

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Hearts and Minds Investments Limited ("**HM1**")

ABN

61 628 753 220

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (" Shares ") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 25,000,000 Shares expected to be issued pursuant to a renounceable pro rata entitlement offer as detailed in the ASX announcement dated 27 November 2019 (" Entitlement Offer ").

The exact number of Shares to be issued under the Entitlement Offer is still to be finalised and is subject to reconciliation of shareholder entitlements and rounding. |

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares issued for cash consideration.
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+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>From the date of issue, the Shares will rank equally with the existing fully paid ordinary shares in HM1 currently on issue.</p>
5	Issue price or consideration	\$2.50 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The net proceeds raised from the Entitlement Offer will be used by HM1 to allocate funds to a new Core Fund Manager, TDM Growth Partners.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2					
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>					
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="703 1460 999 1496">Number</th> <th data-bbox="1007 1460 1286 1496">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1503 999 1904">After the Entitlement Offer, there will be up to 225,000,000 Shares quoted on the ASX (based on the number of Shares on issue at the date of this Appendix 3B and the number of Shares expected to be issued under the Entitlement Offer).</td> <td data-bbox="1007 1503 1286 1904">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	After the Entitlement Offer, there will be up to 225,000,000 Shares quoted on the ASX (based on the number of Shares on issue at the date of this Appendix 3B and the number of Shares expected to be issued under the Entitlement Offer).	Fully paid ordinary shares
Number	+Class					
After the Entitlement Offer, there will be up to 225,000,000 Shares quoted on the ASX (based on the number of Shares on issue at the date of this Appendix 3B and the number of Shares expected to be issued under the Entitlement Offer).	Fully paid ordinary shares					

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		None	None
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Nil. Any Shares issued under the Entitlement Offer will rank equally with all other Shares, including in relation to any dividends with a record date after the issue date.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the ⁺ securities will be offered	1 new Share for every 8 Shares held at the record date.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	7:00pm (Sydney time) on 2 December 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer, they will be rounded up to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia and New Zealand.

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19 Closing date for receipt of acceptances or renunciations	The Entitlement Offer is scheduled to close at 5:00pm (Sydney time) on 16 December 2019.
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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus is being produced. An Entitlement and Information Booklet and Entitlement and Acceptance Form is scheduled to be sent to eligible shareholders on 5 December 2019.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	29 November 2019
29	Date rights trading will end (if applicable)	9 December 2019
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<p>Eligible shareholders who wish to sell their entitlements on ASX, must instruct their stockbroker personally and provide them with details they request as set out in their personalised Entitlement and Acceptance Form.</p> <p>All ASX sales of entitlements must be effected by close of the entitlement trading period (9 December 2019).</p>

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31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?

Eligible shareholders who wish to take up part of their entitlement and sell the balance on ASX, they need to:

- a) complete and return their personalised Entitlement and Acceptance Form for the number of Shares they wish to take up together with the aggregate amount of money payable for those Shares (or pay the requisite amount via BPAY by following the instructions set out in the Entitlement and Application Form); and
- b) in respect of Entitlements to be sold on ASX, they must instruct their stockbroker personally and provide them with details they request as set out in their personalised Entitlement and Application Form.

All ASX sales of entitlements must be effected by close of the entitlement trading period (9 December 2019).

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- Eligible shareholders who wish to transfer all or part of their entitlement to another person or party other than on-market using ASX, then they must do the following:

 - a) Complete a standard renunciation form (which can be obtained from their stockbroker or the HM1 Offer Information Line);
 - b) Have the transferee complete the Entitlement and Acceptance Form;
 - c) Have the transferee organise a cheque for the amount due in respect of the Shares, payable to 'Hearts and Minds Investments Limited' and crossed 'not negotiable'; and
 - d) Arrange for each of the documents referred to above to be delivered so that they are received by no later than 5.00pm (Sydney time) on Monday, 16 December 2019.
- 33 ⁺Issue date
- The issue date for Shares under the Entitlement Offer is scheduled to be 23 December 2019.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

⁺ See chapter 19 for defined terms.

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- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now N/A

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
Company secretary

Date: ...27/11/2019.....

Print name:Tom Bloomfield.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.15] – “C”</p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
Step 2: Calculate 10% of “A”	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p>Multiply “A” by 0.10</p>	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>“E”</p>	

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	
Total ["A" x 0.10] – "E"	 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

27 November 2019

HEARTS AND MINDS INVESTMENTS LIMITED (ACN 628 753 220)
RENOUNCEABLE PRO RATA ENTITLEMENT OFFER
NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT 2001 (CTH)

This notice is given by Hearts and Minds Investments Limited (ACN 628 753 220) and ASX: HM1 (“**HM1**”) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth), as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (“**Act**”).

HM1 has announced a pro rata renounceable entitlement offer, with rights trading (“**Entitlement Offer**”) of 1 fully paid ordinary share in HM1 (“**New Share**”) for every 8 HM1 ordinary shares held as at 7.00pm (Sydney time) on Monday, 2 December 2019 by shareholders with a registered address in Australia and New Zealand.

An Entitlement and Information Booklet for the Entitlement Offer is expected to be dispatched to eligible shareholders on Thursday, 5 December 2019.

HM1 confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, HM1 has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to HM1; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act; and
- (e) the potential effect the issue of New Shares will have on the control of HM1, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, given no substantial holding notices in relation to HM1 have been lodged on or prior to the date of this notice, the issue of the New Shares under the Entitlement Offer is not expected to have a material effect or consequence on the control of HM1.

Yours sincerely



Tom Bloomfield
Company Secretary