



Heavy Rare Earths Limited

ACN 648 991 039

NON-RENOUNCEABLE ENTITLEMENT OFFER

A fully underwritten non-renounceable pro rata offer to Eligible Shareholders of 42,137,575 New Shares at an issue price of \$0.03 per New Share on the basis of 1 (one) New Share for every 2 (two) Existing Shares held to raise approximately \$1.26 million before issue costs (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Cygnet Capital Pty Ltd (ACN 103 488 606) and Taylor Collison Limited (ACN 008 172 450). Please refer to sections 1.8 and 5.5 for further details.

Only Eligible Shareholders may participate in the Entitlement Offer.

Joint Underwriters

Cygnet Capital Pty Ltd (ACN 103 488 606) (CAR under AFSL: 241095)
Taylor Collison Limited (ACN 008 172 450) (AFSL: 247083)

Important Notice

If you are an Eligible Shareholder, this is an important document that requires your immediate attention.

This Offer Document is not a prospectus and it does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document.

This Offer Document should be read in its entirety before deciding whether to apply for the New Shares. If after reading this Offer Document you have any questions about the New Shares being offered under this Offer Document, then you should consult your professional adviser.

The New Shares offered by this Offer Document should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notes

This Offer Document is dated 29 November 2024. The information contained in this Offer Document is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see section 4 of this Offer Document) that could affect the performance of Heavy Rare Earths Limited (ACN 648 991 039) (**Company**) before making an investment decision.

This Offer Document has been prepared in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and ASIC *Corporations (Disregarding Technical Relief) Instrument 2016/73*, which allows entitlement offers to be made without a prospectus. In broad terms, section 708AA of the Corporations Act provides that rights issues by certain entities do not require disclosure to investors under a prospectus or other disclosure document. Accordingly, this Offer Document does not contain all of the information that a prospective investor may require to make an investment decision and it does not contain all of the information that would otherwise be required under Australian law or any other law to be disclosed in a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to accept the Entitlement Offer. Announcements made by the Company to ASX are available from the website of the ASX. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Before applying for New Shares, you should consider whether such an investment, and the information contained in this Offer Document, is appropriate to your particular needs, and considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances. You should consult your professional adviser without delay.

By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Entitlement Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document. Cooling-off rights do not apply to an application for New Shares and you cannot withdraw your application once it has been accepted.

Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document.

The Entitlement Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address that is outside Australia, New Zealand or Singapore. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia, New Zealand or Singapore. This Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to Shareholders with a registered address in New Zealand or Singapore, to the extent permitted below.

This Offer Document is not for publication or distribution, in whole or in part, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United

States and the District of Columbia) or to any person acting for the account or benefit of any person in the United States. This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be taken up or exercised by, or offered or sold to, as applicable, directly or indirectly, persons in the United States or acting for the account or benefit of persons in the United States, except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and the securities laws of any state or other jurisdiction of the United States.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This Offer Document and any other materials relating to the Entitlement Offer have not been, and will not be, lodged or registered in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the Entitlement Offer, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

The Entitlement Offer is not made with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Future performance and forward-looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Investors should note that past share price performance of the Company provides no guidance to its future share price performance.

Any forward-looking statements in this Offer Document are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or

implied by any forward-looking statements in this Offer Document. Investors should specifically refer to the "Key Risks" in section 4 of this Offer Document. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward-looking statement in this Offer Document.

Disclaimer

This Offer Document has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Offer Document or takes responsibility for, or makes any statements, representations or undertakings in, this Offer Document. Neither the ASX nor ASIC takes any responsibility for the contents of this Offer Document.

No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer Document.

Information availability

Pursuant to Regulatory Guide 107, ASIC permits the electronic distribution of disclosure documents and electronic application forms, subject to compliance with certain requirements. Although this Offer Document is not a disclosure document, ASIC encourages the use of electronic distribution for 'prospectus-like' documents including, for example, offer documents used for entitlement offers.

If you have received this Offer Document as an electronic Offer Document, please ensure that you have received the entire Offer Document accompanied by the Application Form. If you have not, please contact the Company Secretary, Mr Justin Mouchacca, at info@hreltd.com.au, and the Company will send you, for free, either a hard copy or a further electronic copy of this Offer Document or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Offer Document and any relevant supplementary or replacement information document or any of those documents were incomplete or altered.

Currency

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

Time

All references to time in this Offer Document are references to Melbourne, Australia time, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in section 6 of this Offer Document.

Offer Document intended to be read in conjunction with publicly available information

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.hreltd.com.au or the ASX website www.asx.com.au.

Privacy

The Company and the Share Registry have already collected certain personal information from you as a Shareholder. If you complete an Application Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Governing law

This Offer Document, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Victoria, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

Enquiries

If, after reading this document, you have any questions about the Entitlement Offer, please consult your legal, financial, taxation or other professional adviser. Shareholders may also contact Mr Justin Mouchacca, Company Secretary, at info@hreltd.com.au.

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LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Heavy Rare Earths Limited (ACN 648 991 039) (the **Company**), I am pleased to invite you to participate in the Company's 1 (one) for 2 (two) non-renounceable entitlement offer at an offer price of \$0.03 per New Share (**Offer Price**) to raise up to approximately \$1.26 million (before costs) (**Entitlement Offer**).

As announced by the Company on 21 October 2024 (as supplemented by the ASX Announcement dated 25 October 2024), the Entitlement Offer forms part of a broader capital raising and acquisition strategy undertaken by the Company. The proceeds of the Entitlement Offer will be used, in part, to fund the proposed acquisition of an 80% interest in uranium rights in respect to certain tenements at Havilah Resources Limited's (ASX: HAV) (**Havilah Resources**) Prospect Hill, Lake Namba-Billeroo and Radium Hill Uranium Projects in South Australia (**HAV Projects**) and the establishment of an unincorporated joint venture with Havilah Resources in respect of the uranium rights (**Proposed Acquisition**).

The remainder of the Proposed Acquisition will be funded by the proceeds of a two-tranche placement to institutional and sophisticated investors of 40 million Shares (in aggregate) at an issue price of \$0.03 per Share (representing \$1.2 million in aggregate) (**Placement**), as announced by the Company on 21 October 2024.

The Company obtained Shareholder approval at its Annual General Meeting held on Thursday, 28 November 2024 (**AGM**) to, among other things, ratify the issue of tranche 1 of the Placement (being the issue of 16 million Shares) (**Tranche 1 Placement Shares**) and to the issue of:

- (a) 24 million Shares under tranche 2 of the Placement (**Tranche 2 Placement Shares**);
- (b) 38 million Shares (**Consideration Shares**) and 17,500,000 Options (**Consideration Options**) to Havilah Resources; and
- (c) 10 million Shares to Cygnet Capital Pty Ltd (ACN 103 488 606) (**Cygnet**) (**Introducer Shares**).

The Company anticipates issuing the New Shares under the Entitlement Offer and completing the Proposed Acquisition on or about Friday, 20 December 2024.

Further information in relation to the Proposed Acquisition can be found in the Company's ASX Announcements dated 21 October 2024 and 25 October 2024 respectively and the Company's notice of annual general meeting dated 29 October 2024 (**Notice of AGM**), which are available on the Company's website [here](#) and on the ASX [here](#).

Details of your Entitlement

The Entitlement Offer will allow you to have the opportunity to purchase one New Share at the Offer Price of \$0.03 per New Share for every two existing ordinary shares (**Existing Shares**) you owned at 7.00pm (AEDT) on Wednesday, 4 December 2024 (**Record Date**).

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares of the Company already on issue.

The Entitlement Offer is fully underwritten by Cygnet and Taylor Collison Limited (ACN 008 172 450) (**Taylor Collison** and, together with Cygnet, the **Joint Underwriters**). As such, Eligible Shareholders will not be able to subscribe for New Shares in excess of their Entitlements. Please refer to sections 1.8 and 5.5 for further details.

Your Entitlement under the Entitlement Offer is set out in the accompanying Application Form. The Closing Date for acceptances and payment is 7.00pm (AEDT) on Monday, 16 December 2024 (Closing Date), unless extended.

To participate, you need to ensure that you have paid your application monies (**Application Monies**) via BPAY® pursuant to the instructions that are set out on the Application Form by no later than 7.00pm (AEDT) on the Closing Date. If you are an Overseas Shareholder and cannot use BPAY®, you must ensure that your completed Application Form and Application Monies are received by 7.00pm (AEDT) on the Closing Date. EFT is available as a secondary payment method for Overseas Shareholders only.

Further information

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. You should also refer to the "Key Risk Factors" included in section 4.

If you have any queries regarding the Entitlement Offer, please email Mr Justin Mouchacca, Company Secretary, (info@hreltd.com.au) or alternatively contact the Company by calling (03) 8630 3321 (within Australia) or +61 3 8630 3321 (outside of Australia) at any time between 8.30am and 5.00pm (AEDT) Monday to Friday during the Entitlement Offer Period.

On behalf of the Board, I am pleased to recommend the Entitlement Offer to you and thank you for your continued support.

Yours faithfully,



John Byrne
Non-Executive Chairman
Heavy Rare Earths Limited

SUMMARY OF CAPITAL RAISING

Offer Ratio	1 (one) New Share for every 2 (two) Existing Shares held on the Record Date
Offer Price	\$0.03 per New Share
Size	42,137,575 New Shares
Gross proceeds	Up to approximately \$1.26 million (before costs)

KEY DATES

Event*	Date
Release Offer Document and section 708AA(2)(f) Cleansing Notice to ASX	Friday, 29 November 2024
Ex-Date for Entitlement Offer	Tuesday, 3 December 2024
Record Date to determine Entitlement to New Shares	Wednesday, 4 December 2024
Dispatch of Offer Document and Application Form and announcement that dispatch completed	Thursday, 5 December 2024
Entitlement Offer opens	Thursday, 5 December 2024
Entitlement Offer closes 7.00pm (AEDT)	Monday, 16 December 2024
New Shares under Entitlement Offer quoted on a deferred settlement basis	Tuesday, 17 December 2024
Issue of New Shares under Entitlement Offer and lodging an Appendix 2A with ASX Anticipated completion of Proposed Acquisition	Friday, 20 December 2024
Trading of New Shares issued under the Entitlement Offer on a normal basis	Monday, 23 December 2024

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

1 DETAILS OF THE OFFERS

1.1 Entitlement Offer

The Entitlement Offer is an offer of 42,137,575 New Shares at the Offer Price of \$0.03 per New Share to raise up to approximately \$1.26 million (before costs).

All Eligible Shareholders are entitled to subscribe for 1 (one) New Share for every 2 (two) Existing Shares held at 7.00pm (AEDT) on Wednesday, 4 December 2024 (**Record Date**). New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Application Form.

The Entitlement Offer is fully underwritten by the Joint Underwriters. As such, Eligible Shareholders will not be able to subscribe for New Shares in excess of their Entitlements. Please refer to sections 1.8 and 5.5 for further details.

Certain terms and abbreviations in this Offer Document are defined in the glossary of terms in section 6.

1.2 No Minimum Subscription

There is no minimum subscription for the Entitlement Offer. The Entitlement Offer is fully underwritten by the Joint Underwriters, which will result in approximately \$1.26 million being raised (before costs) irrespective of any subscription by Eligible Shareholders.

1.3 Entitlement to participate in the Entitlement Offer

Eligible Shareholders who are on the Company's Share Register at 7.00pm (AEDT) on the Record Date are eligible to participate in the Entitlement Offer.

An Application Form setting out your Entitlement to New Shares accompanies this Offer Document.

1.4 Acceptances

This Offer may be accepted in whole or in part prior to 7.00pm (AEDT) on Monday, 16 December 2024 subject to the rights of the Company to extend the Entitlement Offer Period.

Instructions for accepting your Entitlement are set out in section 3 and on the Application Form which accompanies this Offer Document.

1.5 No Trading of Entitlements

The Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Shareholders to subscribe for New Shares are not transferable and there will be no trading of Entitlements on ASX. Eligible Shareholders who choose not to take up their Entitlements will receive no benefit and their shareholding in the Company will be diluted as a result.

1.6 No shortfall offer

As the Entitlement Offer is fully underwritten by the Joint Underwriters, Eligible Shareholders will not be able to subscribe for New Shares in excess of their Entitlements. Please refer to sections 1.8 and 5.5 for further details.

1.7 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by applicants for New Shares under the Entitlement Offer.

1.8 Underwriting

The Entitlement Offer is fully underwritten by the Joint Underwriters. Pursuant to the Underwriter Agreement, the Joint Underwriters have agreed to underwrite the New Shares remaining following allocation under the Entitlement Offer at an issue price of \$0.03 per New Share.

A summary of the Underwriter Agreement is set out in section 5.5 of this Offer Document.

1.9 Directors' interests

Each Director's interest in the securities of the Company as at the date of this Offer Document and their Entitlement is detailed in the table below.

Director	Shares ¹	Entitlement ²
John Byrne, Non-Executive Chairman ³	650,000	325,000
Richard Brescianini, Executive Director ⁴	170,000	85,000
Ryan Skeen, Non-Executive Director	90,000	45,000

Notes:

1. Excludes 5,934,720 Shares (in aggregate) that the Company has agreed to issue to Directors in lieu of Directors' fees, the issue of which was approved by Shareholders at the AGM.
2. Assumes no Options held by Directors are exercised prior to the Record Date.
3. Mr Byrne also holds 2,000,000 Options exercisable at \$0.30 expiring on 24 August 2025.
4. Mr Brescianini also holds 2,000,000 Options exercisable at \$0.30 expiring on 24 August 2025.

Each of the Directors intend to subscribe for their full Entitlement under the Entitlement Offer, as detailed in the table above.

1.10 Details of substantial holders

Based on publicly available information as at the date of this Offer Document, the only person who (together with their associates) has a relevant interest in 5% or more of the Shares on issue is set out below. Please refer to section 2.3 for the effect of the Entitlement Offer and the Proposed Acquisition on the control of the Company.

Substantial holder	Holder's current votes	Voting power (%)
Dinwoodie Investments Pty Ltd	6,046,300	7.17

Following the completion of the Entitlement Offer and the issue of the Tranche 2 Placement Shares, Consideration Shares and Introducer Shares, Dinwoodie Investments Pty Ltd will cease to have a relevant interest in 5% or more of the Shares on issue in the Company irrespective of whether it participates in the Entitlement Offer or not.

Upon completion of the Proposed Acquisition, Havilah Resources will have a relevant interest in 19.95% of the Company and, upon the issue of 9,621,099 Shares (in aggregate) to Directors and consultants in lieu of outstanding fees and salaries that was approved by Shareholders at the AGM, its relevant interest will be diluted to 18.99%.

1.11 Allotment and Application Money

Application Money will be held in a subscription account on trust until allotment of the New Shares. If the Application Money is refundable, it will be refunded as soon as reasonably practicable. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 7.00pm (AEDT) on Friday, 20 December 2024. Statements of holding of New Shares will be mailed after allotment occurs.

1.12 Rights and Liabilities attaching to the New Shares

The New Shares will, once issued, rank equally with Existing Shares. The rights and liabilities attaching to New Shares are set out in the Company's constitution.

1.13 ASX Quotation

Application for admission of the New Shares to official quotation on ASX has been made.

Subject to approval being granted by ASX, it is expected that quotation and trading of New Shares will commence on a deferred settlement basis on Tuesday, 17 December 2024.

The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.14 Issue Outside Eligible Jurisdictions

This Offer Document and accompanying Application Form does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to make the Entitlement Offer.

No action has been taken to register or qualify the Shares or the Entitlement Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia, New Zealand or Singapore.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

1.15 Ineligible Shareholders

The Entitlement Offer is only being extended to Eligible Shareholders in Australia, New Zealand or Singapore because of the small number of and cost of extending the Entitlement Offer to Shareholders in other jurisdictions. The Offer Document is sent to those Shareholders for information purposes only.

Recipients may not send or otherwise distribute this Offer Document or the Application Form to any person outside Australia, New Zealand or Singapore.

It is the responsibility of any Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares under this Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

1.16 Rights issue exception is not available

No nominee has been appointed for excluded foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder subscribes for New Shares under the Entitlement Offer, it must have regard to section 606 of the Corporations Act.

Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of application for New Shares under the Entitlement Offer should seek professional advice before completing and returning the Application Form.

Details of the effect of the Entitlement Offer on the control of the Company are set out in section 2.3.

1.17 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under the Entitlement Offer, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under the Entitlement Offer and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.18 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing

with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.19 Withdrawal

The Directors may at any time decide to withdraw this Offer Document and the Entitlement Offer, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.20 Enquiries

Any queries regarding the Entitlement Offer should be directed to Mr Justin Mouchacca, Company Secretary, at info@hreltd.com.au.

You can also contact your stockbroker or professional adviser with any queries in relation to the Entitlement Offer.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Entitlement Offer is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

2. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

2.1 Purpose of the Entitlement Offer

The Entitlement Offer will raise up to approximately \$1.26 million (before costs).

Upon completion of the Proposed Acquisition, the Directors intend to apply the proceeds from the Entitlement Offer for the following purposes in accordance with the table set out below:

Use of Funds	Estimated Amount
Contribution to exploration and development activities at HAV Projects (including transaction costs)	\$1,166,311
Cost of the Entitlement Offer (including ASX fees) ¹	\$97,816
TOTAL	\$1,264,127

Note:

1. This figure relates to the costs of the Entitlement Offer only and does not include costs under the Placement and the Proposed Acquisition.

The Company will use funds raised under the Entitlement Offer (together with funds raised under the Placement and existing cash on hand) as part of the broader funding arrangements for the Proposed Acquisition as follows:

Use of Funds	Estimated Amount
Exploration and development activities at HAV Projects (including transaction costs)	\$1,486,351
Working capital	\$800,343
Total costs of the Proposed Acquisition (including costs under the Placement and Entitlement Offer)	\$177,433
TOTAL	\$2,464,127

Notes:

1. These tables are a statement of the proposed application of the funds raised as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
2. There is no minimum subscription condition for the Entitlement Offer to proceed. The Entitlement Offer is fully underwritten by the Joint Underwriters, which will result in approximately \$1.26 million being raised (before costs) irrespective of any subscription by Eligible Shareholders (refer to Section 1.8 for further details).

3. Working Capital includes general working capital which is intended to accelerate and/or extend/continue the above initiatives as required, and other corporate administration and operating costs (including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).

If completion under the Proposed Acquisition does not occur, the Company will return the proceeds of any subscriptions raised under the Entitlement Offer.

2.2 Effect of the Entitlement Offer on the Company's Financial Position

The effect of the Entitlement Offer will be that:

- (a) cash reserves will initially increase by approximately \$1.26 million (before costs); and
- (b) the number of Shares on issue will increase by up to approximately 42,137,575 from 156,275,150 to 198,412,725.¹

2.3 Effect of the Entitlement Offer and the Proposed Acquisition on the control of the Company

(a) General

The potential effect that the Entitlement Offer and the Proposed Acquisition could have on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including demand from Shareholders for their Entitlements.

Assuming no existing Options are exercised prior to the Record Date, the maximum number of New Shares that will be issued pursuant to the Entitlement Offer is approximately 42,137,575. This equates to approximately 50% of all the issued Shares in the Company as at the date of this Offer Document and approximately 21.24% of all issued Shares following completion of the Proposed Acquisition.

If Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interests of Shareholders that only take up part of their Entitlement will also be diluted but to a lesser extent. The proportional interests of Ineligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

Based on the information in section 1.10, no person would increase their voting power above 20% as a result of acceptance of an Entitlement and in respect of the Shortfall Offer. The Company will only issue Shares to an applicant where the Directors are satisfied, in their discretion, that the issue of the Shares will not result in a person's voting power increasing above 20%.

(b) Substantial Shareholders

As noted in section 1.10, following the completion of the Entitlement Offer and the issue of the Placement Shares, Consideration Shares and Introducer Shares, Dinwoodie Investments Pty Ltd will cease to have a relevant interest in 5% or more of the Shares on issue in the Company irrespective of whether it participates in the Entitlement Offer or not.

Upon completion of the Proposed Acquisition, Havilah Resources will have a relevant interest in 19.99% of the Company and, upon the issue of 9,621,099 Shares (in aggregate) to Directors and consultants in lieu of outstanding fees and salaries that was approved by Shareholders at the AGM, its relevant interest will be diluted to 18.99%.

Other than as set out above, the Company is of the view that the Entitlement Offer and Proposed Acquisition will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No Eligible Shareholder will have a voting power greater than 20% as a result of the completion of the Entitlement Offer.

(c) Dilution

On completion of the Entitlement Offer and the issue of the Tranche 2 Placement Shares, Consideration Shares and Introducer Shares, 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

¹ Including the issue of the Tranche 2 Placement Shares, Consideration Shares and Introducers Shares that was approved by Shareholders at the AGM.

all of their Entitlements under the Entitlement Offer will have their percentage holding diluted to a greater extent.

2.4 Effect on Capital Structure

Assuming that no further Shares are issued prior to the Record Date, at the close of the Entitlement Offer and upon completion of the Proposed Acquisition and the issue of the Shares to Directors and consultants in lieu of fees and salaries, the capital structure of the Company will be:

Shares	Number	%
Existing Shares as at the date of this Offer Document ¹	84,275,150	40.5
Tranche 2 Placement Shares ²	24,000,000	11.5
Consideration Shares ²	38,000,000	18.3
Introducer Shares ²	10,000,000	4.8
New Shares issued pursuant to the Entitlement Offer ²	42,137,575	20.3
Issue of shares to satisfy outstanding Director and consultant fees	9,621,099	4.6
Total issued Shares	198,412,725	100%
Options	Number	%
Existing Options as at the date of this Offer Document ³	15,700,000	47.3
Consideration Options ²	17,500,000	52.7
Total issued Options	33,200,000	100%

Notes:

1. Assumes no further Shares are issued prior to the Record Date.
2. The Company intends to issue the New Shares under the Entitlement Offer, Tranche 2 Placement Shares, Consideration Shares, Consideration Options and Introducer Shares and complete the Proposed Acquisition on or about Friday, 20 December 2024.
3. Comprising 1,500,000 unlisted options exercisable at \$0.30 per Option expiring on 24 August 2025 and 14,200,000 escrowed unlisted options exercisable at \$0.30 per Option expiring on 24 August 2025.
4. If completion under the Proposed Acquisition does not occur, the Company will return the proceeds of any subscriptions raised under the Entitlement Offer.

3. HOW TO APPLY

3.1 What you may do

The number of New Shares to which you are entitled to subscribe for is shown on the accompanying Application Form.

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement;
- subscribe for part of your Entitlement; or
- allow all of your Entitlement to lapse.

3.2 To subscribe for all or part of your Entitlement

Australian Shareholders

If you wish to take up **all** or part of your Entitlement you need to make payment by BPAY®. Your payment by BPAY® should be for the full amount you wish to apply for under the Entitlement Offer (being the Offer Price multiplied by the number of New Shares you wish to subscribe for (being all or part of your Entitlement)).

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than **7.00pm (AEDT) on Monday, 16 December 2024**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Cash will not be accepted and no receipts will be issued.

To pay via BPAY® you will need to:

- (a) be an account holder with an Australian financial institution;
- (b) use the personalised reference number shown on your Application Form which is required to identify your shareholding; and
- (c) ensure that your payment is received by the Share Registry before **7.00pm (AEDT) on Monday, 16 December 2024**.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

As payment is made via BPAY®, there is no need to return the Application Form, but you will be taken to have made the statements and certifications that are set out in the Application Form.

When making payment via BPAY®, please ensure that you enter the correct Biller Code and Reference Number information that is shown on your personalised Application Form. The Reference Number is used to identify your holding. If you have multiple holdings, you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you enter your BPAY® details incorrectly, the Company will not be able to issue you your New Shares under the Entitlement Offer.

Amounts received by the Company in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) will be returned to Applicants.

Overseas Shareholders in New Zealand or Singapore

Overseas Shareholders in New Zealand or Singapore will be provided with additional instructions on how to pay by EFT as an alternative payment method.

3.3 To allow your Entitlement to lapse

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement may be dealt with in accordance with section 1.6.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

3.4 Application Form is binding

A completed and lodged Application Form, or electronic payment, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form and/or the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document and Application Form, does not prohibit you from being given the Offer Document and Application Form and that you:

- (a) agree to be bound by the terms of the Entitlement Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;

- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Application Form;
- (e) declare that you are an Eligible Shareholder resident in Australia, New Zealand or Singapore and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Offer Document and Application Form, is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand or Singapore and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

Mr Justin Mouchacca, Company Secretary

Email: info@hreltd.com.au

or contact your stockbroker or professional adviser

4. RISK FACTORS

4.1 Overview

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

The Company's principal activity is mineral exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors which the Company believes are most important in the context of the Company's business.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Offer Document;
- (b) consider the assumptions underlying any forward-looking statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

4.2 Specific Risks

(a) Proposed Acquisition

The Proposed Acquisition will be effected by way of a binding term sheet, the material terms of which are set out in the Company's ASX Announcement dated 21 October 2024 and in the Notice of AGM. There is a risk that certain conditions precedent to completion of the Proposed Acquisition will not be satisfied or waived (if applicable), or that there will be a delay in satisfaction of the conditions precedent, and that as a result, completion of the Proposed Acquisition may not occur or may be delayed, or the Proposed Acquisition may occur in a form different to that originally contemplated in this Offer Document.

If completion of the Proposed Acquisition does not occur, the Company will return the proceeds of any subscriptions raised under the Entitlement Offer. In these circumstances, certain transaction costs including advisory fees will still be payable by the Company. Failure to complete the Proposed Acquisition, and/or any action required to be taken to return capital, may have an adverse impact on the Company's financial performance, financial position and share price.

(b) Due diligence risk

The Company conducted due diligence investigations in respect of the HAV Projects and has relied upon information provided or disclosed by Havilah Resources in conducting its due diligence.

As with any due diligence investigation, if any information provided and relied upon by the Company in its due diligence investigations proves to be incorrect, incomplete or misleading, or if the Company was not provided with all relevant information or there were other failings in the due diligence performed by the Company, there is a risk that there could be historical or other issues in relation to the HAV Projects or the Proposed Acquisition that could affect the success of the Proposed Acquisition or otherwise impact on the Company's financial position and performance.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Proposed Acquisition have been, or will be, identified (including issues that are material to the decision to undertake the Proposed Acquisition) and avoided or managed appropriately. A material adverse issue that is not identified prior to undertaking the Proposed Acquisition could have an adverse impact on the financial performance or operations of the Company. There is a risk that issues and risks may arise that will also have a material impact on the Company (for example, the Company may later discover liabilities or defects which were not identified

through due diligence or for which there is no contractual protection for the Company)). This could adversely affect the operations, financial performance or position of the Company.

(c) **Underwriting risk**

The Company has entered into the Underwriting Agreement with the Joint Underwriters, under which the Joint Underwriters have agreed to fully underwrite the Entitlement Offer, subject to certain terms and conditions as summarised in section 5.5 of this Offer Document. If certain conditions contemplated by the Underwriting Agreement are not satisfied, or certain events occur, the Joint Underwriters may be entitled to terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the Company's ability to raise the maximum amount of proceeds contemplated by the Entitlement Offer, which in turn may impact on the Company's ability to complete the Proposed Acquisition or otherwise apply the proceeds of the Entitlement Offer in the manner contemplated by this Offer Document.

(d) **Dilution**

On completion of the Entitlement Offer and the issue of the Tranche 2 Placement Shares, Consideration Shares and Introducer Shares, 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.

(e) **Regulatory Risk**

The mining and exploration activities of the Company are dependent upon the maintenance (including renewal) of the tenements in which the Company has or proposes acquiring an interest. Maintenance of these tenements is dependent on, amongst other matters, the ability of the Company to meet conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements forming the Cowalinya, Duke, Perenjori, Merino, Prospect Hill, Lake Namba-Billeroo and Radium Hill projects will not be renewed, there is no guarantee that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed or whether the Company will be able to meet the conditions of renewal on commercially viable terms, or at all. The Company has also filed an application for an exploration licence in Western Australia (E59/2905; Perenjori Project) and cannot guarantee such application will be granted.

The Company may also be required to obtain access and other approval or authorisations from regulatory and/or other entities, including under applicable native title legislation. Such approvals or authorisations may be complex and require the input of third parties. In addition, any future changes to legislation and regulation may impose obligations or restrictions on the Company which cannot be predicted.

The Company cannot guarantee that any or all requisite approvals and authorisations will be obtained. A failure to obtain any required regulatory approval or authorisation may mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.

(f) **Operating and development risks**

The operations of the Company may be affected by various factors including logistics, occupational health and safety, environmental management and compliance and failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will seek to mitigate these risks through management and supervision controls.

In addition, the operations of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

The operations of the Company may also be affected by natural disasters, epidemics, terrorist attacks and other disasters which may materially and adversely affect the economy in Australia and the Company's business.

Exploration activities may not result in the development of the interests of the Company into a commercially viable project. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited. If a discovery is not commercially viable, the financial position and prospects of the Company could be adversely affected and could potentially result in the Company scaling back activities.

(g) **Exploration risk**

Potential investors should understand that mineral exploration is a high-risk undertaking. Whilst a mineral resource has been declared at the Cowalinya Project, there can be no assurance that exploration activities will result in the discovery of an economically viable mineral deposit. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

The tenements held by the Company (including, if granted, E59/2905) may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. Further details of these potential restrictions are set out under "Regulatory Risk" below. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.

(h) **Environmental risk**

The proposed activities of the Company will be subject to various laws and regulations concerning the environment. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and disposal of waste products occurring as a result of mining exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production cost or result in a substantial liability being accrued against the Company.

Proceeding with a mining operation would be expected to create significantly enhanced environmental risks, particularly with respect to environmental damage through construction activities, disposal of waste products and/or water contamination. Such occurrences could delay production or increase costs of operations.

(i) **Access risk**

Exploration licences may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities, including but not limited to in respect of exclusions from pursuing exploration on certain areas of Commonwealth land, requirements arising from Native Title legislation and claims and/or state legislation relating to Aboriginal heritage, culture and objects, environmental based conditions and restrictions and access procedures in relation to privately held land.

While the Company will formulate its exploration plans to accommodate and work within any such access restrictions, there is no guarantee the Company will be able to satisfy such conditions on commercially viable terms, if at all. In addition, such restrictions may be complex and/or require approvals, consents or negotiations involving governmental entities or third parties. As such, there is a risk that access issues may prevent the Company from implementing its intended exploration plans, which may adversely impact upon the financial position, operations and prospects of the Company.

Any future changes in legislation and regulations may impose significant obligations or restrictions on the Company which cannot be predicted.

(j) **Future requirements for capital**

Further development activities may be required for the Company to identify and commence commercially viable mining operations. Accordingly, the Company will in future require additional capital in excess of the funds to be raised under the Entitlement Offer for its activities, including for the future development activities.

There can be no guarantee that further financing will be available on commercially acceptable terms, or at all. Any additional financing through equity issues would be dependent upon the ability of the Company to raise funds in the securities market, which

in turn is dependent on there being sufficient identifiable appetite from investors for equity in the Company. If successfully conducted, such issues would also be dilutive to the current equity holders in the Company. Furthermore, debt financing may not be available to support the scope and extent of the proposed activities of the Company.

(k) **Change in strategy**

The medium to long term plans and strategies of the Company may evolve over time due to review, analysis and assessment of results from planned exploration activities. This is consistent with other entities conducting mineral exploration similar to the Company. Accordingly, the plans and strategies of the Company as at the date of this Prospectus may not reflect the plans and strategies following review, analysis and assessment of results. Any such changes have the potential to expose the Company to heightened or additional risks.

In addition, any development of exploration interests of the Company to and including commercial operations will expose the Company to further risks associated with such activities.

In addition, as with most exploration entities, the Company may assess and pursue other new business opportunities in the resource sector over time which complement its business (which may take the form of joint ventures, farm-ins, acquisitions and other forms of opportunities). In such cases the Company may, by pursuing such new opportunities, become subject to additional or heightened risks.

(l) **Reliance on key management personnel**

The responsibility of overseeing the day-to-day operations and strategic management of the Company depends substantially on the Directors and senior management of the Company. As noted above, the Company has sought to mitigate the risk of its limited history by engaging personnel who have significant experience in the mineral resources and exploration sectors as members of its Board. The Company relies, and will in future rely, on the skills and experience of these personnel in its operations.

Noting the above, there can be no assurance given that there will be no detrimental impact on the performance of the Company and its growth potential if one or more of its Directors and/or senior management cease to be engaged by the Company and the Company gives no guarantee that, if one or more of its Directors and/or senior management cease to be engaged by the Company, that a suitable replacement would be identified and engaged in a timely manner, if at all.

(m) **Third party**

The Company has contracted with, or will in the future need to contract with, various parties to enable the implementation of its exploration plans. Such counterparties include service contractors, consultants, suppliers, landowners and native title holders. There is a risk that counterparties may fail to perform their obligations under existing or future agreements. This could lead to delays, increase in costs, disputes and even litigation. All these factors could negatively affect the Company's operations and there can be no assurance the Company would be successful in seeking remedies or enforcement of its rights through legal actions.

(n) **Climate change**

As an entity engaged in exploration activities, the Company anticipates it will be subject to climate risks and in particular:

- (i) the emergence of new or expanded regulations associated with transitioning to a lower carbon economy including market changes associated with climate change mitigation. The Company may be impacted by local and international compliance regulations, or specific taxes or penalties associated with carbon emissions or environmental damage. Given the uncertainty with respect to the future regulatory framework regarding climate change mitigation, the Company may be subject to further restrictions, conditions and risks. While the Company will seek to manage such risks as and when they arise, there can be no guarantee that the Company will be able to do so in a cost-effective manner, if at all; and
- (ii) climate change may cause physical and environmental risks that cannot be predicted, including extreme weather patterns and events that may directly or

indirectly impact the operations of the Company and may significantly disrupt the industry in which the Company operates.

4.3 General Investment Risks

(a) **General economic climate**

The performance of the Company is likely to be affected by changes in economic conditions. The success of the Company may be affected by some of the matters listed below:

- (i) general financial issues which may affect policies, exchange rates, inflation and interest rates;
- (ii) deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on operations and financial performance of the Company;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) financial failure or default by any entity with which the Company is or may become involved in a contractual relationship;
- (v) the impact that geo-political factors have on the world and/or Australia, on the financial markets and/or on investments generally or specifically;
- (vi) terrorism or other hostilities;
- (vii) global health and safety; and
- (viii) industrial disputes in Australia and other relevant markets.

(b) **Changes in legislation and government regulation**

Changes in government, financial policy, taxation and other laws in any local and/or international markets or regions cannot be predicted and may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities.

The Company is also subject to various regulatory requirements, including mining and accounting requirements. Changes to standards, policies, guidelines, interpretations or principles may affect the Company's ability to carry out its activities and/or achieve its objectives. The Company cannot control or predict changes to regulatory requirements, which may adversely affect the Company.

(c) **Commodity price volatility and exchange rate risk**

If the Company achieves success leading to mineral production, the revenue it may derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Market conditions**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including but not limited to, general economic conditions including the performance of the Australian dollar, the Euro and US dollars on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, short-selling, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares.

The Share prices for many companies have been and may in the future be highly volatile which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurance can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(e) **Infectious diseases**

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19 or other infectious diseases. Further measures to limit the transmission of the virus or other infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and could interrupt the Company carrying out its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

(f) **Conflicts in Ukraine and the Middle East**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, it should be noted that the current evolving conflicts in Ukraine and the Middle East are impacting global macroeconomics and markets generally. The nature and extent of the effect of these conflicts on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflicts in Ukraine and the Middle East and overall impacts on global macroeconomics. Given both situations are continually evolving, the outcomes and consequences are inevitably uncertain.

(g) **Litigation**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(h) **Insurance**

The Company intends to insure its activities in accordance with industry practice, however there is a risk that the insurance cover held by the Company will not be of a nature or level adequate for a particular circumstance, which could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with exploration activities and, if applicable, production is not always commercially viable.

(i) **Taxation**

There may be tax implications from applying for and receiving New Shares under this Offer Document and/or the disposal of the New Shares in the future. You should consult your professional advisor before deciding to apply for New Shares under this Offer Document.

(j) **Unforeseen risk**

There may be other risks which the Directors and/or management are unaware of at the time of issuing this Offer Document which may impact upon the Company, its operations and/or the value and performance of the securities offered under this Offer Document.

4.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

5. ADDITIONAL INFORMATION

5.1 Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

This document contains a summary of information only which the Company does not purport to be complete. The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with the ASX.

There may be additional announcements made by the Company after the date of this Offer Document and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check the Company's website: www.hreltd.com.au or the ASX website: www.asx.com.au to see whether any further announcements have been made by the Company before submitting your application to take up your Entitlement.

5.2 Entitlement Offer Document

This Entitlement Offer is being made pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. Accordingly, this document contains a summary of information only which the Company does not purport to be complete.

Neither this Offer Document nor the Application Form are required to be lodged or registered with ASIC. This Offer Document is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on the Company and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Document, the Company's ASX Announcements dated 21 October 2024 and 25 October 2024 respectively and the Notice of AGM and other announcements made available at www.asx.com.au or on the Company's website: www.hreltd.com.au.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on 29 November 2024. In addition to certain minor and technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

5.3 Information availability

Eligible Shareholders in Australia, New Zealand or Singapore can obtain a copy of this Offer Document during the Entitlement Offer Period on the Company's website www.hreltd.com.au or by emailing Mr Justin Mouchacca, Company Secretary, at: info@hreltd.com.au. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and the other relevant information to which it refers.

5.4 Taxation

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Entitlement Offer or Shareholders applying for New Shares, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of accepting the Entitlement Offer.

5.5 Underwriting Agreement

The Company has entered into an underwriting agreement with the Joint Underwriters dated on or about 20 October 2024 (as amended on or about 25 October 2024) under which the Joint Underwriters have agreed to fully underwrite the Entitlement Offer, on certain terms and conditions (**Underwriting Agreement**).

The terms of the Underwriting Agreement are standard commercial terms for a transaction of this type, with the material terms summarised below:

- (a) **(Several underwriting commitments)**: the Joint Underwriters agree to severally and fully underwrite the New Shares in equal percentages of 50% each;
- (b) **(Sub-underwriting)**: each of the Joint Underwriters may appoint any party to sub-underwriter any or all of the New Shares;
- (c) **(Fees)**: the Company must pay to the Joint Underwriters a fee of 6% (in aggregate) of the total amount raised under the Entitlement Offer, being approximately \$75,847;
- (d) **(Termination by the Company)**: The Company may without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Joint Underwriters of their representations, warranties or obligations under the Underwriting Agreement may terminate its obligations under the Underwriting Agreement if:
 - (i) **(Default)** the Joint Underwriters default under the Underwriting Agreement which is incapable of remedy or remains unremedied after 14 days of the Company providing notice to the Joint Underwriters specifying details of the default; or
 - (ii) **(Incorrect or untrue representation)** any representation, warranty or undertaking given by the Joint Underwriters in the Underwriting Agreement is or becomes untrue or incorrect;
- (e) **(Termination by the Joint Underwriters)**: The Underwriting Agreement provides that the Joint Underwriters may terminate the Underwriting Agreement by written notice to the Company if any one or more of the events described in Schedule 1 occurs at any time prior to the Closing Date; and
- (f) **(Other)**: the Underwriting Agreement also contains a number of representations and warranties from the Company and the Joint Underwriters that are considered standard for an agreement of this nature.

5.6 Shareholder Approval and Ratification

This Entitlement Offer forms part of a broader capital raising and acquisition strategy undertaken by the Company.

The Company obtained Shareholder approval at the AGM to, among other things, ratify the issue of the Tranche 1 Placement Shares and for the issue of the Tranche 2 Placement Shares, Consideration Shares, Consideration Options and Introducer Shares.

The Company anticipates issuing the New Shares under the Entitlement Offer and completing the Proposed Acquisition on or about Friday, 20 December 2024.

Further information in relation to the Proposed Acquisition can be found in the Company's ASX Announcements dated 21 October 2024 and 25 October 2024 respectively and in the Notice of AGM, which are available on the Company's website [here](#) and on the ASX [here](#).

6. GLOSSARY

A\$, \$ and dollars means Australian dollars, unless otherwise stated.

AGM means the Company's annual general meeting to be held on Thursday, 28 November 2024.

Application means an application for New Shares pursuant to the Application Form.

Application Form means the Entitlement and Application Form accompanying this Offer Document.

Application Money means money received from an Eligible Shareholder in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, excluding public holidays in Victoria and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means 7.00pm (AEDT) on Monday, 16 December 2024, subject to the Company extending the date.

Company means Heavy Rare Earths Limited (ACN 648 991 039).

Consideration Options means the 17,500,000 Options to be issued to Havilah Resources in consideration for the Proposed Acquisition, which was approved by Shareholders at the AGM.

Consideration Shares means the 38,000,000 Shares to be issued to Havilah Resources in consideration for the Proposed Acquisition, which was approved by Shareholders at the AGM.

Corporations Act means the *Corporations Act 2001* (Cth), including as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* in relation to the Entitlement Offer.

Cowalinya Project means the Cowalinya Rare Earth Project located approximately 110km north-north-east of Esperance, Western Australia.

Director means a director of the Company.

Duke Project means the Duke Rare Earth Project located approximately 50km north-west of Tennant Creek, Northern Territory.

Eligible Shareholder means a Shareholder as at 7.00pm (AEDT) on the Record Date with a registered address in Australia, New Zealand or Singapore.

Entitlement or Right means a Shareholder's entitlement to subscribe for New Shares offered under the Entitlement Offer.

Entitlement Offer or Offer means the offer to Eligible Shareholders of up to 42,137,575 New Shares at an issue price of \$0.03 per New Share on the basis of 1 (one) New Share for every 2 (two) Existing Shares held at the Record Date.

Entitlement Offer Period means the period commencing on Thursday, 5 December 2024 and ending on Monday, 16 December 2024 at 7.00pm (AEDT) (subject to the Company varying these dates).

Existing Share means a Share on issue as at the Record Date.

Full Subscription means the amount of \$1,264,127 (less issue costs) to be raised under the Entitlement Offer (comprised of 42,137,575 New Shares).

HAV Projects means Havilah Resources' Prospect Hill, Lake Namba-Billeroo and Radium Hill Uranium Projects located in South Australia.

Havilah Resources means Havilah Resources Limited (ASX: HAV) (ACN 077 435 520).

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Introducer Shares means the 10,000,000 Shares to be issued to Cygnet, which was approved by Shareholders at the AGM.

Issue means the issue of New Shares under the Entitlement Offer.

Joint Underwriters means severally Cygnet Capital Pty Ltd (ACN 103 488 606) (CAR under AFSL: 241095) and Taylor Collison Limited (ACN 008 172 450) (AFSL: 247083).

Lake Namba-Billeroo Project means the Lake Namba-Billeroo Uranium Project located approximately 160km north-east of Peterborough, South Australia.

Listing Rules or **ASX Listing Rules** means the official listing rules of the ASX.

Merino Project means the Merino Rare Earth Project located approximately 225km north-north-east of Geraldton, Western Australia.

New Share means a Share to be issued under the Entitlement Offer.

Notice of AGM means the Company's notice of annual general meeting dated 29 October 2024, which is available on the Company's ASX announcement platform.

Offer Document means this document, including any supplements or replacements to this document.

Offer Price means \$0.03 per New Share.

Official Quotation means official quotation on ASX.

Option means an option to subscribe for a Share.

Overseas Shareholder means an Eligible Shareholder with a registered address in New Zealand or Singapore.

Perenjori Project means the Perenjori Uranium-Rare Earth Project located approximately 185km east-south-east of Geraldton, Western Australia.

Proposed Acquisition means the proposed acquisition of an 80% interest in uranium rights in respect to certain tenements at Havilah Resources' Prospect Hill, Lake Namba-Billeroo and Radium Hill Uranium Projects in South Australia and the establishment of an unincorporated joint venture with HAV in respect of the uranium rights.

Prospect Hill Project means the Prospect Hill Uranium Project located approximately 135km north-east of Leigh Creek, South Australia.

Radium Hill Project means the Radium Hill Uranium-Rare Earth Project located approximately 180km east-north-east of Peterborough, South Australia.

Record Date means 7.00pm (AEDT) on Wednesday, 4 December 2024.

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

Shareholder means a holder of a Share.

Share Registry means Boardroom Pty Limited as set out in the Corporate Directory.

Tranche 1 Placement Shares means the 16,000,000 Shares that were issued to institutional and sophisticated investors on 1 November 2024 under ASX Listing Rules 7.1 and 7.1A.

Tranche 2 Placement Shares means the 24,000,000 Shares to be issued to institutional and sophisticated investors on or about Friday, 20 December 2024.

Underwriting Agreement has the meaning given in section 5.5.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

7. CORPORATE DIRECTORY

Directors

John Byrne
Non-Executive Chairman

Richard Brescianini
Executive Director

Ryan Skeen
Non-Executive Director

Senior Management

Justin Mouchacca
Company Secretary and Financial Controller

Joint Underwriters

Cygnnet Capital Pty Ltd (ACN 103 488 606)
21 Beatty Avenue
Armadale VIC 3000

Taylor Collison Limited (ACN 008 172 450)
Level 16, 211 Victoria Square
Adelaide SA 5000

Auditors*

William Buck Audit (Vic) Pty Ltd
Level 20, 181 William Street
Melbourne Vic 3000

Registered Office

Level 21, 459 Collins Street
Melbourne Vic 3000
+ 61 8 8630 3321

ASX Code: HRE

ACN: 648 991 039

Website: www.hreltd.com.au

Share Registry*

Boardroom Pty Limited*
Level 8, 210 George Street
Sydney NSW 2000

Telephone:
(within Australia): 1300 737 760
(outside Australia): + 61 2 9290 9600

Solicitors

Allion Partners Pty Ltd
Level 9, 200 St Georges Terrace
Perth WA 6000
+ 61 8 9216 7100

* This entity has not been involved in the preparation of this Offer Document. It is included for information purposes only.

SCHEDULE 1 – UNDERWRITER TERMINATION EVENTS

Each Joint Underwriter may terminate the Underwriting Agreement at any time before completion of the Entitlement Offer if any of the below termination events occur:

- (i) **(Listing)** the Company ceases to be admitted to the official list of the ASX or its shares cease to be officially quoted on ASX;
- (ii) **(No Official Quotation)** Official Quotation has not been applied for in respect of all the New Shares in accordance with the indicative timetable or, having been applied for, is subsequently withdrawn, withheld, qualified or ASX notifies the Company Official Quotation will not be granted;
- (iii) **(Supplementary Offer Document):**
 - (A) a Joint Underwriter forms the view on reasonable grounds that a supplementary or replacement Offer Document should be lodged with ASX and the Company fails to lodge a supplementary or replacement Offer Document in such form and content and within such time as the Joint Underwriter may reasonably require; or
 - (B) the Company lodges a supplementary or replacement Offer Document without the prior written agreement of the Joint Underwriters;
- (iv) **(Non-compliance with disclosure requirements):** it transpires that the Offer Document does not contain all the information required by the Corporations Act;
- (v) **(Misleading Offer Materials):** it transpires that there is a statement in the Offer Document or any related ASX Announcement, appendix 3B, application form, cleansing notice or supplementary Offer Document (**Offer Materials**) that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect, or that there is a material omission from the Offer Materials or if any statement in the Offer materials becomes misleading or deceptive in a material respect or likely to mislead or deceive in a material respect or if the issue of the Offer Materials is or becomes misleading or deceptive in a material respect or likely to mislead or deceive in a material respect;
- (vi) **(Restriction on allotment):** the Company is prevented from allotting the New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (vii) **(Certificate):** the Company does not provide a certificate as and when required by the Underwriting Agreement or a statement in any certificate is false, misleading, inaccurate or untrue or incorrect, as at the date it is given;
- (viii) **(Withdrawal):** the Company withdraws any of the Offer Materials or the Entitlement Offer or indicates that it does not intend to proceed with the Entitlement Offer;
- (ix) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer Document, the shortfall notice deadline date has arrived (being the day after the Closing Date), and that application has not been dismissed or withdrawn;
- (x) **(ASIC or other prosecution):** ASIC gives notice of an intention to hold a hearing, examination or investigation, or it make enquiries to determine if it should make a stop order in relation to the Offer Document or ASIC makes an interim or final stop order in relation to the Offer Document;
- (xi) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel, which in the opinion of the Joint Underwriters (acting reasonably) has a material adverse effect, and is not withdrawn or disposed of by the shortfall notice deadline date (being the day after the Closing Date);
- (xii) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Japan, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China or any member of the European Union;
- (xiii) **(Authorisation)** any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Joint Underwriters (acting reasonably);

- (xiv) **(Market fall)** The S&P/ASX Small Ordinaries Index falls to a level which is 5% or more below the level of that index on the close of trading on the business day before the date of the Underwriting Agreement and closes at or below that level on any two consecutive business days after the date of the Underwriting Agreement and on or before the business day immediately prior to the shortfall settlement date (being on or about 19 December 2024);
- (xv) **(Indictable offence)**: a director or senior manager of the Company is charged with an indictable offence; or
- (xvi) **(Termination Events)**: subject to materiality, any of the following events occurs:
 - (A) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied by the Company within 5 business days of notification by a Joint Underwriter;
 - (B) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (C) **(Contravention of constitution or Act)**: a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (D) **(Adverse change)**: an event occurs which gives rise to a material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company (including, without limitation, if any forecast disclosed to the Joint Underwriters prior to the date of the Underwriting Agreement or in the Offer Document becomes incapable of being met or in a Joint Underwriter's reasonable opinion, unlikely to be met in the projected time) provided that this clause will not apply to the extent that the potential existence or occurrence of the events or information giving rise to that material adverse effect were disclosed in writing and in reasonable detail to the Joint Underwriters before the date of the Underwriting Agreement;
 - (E) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive in a material respect or that there was a material omission from them;
 - (F) **(Disclosure in Offer Document or Cleansing Notice)** a statement contained in the Offer Document or the cleansing notice is misleading or deceptive or likely to mislead or deceive;
 - (G) **(Public statements)**: without the prior approval of the Joint Underwriters a public statement is made by the Company in relation to the Entitlement Offer or the Offer Document except where such statement is required by law or the Listing Rules;
 - (H) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Joint Underwriters in respect of any aspect of the Entitlement Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (I) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (J) **(Change in Act or policy)**: there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy which if enacted would have a material adverse effect;
 - (K) **(Prescribed Occurrence)**: a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs;
 - (L) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
 - (M) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company;
 - (N) **(Judgment against the Company)**: a judgment in an amount exceeding \$50,000 is obtained against the Company and is not set aside or satisfied within 7 days;

- (O) **(Litigation)**: material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company, other than any claims disclosed to the Joint Underwriters in writing prior to the date of this Agreement or foreshadowed in the Offer Document;
- (P) **(Board and senior management composition)**: other than as described in the Offer Materials, there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Joint Underwriters (acting reasonably);
- (Q) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (R) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 3 Business Days, without the written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed);
- (S) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (T) **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Joint Underwriters;
- (U) **(Capital Structure)**: the Company alters its capital structure in any manner not contemplated by the Offer Document or an ASX announcement released by the Company prior to the date of the Underwriting Agreement except in respect of the exercise of options on issue at the date of the Underwriting Agreement or the issue of convertible securities under the Company's employee incentive plan;
- (V) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (W) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets;
- (X) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation without the prior consent of the Joint Underwriters and that suspension is not lifted within 48 hours following such suspension; or
- (Y) **(Shares to be fully paid)**: all Shares issued pursuant to the Entitlement Offer and in accordance with the terms of the Underwriting Agreement do not, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company or if they are not issued free of all encumbrances.