

**ASX ANNOUNCEMENT**

Heavy Rare Earths Limited (ASX:HRE)  
29 November 2024

**Section 708AA(2)(f) Cleansing Notice**

This notice is given by Heavy Rare Earths Limited (ACN 648 991 039) (ASX Code: HRE) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**ASIC Instruments**).

On 21 October 2024, the Company announced its intention to raise approximately \$2.46 million through a placement of approximately \$1.2 million (**Placement**) and an entitlement offer of approximately \$1.26 million (**Entitlement Offer**), which is to be used to fund the Company's proposed acquisition of an 80% initial interest in uranium rights from Havilah Resources Limited (ASX: HAV) (**Proposed Acquisition**).

The Company issued tranche 1 of the Placement on 1 November 2024 and anticipates issuing tranche 2 of the Placement on or about 20 December 2024.

Under the Entitlement Offer, eligible shareholders (being shareholders with a registered address in Australia, New Zealand or Singapore) are invited to subscribe for (one) fully paid ordinary share in the Company (**New Share**) for every two (2) existing shares held in the Company as at the record date (being 7.00pm (AEDT) on Wednesday, 4 December 2024), at an issue price of \$0.03 per New Share. The Company may issue up 42,137,575 New Shares under the Entitlement Offer.

Further details regarding the Entitlement Offer are set out in the offer document for the Entitlement Offer released to ASX today.

The Entitlement Offer is fully underwritten by Cygnet Capital Pty Ltd (ACN 103 488 606) (CAR under AFSL: 241095) and Taylor Collison Limited (ACN 008 172 450) (AFSL: 247083) (**Joint Underwriters**).

The Company hereby notifies ASX under section 708AA(2)(f) of the Corporations Act (as modified by the ASIC Instruments) with respect to the Entitlement Offer that:

- (a) the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (ii) section 674 of the Corporations Act;
- (c) as at the date of this notice, there is no "excluded information" within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be disclosed by the Company; and
- (d) the potential effect that the issue of the New Shares under the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the interest of eligible shareholders in taking up their entitlements. In particular:

- (i) the proportional interests of shareholders with an address outside of Australia, New Zealand and Singapore will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
- (ii) the shortfall from the Entitlement Offer will be subscribed for by the Joint Underwriters resulting in the full amount of New Shares being issued under the Entitlement Offer;
- (iii) on completion of the Entitlement Offer, Placement and the Proposed Acquisition, assuming that no convertible securities currently on issue are converted prior to the record date (for the Entitlement Offer), the total number of issued shares in the Company would increase from 84,275,150 to 198,412,725 (an increase of 135%). As a consequence, all shareholders will have their percentage holding in the Company diluted, but eligible shareholders who do not take up all of their entitlements under the Entitlement Offer will have their percentage holding diluted to a greater extent; and
- (iv) it is not currently anticipated that any shareholder of the Company or investor will increase their relevant interest above 20% as a result of participating in the Entitlement Offer or the Placement or on completion of the Proposed Acquisition.

In light of these factors, and given the structure of the Entitlement Offer as a pro-rata issue and the current level of substantial holdings (based on substantial holder notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material consequence on the control of the Company.

**-- Ends --**

This announcement has been approved by the Board of HRE.

**For more information, please contact:**

**Executive Director**

Richard Brescianini  
[info@hreltd.com.au](mailto:info@hreltd.com.au)

**Media Enquiries**

Ryan Batros  
[info@brcapital.com.au](mailto:info@brcapital.com.au)

**About Heavy Rare Earths Limited**

Heavy Rare Earths Limited (ASX: HRE) is an Australian rare earth exploration and development company. HRE's key exploration project is Cowalinya, near Esperance in Western Australia. This is a clay-hosted rare earth project with an Inferred Resource of 159 Mt @ 870 ppm TREO and a desirable rare earth composition where 28% are the valuable magnet rare earths and 23% the strategic heavy rare earths.