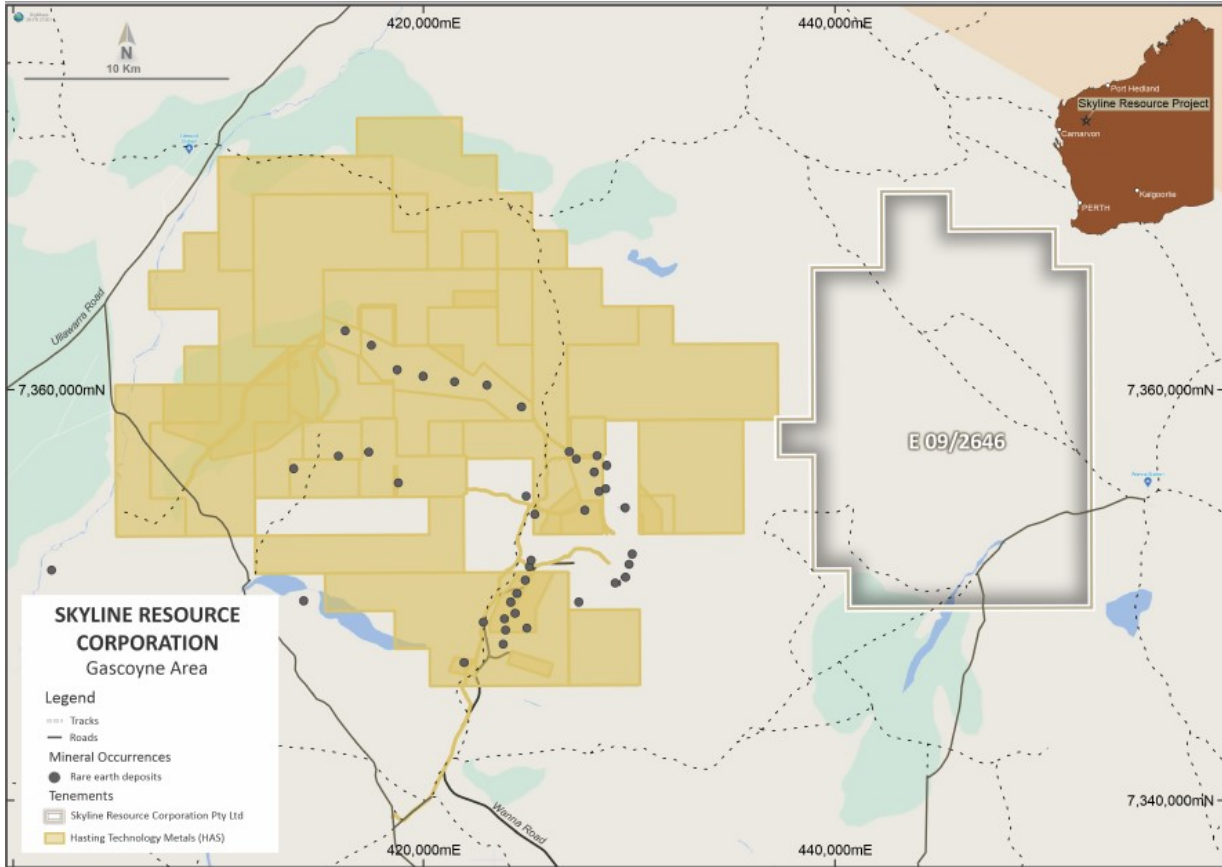
Local Geology

For personal use only

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**DIRECTORS' REPORT**

**Skyline Rare Earth Project Acquisition**

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



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

**Tenement Details**

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

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

**Key terms of the Acquisition**

The Company acquired 100% of the issued capital of Skyline Resource Corporation Pty Ltd from Bath Resources Pty Ltd on 12 November 2021. The consideration paid for the acquisition of the Skyline Rare Earth Project pursuant to the HoA was \$20,000.

For personal use only

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**DIRECTORS' REPORT**

---

**Critical Elements Rare Earth Project Acquisition**

The Gascoyne Project, situated in the Yinnietharra region, has historically produced significant quantities of beryl, mica, bismuth, tantalum and niobium from coarse grained pegmatites. Rare earth minerals have additionally been identified. The Project consists of two granted exploration licenses covering a land area of ~59km<sup>2</sup>.

Small scale alluvial and primary pegmatite mining has been sporadically undertaken. Exploration activities have been primarily focussed on tantalum-niobium-beryl-mica and to a lesser extent uranium. Sampling of a zoned pegmatite contained discrete blebs and pods of euxinite (niobate-titanate), samarskite, and uranopyrochlore.

**Tenement Details**

Details of the tenements which cover the Gascoyne Project area are set out in the table below. The exploration tenements that make up the Gascoyne REE Project are 100% owned by Critical Elements Pty Ltd:

Tenement	Legal Holder	Ownership
EL 09/2354	Critical Elements Pty Ltd	100%
EL 09/2377	Critical Elements Pty Ltd	100%

**Key terms of the Acquisition**

The Company acquired 100% of the issued capital of Critical Elements Pty Ltd on 16 December 2021. The consideration paid pursuant to the HoA was 40 million fully paid ordinary shares (Note 4).

**Events after the Reporting Date**

No matter or circumstance has arisen since the end of the half-year which significantly affected 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.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 18 for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors:



Robert Downey

Chairman

Dated: 17 February 2022

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Continuing Operations	Consolidated Group	
	31 December 2021	31 December 2020
<b>Revenue</b>		
Interest income	-	44
Profit on sale of investment	-	28,872
Increase in fair value of other financial assets	-	53,067
	-	<b>81,983</b>
Employee benefits expenses	(69,000)	(51,320)
Fair value adjustment on other financial assets	(5,450)	-
Financing costs	-	(38,638)
Occupancy expenses	(15,537)	(23,574)
Administration expenses	(161,355)	(84,865)
<b>Profit (Loss) from ordinary activities before income tax expense</b>	<b>(251,342)</b>	<b>(116,414)</b>
<b>Income Tax benefit (expense)</b>		
Income tax benefit (expense) relating to ordinary activities	-	-
	-	-
<b>Profit (Loss) from ordinary activities</b>	<b>(251,342)</b>	<b>(116,414)</b>
Other comprehensive income	-	-
	-	-
<b>Total comprehensive loss</b>	<b>(251,342)</b>	<b>(116,414)</b>
Earnings per share attributable to the ordinary equity holders of the company		
- Basic and diluted	(0.016)c	(0.022)c

The accompanying notes form part of these financial statements.

For personal use only

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	Consolidated Group	
		31 December 2021	30 June 2021
<b>Current Assets</b>			
Cash and cash equivalents		1,112,559	2,033,373
Trade and other receivables		119,359	20,815
Financial assets		-	5,450
<b>Total Current Assets</b>		<b>1,231,918</b>	<b>2,059,638</b>
<b>Non-Current Assets</b>			
Exploration assets	2	2,903,206	1,890,784
<b>Total Non-Current Assets</b>		<b>2,903,206</b>	<b>1,890,784</b>
<b>Total Assets</b>		<b>4,135,124</b>	<b>3,950,422</b>
<b>Current Liabilities</b>			
Trade and other payables		113,260	39,649
Deferred income		100,000	-
Financial liabilities	3	450,000	450,000
<b>Total Current Liabilities</b>		<b>663,260</b>	<b>489,649</b>
<b>Total Liabilities</b>		<b>663,260</b>	<b>489,649</b>
<b>Net Assets</b>		<b>3,471,864</b>	<b>3,460,773</b>
<b>Equity</b>			
Issued capital		17,398,153	17,135,720
Accumulated losses		(13,926,289)	(13,674,947)
<b>Total Equity</b>		<b>3,471,864</b>	<b>3,460,773</b>

The accompanying notes form part of these financial statements.

For personal use only



**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Consolidated Group	\$	\$	\$
	Contributed Equity	Accumulated Losses	Total
<b>Balance at 1 July 2020</b>	14,115,475	(13,331,866)	783,609
Total comprehensive loss	-	(116,414)	(116,414)
Sub-total	14,115,475	(13,448,280)	667,195
<b>Balance at 31 December 2020</b>	<b>14,115,475</b>	<b>(13,448,280)</b>	<b>667,195</b>
<b>Balance at 1 July 2021</b>	17,135,720	(13,674,947)	3,460,773
Total comprehensive loss	-	(251,342)	(251,342)
Sub-total	17,135,720	(13,926,289)	3,209,431
Shares issued during the period	280,000	-	280,000
Transaction costs	(17,567)	-	(17,567)
<b>Balance at 31 December 2021</b>	<b>17,398,153</b>	<b>(13,926,289)</b>	<b>3,471,864</b>

The accompanying notes form part of these financial statements.

For personal use only

**Reach Resources Ltd and Controlled Entities**  
**ABN 79 097 982 235**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	<b>Consolidated Group</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Cash Flow from Operating Activities</b>		
Payments to suppliers and employees	(235,792)	(175,408)
Interest received	-	44
<b>Net cash flows (used in) operating activities</b>	<u>(235,792)</u>	<u>(175,364)</u>
<b>Cash Flow from Investing Activities</b>		
Tenement acquired	(20,000)	-
Proceeds from held for trading investments	-	221,836
Purchase of held for trading investments	-	(24,024)
Proceeds from borrowings	-	2,108
Repayment of loans	-	(12,772)
Payments for exploration & evaluation	(663,400)	(146,057)
<b>Net cash flows (used in) / from investing activities</b>	<u>(683,400)</u>	<u>41,091</u>
<b>Cash Flow from Financing Activities</b>		
Share issue costs	(1,622)	-
<b>Net cash flows (used in) financing activities</b>	<u>(1,622)</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(920,814)	(134,273)
Cash and cash equivalents at the beginning of the period	2,033,373	149,137
<b>Cash and cash equivalents at the end of the period</b>	<u>1,112,559</u>	<u>14,864</u>

The accompanying notes form part of these financial statements.

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 1: Basis of Preparation**

This general purpose financial report for the interim half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Reach Resources Limited (formerly Cervantes Corporation Limited) during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

**Accounting Policies**

*Revenue Recognition*

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

*Impairment*

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

*Going Concern*

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and discharge of its liabilities in the normal course of business.

The directors consider it is appropriate to prepare the consolidated entity's financial statements on a going concern basis and recognize that additional funding may be required to ensure the consolidated entity can continue its operations for the next twelve months and to fund the continued development of the consolidated entity's exploration assets. This basis has been determined after consideration of the following factors:

- The ability to issue additional share capital under the Corporations Act 2011, if required, by a share purchase plan, share placement or rights issue;

Consequently, the Board considers the Group is a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 1: Basis of Preparation** continues

**Critical Accounting Estimates and Judgments**

Key Estimates – Deferred Exploration and Evaluation Expenditure

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

The Group's policy for deferred 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 amount is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the Statement of Comprehensive Income. At the date of this report the Group had sufficient reason to believe that the exploration in specific areas of interest will lead to the discovery of viable quantities of mineral resource and the Group has decided to continue such activity in the specific areas. Such capitalised expenditure is carried at reporting date at \$2,903,206 (June 2021: \$1,890,784) and the amount written off through the Statement of Comprehensive Income as exploration and evaluation written off for projects amounted to \$nil (December 2020: \$nil).

**NOTE 2: Deferred exploration expenditure**

	<b>Consolidated Group</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation costs carried forward in respect of exploration areas of interest	2,903,206	1,890,784
	<b>2,903,206</b>	<b>1,890,784</b>
<i>Movement in carrying amounts</i>		
Balance at beginning of year	1,890,784	1,684,888
Tenements acquired	300,000	-
Exploration expenditure	712,422	205,896
Closing balance	<b>2,903,206</b>	<b>1,890,784</b>

On 12 November 2021, the Company announced the acquisition of 100% of the issued capital of Skyline Resources Corporation Pty Ltd. The cash consideration paid for the acquisition of the Skyline Rare Earth Project pursuant to the Heads of Agreement was \$20,000.

On 16 December 2021, the Company announced the acquisition of 100% of the issued capital of Critical Elements Pty Ltd by the issue of 40 million fully paid ordinary shares to the vendors.

For personal use only

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 3: Borrowings**

	<b>Consolidated Group</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Unsecured borrowings <sup>1</sup>	450,000	450,000
	<b>450,000</b>	<b>450,000</b>

**<sup>1</sup> Unsecured borrowings**

ASX listed company, Global Oil & Gas Limited (ASX:GLV) (“GLV”) (formerly Global Vanadium Ltd, and prior Baraka Energy & Resources Ltd), of which the company’s directors Mr Collin Vost and Mr Justin Vost, were common directors up until August 2018, provided a loan facility to the Company.

The amount payable and drawn as at 31 December 2021 was \$450,000 (30 June 2021 - \$450,000). Under the terms of the initial loan of \$900,000, 50% or \$450,000 could be paid on the due date with the balance to be paid 12 months after by payment of a nominal fee. The terms and agreement could be renegotiated by either party by mutual consent.

Pursuant to a deed between GLV, the Company and Bath Resources Pty Ltd (“Bath Resources”) dated 15 April 2021, GLV agreed to assign all of the rights title and interest in the Loan amount to Bath Resources on the following terms and conditions:

- On 15 April 2021, Bath Resources paid GLV a deposit of \$35,000;
- On the date that the Company’s securities are reinstated to quotation on the ASX following recapitalisation of the Company (“Settlement Date”), Bath Resources will pay GLV the consideration (\$450,000) less the deposit (\$35,000) being \$415,000 for the assignment of the \$900,000 owing by the Company to GLV under the Loan Agreement (as amended) (“Debt”). If the Settlement Date does not occur by 31 May 2021 (unless otherwise extended), the deed will terminate and will be of no force and effect;
- On the Settlement Date, 4 June 2021, GLV transferred and assigned to Bath Resources absolutely all the respective rights, title and interest of GLV in and to the Debt; and
- Bath Resources and the Company agree that Bath Resources will forbear the Debt for a period of 12 months from the Settlement Date; and they will negotiate in good faith the terms of the repayment of the Debt during this 12 month period.

For personal use only

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 4: Issued capital**

	<b>Consolidated Group</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Share Capital</b>		
Fully paid ordinary shares at the beginning of the financial period	17,135,720	14,115,475
Shares issued for cash during the period	-	3,054,012
Shares issued for acquisition during the period	280,000	-
Options issued for cash during the period	-	312,500
Transaction costs	(17,567)	(346,267)
	<hr/>	<hr/>
	<b>17,398,153</b>	<b>17,135,720</b>
	<hr/>	<hr/>

	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>No. Shares</b>	<b>No. Shares</b>
<b>Ordinary Shares</b>		
At the beginning of the financial period	1,554,012,464	536,008,309
Issued for cash during the period	-	1,018,004,155
Issued for acquisition during the period	40,000,000	-
	<hr/>	<hr/>
	<b>1,594,012,464</b>	<b>1,554,012,464</b>
	<hr/>	<hr/>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>No. Options</b>	<b>No. Options</b>
<b>Options</b>		
At the beginning of the financial period	1,177,752,075	25,750,000
Number of options issued during the period	-	1,152,002,075
	<hr/>	<hr/>
	<b>1,177,752,075</b>	<b>1,177,752,075</b>
	<hr/>	<hr/>

For personal use only

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 5: Asset Acquisition – Skyline Rare Earth Project**

On 12 November 2021, the Company announced the acquisition of 100% of the issued capital of Skyline Resources Corporation Pty Ltd. The cash consideration paid for the acquisition of the Skyline Rare Earth Project pursuant to the Heads of Agreement was \$20,000.

Details of the consideration transferred and allocation to the net assets acquired are as follows:

**Fair value consideration transferred**

Cash	20,000
	<hr/>
	<b>20,000</b>

The assets acquired and liabilities assumed at the date of acquisition are as follows:

**Recognised amounts of identifiable net assets on acquisition**

Exploration Assets	-
	<hr/>
Fair value on acquisition – exploration asset	<b>20,000</b>

**Acquisition Related Costs**

Acquisition related costs of nil have been expensed during the period.

For personal use only





**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**  
**NOTE TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**NOTE 9: Event subsequent to balance date (continued)**

positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

For personal use only

**Reach Resources Ltd ABN 79 097 982 235 and Controlled Entities**

**DIRECTORS' DECLARATION**

The directors of Reach Resources Limited (the company) declare that:

1. The accompanying half year interim financial statements and notes:
  - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - (b) give a true and fair view of the economic entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5)(a) of the Corporations Act 2001.

Robert Downey  
Chairman



A handwritten signature in black ink, appearing to read 'Rtd', is written over a horizontal line.

Dated: 17 February 2022

For personal use only



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsay.com.au

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

As lead auditor of the review of Reach Resources Limited for the half-year ended 31 December 2021, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Donovan Odendaal', written over a light grey circular watermark.

**Donovan Odendaal**  
Partner

17 February 2022



For personal use only



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsay.com.au

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

### REACH RESOURCES LIMITED

#### Report on the Review of the Half-Year Financial Report

##### **Conclusion**

We have reviewed the half-year financial report of Reach Resources Limited ("the Company") and the entities it controls ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 and 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 annual 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 review report.





### ***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### ***Auditor's Responsibility for the Review of the Half-Year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Rothsay Auditing**

Dated 17 February 2022

**Donovan Odendaal  
Partner**

For personal use only