

**ASX ANNOUNCEMENT**

Heavy Rare Earths Limited (ASX:HRE)  
30 January 2025

**DECEMBER 2024 QUARTERLY ACTIVITIES REPORT  
AND APPENDIX 5B**

Heavy Rare Earths Limited (“HRE” or “the Company”) is pleased to announce its December 2024 quarterly activities report for the tenth quarter since listing on the Australian Securities Exchange (ASX).

**Acquisition of Uranium Exploration Assets in South Australia**

During the quarter, the Company progressed towards completion of the transaction with Havilah Resources Limited (ASX: HAV; “Havilah”) to acquire a significant portfolio of uranium (U) exploration assets in eastern South Australia. The transaction involves HRE earning an 80% initial interest in the uranium rights on three projects by spending \$3 million over three years, including a minimum of \$1 million in the first year, on exploration and development activities.

The portfolio comprises highly prospective uranium targets on the Radium Hill, Lake Namba-Billeroo and Prospect Hill projects that together comprise a total area of 2,949 km<sup>2</sup>. They are located in South Australia’s Curnamona Province which hosts two operating in-situ leach (ISL) uranium mines at Four Mile (Heathgate Resources Pty Ltd) and Honeymoon (Boss Energy Ltd; ASX: BOE; “Boss”), with another on care and maintenance at Beverley, an historic hard-rock uranium operation at Radium Hill, and uranium resources at several other sites (Figure 1).

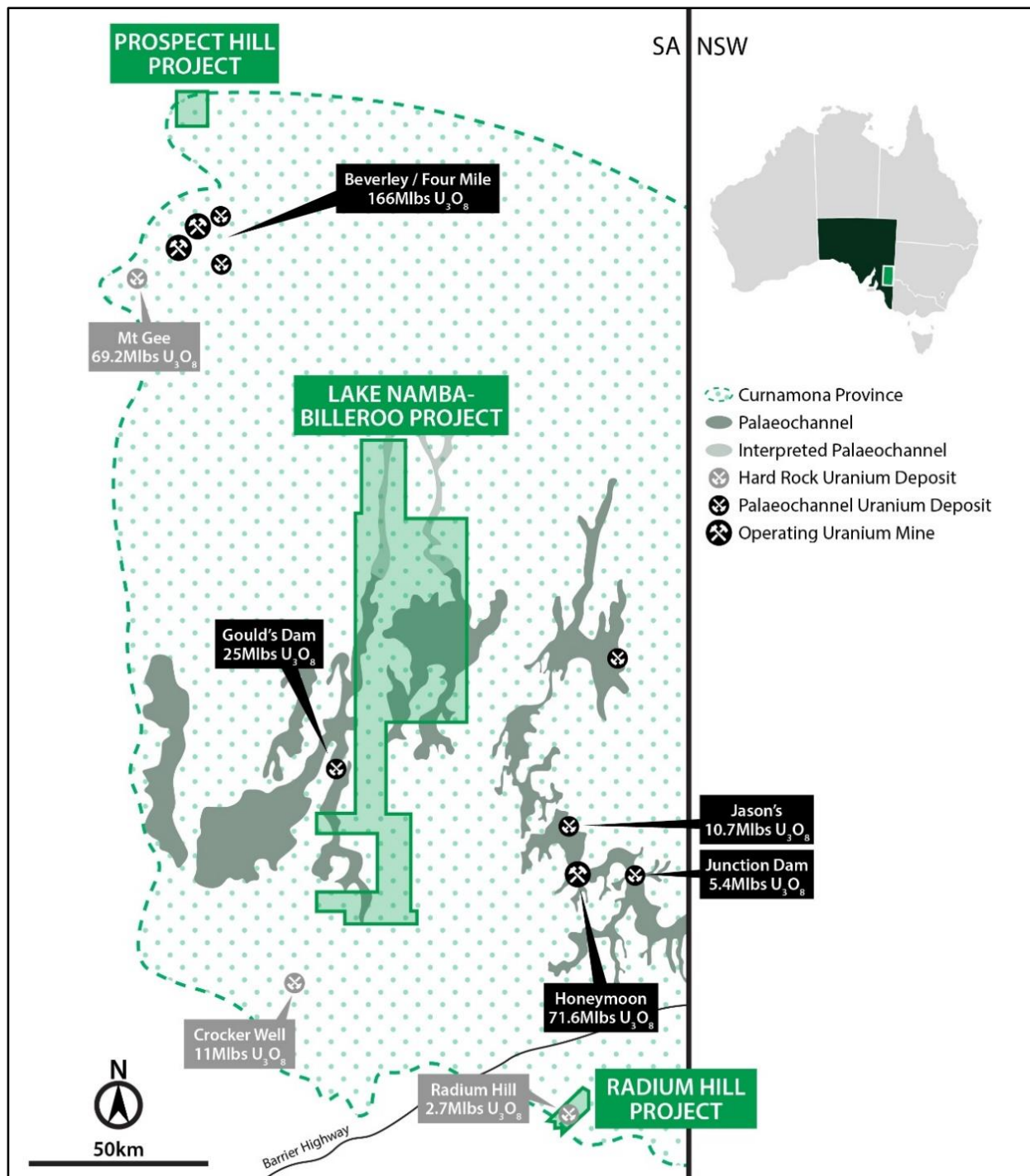
Initial targets for HRE include extensions of the Radium Hill uranium deposit, the southern extension of the Billeroo Palaeochannel, the southern Namba Palaeochannel and potential palaeochannels north and east of Prospect Hill.

Subsequent to the end of the quarter, completion of the transaction was achieved (*refer to ASX announcement 07/01/2025*).

**Lake Namba-Billeroo Uranium Project and Prospect Hill Uranium Project, South Australia**

During the quarter, HRE commenced exploration on its Lake Namba-Billeroo and Prospect Hill projects (*refer to ASX announcement 19/12/2024*). It involves Perth-based Atlas Geophysics (“Atlas”) acquiring passive seismic and gravity surveys at both projects to define the location and extent of palaeochannels at a relatively shallow depth (<120 m). Surveys initially focused on the Billeroo Palaeochannel which hosts Boss’s Gould’s Dam uranium resource. The combined length of the Billeroo Palaeochannel being explored by HRE in the current campaign is 30 km (Figure 2).

The Company anticipates Atlas will complete the geophysical program during the March quarter of 2025.



**Figure 1: Location of HRE project areas and uranium deposits<sup>1</sup> in the Curnamona Province of eastern South Australia**

<sup>1</sup> Data sources:

- Boss Energy Ltd (ASX: BOE) Annual Report 2024.
- Marmota Limited (ASX: MEU) ASX announcement 26/10/2023: "Marmota to grow Junction Dam uranium resource".
- SARIG SA Geodata MINDEP Database [https://drillhole.pir.sa.gov.au/MineralDepositDetails.aspx?DEPOSIT\\_NO=962](https://drillhole.pir.sa.gov.au/MineralDepositDetails.aspx?DEPOSIT_NO=962).
- Wilson T 2015. Uranium and uranium mineral systems in South Australia – Third edition, Report Book 2015/00011. Department of State Development, South Australia, Adelaide.
- World Nuclear Association: <https://world-nuclear.org/information-library/appendices/australia-s-uranium-mines>.

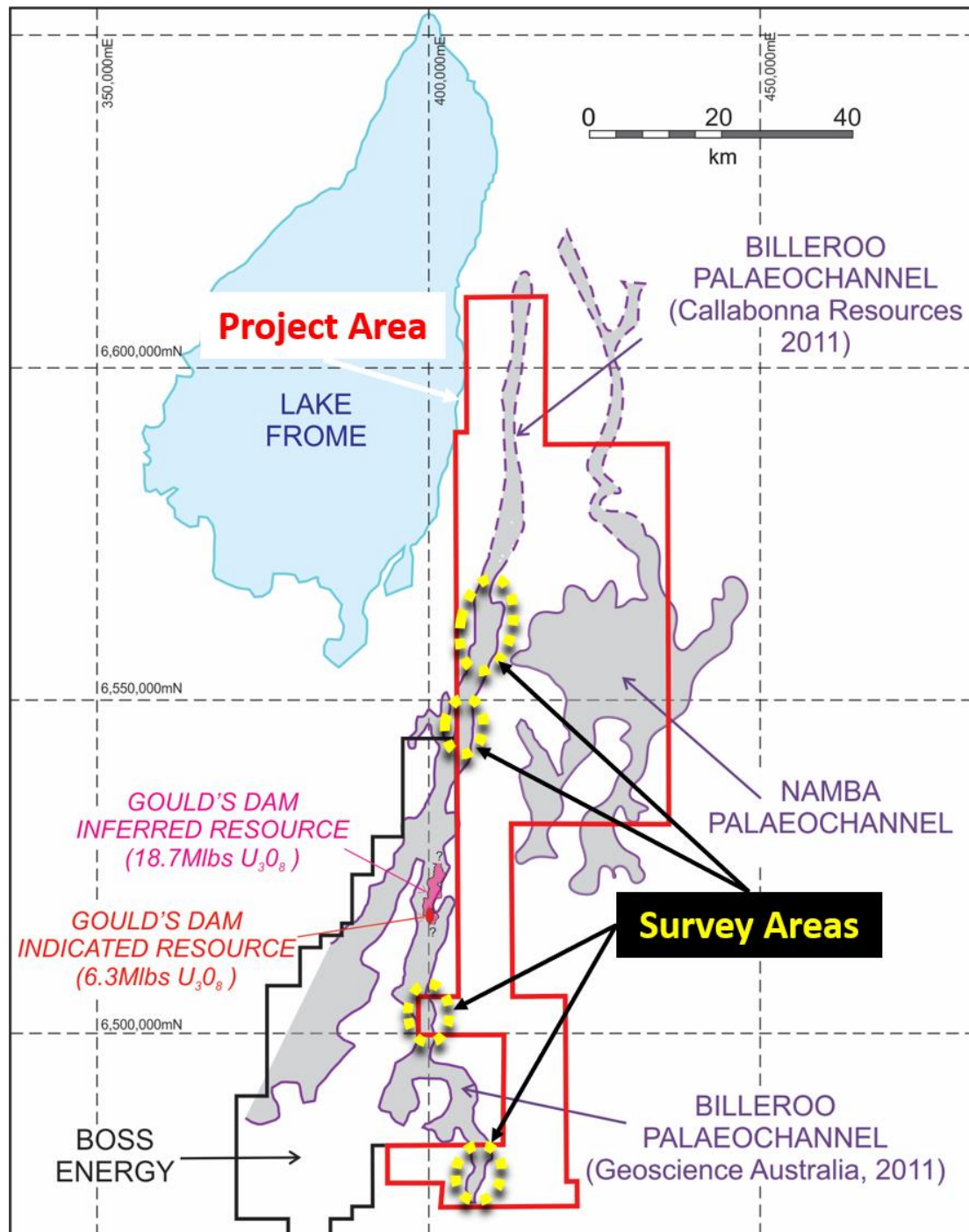
**Heavy Rare Earths Limited (ASX:HRE)**

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**Figure 2: Lake Namba-Billeroo Project showing location of Billeroo Palaeochannel passive seismic/gravity survey areas.**

### Radium Hill Uranium-Rare Earth Project, South Australia

At HRE's Radium Hill Project, there is considerable potential to discover extensions of uranium mineralization north-east of the main mine lode system. In addition to earning an initial 80% interest in the uranium rights at Radium Hill, HRE's transaction with Havilah incorporates said rights to rare earths (REE) and scandium (Sc).

During the quarter the Company reported assay results from sampling of davidite-bearing mineralization from historic dumps, both within the historic Radium Hill Mine site lease, which is excluded from HRE's Radium Hill project, and from lode extensions which are in the project area. All samples collected showed high concentrations of U, REE and Sc (Table 1), confirming historic observations by early explorers and scientists.

**Table 1: Radium Hill reference sample assays**

| ID   | U3O8 ppm | U3O8 % | V2O5 ppm | Sc2O3 ppm | TREO ppm | TREO % |
|------|----------|--------|----------|-----------|----------|--------|
| RH-A | 59       | 0.006  | 7034     | 1081      | 1602     | 0.16   |
| RH-B | 2476     | 0.25   | 7712     | 468       | 10853    | 1.09   |
| RH-C | 4233     | 0.42   | 4713     | 391       | 14800    | 1.48   |
| RH-1 | 5684     | 0.57   | 6819     | 606       | 12171    | 1.22   |
| RH-2 | 16273    | 1.63   | 10604    | 452       | 36371    | 3.64   |

Whilst highly encouraging, these results are not purported to be representative of the mineralization in the region, which would require systematic sampling, including drilling and/or costeaning, to reach any firm conclusions. However, the associated metal results are sufficiently encouraging to warrant detailed follow up and inclusion in the project's future assay protocols and metallurgical treatment considerations.

### Perenjori Uranium Project, Western Australia

The Company's 100 per cent-owned Perenjori project is located 190 kilometres east-south-east of the port city of Geraldton. The project shows potential to host "calcrete-type" uranium and ion adsorption-type rare earths in palaeochannels on Archaean granitic basement. Virtually no exploration for these deposit types is evident from historic reports.

Work in 2024 by HRE successfully delineated the location and depth of an inferred major palaeochannel system in the project area, and soil sampling verified previously-reported surface uranium anomalism associated with an 8-kilometre-long airborne radiometric anomaly (*refer to ASX announcement 19/06/2024*).

No work was carried out during the quarter at Perenjori but the Company anticipates commencing field work (passive seismic and soil sampling) during the March quarter of 2025.

### Corporate

During the quarter the Company announced that it received firm commitments for a two-tranche placement to raise \$1,200,000 (before costs) at an issue price of \$0.03 per share ("**Placement**"), being a 15.1% discount to the Company's 15-day volume weighted average price ("**VWAP**") and a 11.4% discount to the 30-day VWAP to the close of trading on Friday 18 October 2024.

The Placements were completed during the quarter and \$1,200,000 was received.

In addition to the Placement, the Company completed a non-renounceable entitlement offer to existing shareholders of one (1) share for every two (2) shares held in the Company (“**Entitlement Offer**”) at an issue price of \$0.03 per share, raising \$1.26 million (before costs) and issued 42,137,633 Shares

The Entitlement Offer was fully underwritten by Cygnet and Taylor Collison Limited (“**Taylor Collison**”), with each of Cygnet and Taylor Collison underwriting 50% of the Entitlement Offer respectively.

### Appendix 5B related party payments

Amounts included in section 6.1 of the Appendix 5B relate to Director’s fees paid for the December 2024 quarter.

### Interests in Mining Tenements

Below is a summary of the mining tenements held by the Company at the end of the quarter:

| Mining Tenement              | Location      | Beneficial Percentage held | Interest acquired/farm-in or (disposed)/farm-out during the quarter |
|------------------------------|---------------|----------------------------|---|
| E63/1972 – Cowalinya Project | WA, Australia | 100%                       | -   |
| E63/2144 – Cowalinya Project | WA, Australia | 100%                       | -   |
| EL33101 – Duke Project       | NT, Australia | 100%                       | -   |
| EL33194 – Duke Project       | NT, Australia | 100%                       | -   |
| E70/6397 – Perenjori Project | WA, Australia | 100%                       | -   |
| E70/6398 – Perenjori Project | WA, Australia | 100%                       | -   |
| E59/2905 – Perenjori Project | WA, Australia | 100%*                      | -   |
| E59/2844 – Merino Project    | WA, Australia | 100%                       | -   |

\* Subject to grant.

-- Ends --

This announcement has been approved by the Board of HRE.

### For more information, please contact:

#### Executive Director

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#### Media Enquiries

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### About Heavy Rare Earths Limited

Heavy Rare Earths Limited (ASX: HRE) is an Australian uranium and rare earth exploration and development company. HRE’s uranium exploration projects are in the uranium-rich Curnamona Province of eastern South Australia and in the Mid West region of Western Australia. The Company’s key rare earth exploration project is Cowalinya, near Esperance in Western Australia.

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### **Competent Persons Statement**

The Exploration Results contained in this announcement were compiled by Mr. Richard Brescianini. Mr. Brescianini is a Member of the Australian Institute of Geoscientists (MAIG). He is a director and full-time employee of Heavy Rare Earths Limited. Mr. Brescianini has more than 35 years' experience in mineral exploration and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 JORC Code.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HEAVY RARE EARTHS LIMITED

ABN

35 648 991 039

Quarter ended ("current quarter")

31 December 2024

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | -                          | -                                     |
| 1.2                                  | Payments for  |                            |                                       |
|                                      | (a) exploration & evaluation                          | (140)                      | (349)                                 |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production  | -                          | -                                     |
|                                      | (d) staff costs                                       | (2)                        | (11)                                  |
|                                      | (e) administration and corporate costs                | (167)                      | (251)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | 6                          | 11                                    |
| 1.5                                  | Interest and other costs of finance paid              | -                          | -                                     |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                                     |
| 1.8                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(303)</b>               | <b>(600)</b>                          |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) exploration & evaluation                          | -                          | -                                     |
|                                      | (e) investments                                       | -                          | -                                     |
|                                      | (f) other non-current assets                          | -                          | -                                     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) entities  | -                                  | -  |
|   | (b) tenements   | -                                  | -  |
|   | (c) property, plant and equipment                     | -                                  | -  |
|   | (d) investments                                       | -                                  | -  |
|   | (e) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | -  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Other (provide details if material)                   | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                           | <b>-</b>                                       |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 2,426        | 2,426        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -            | -            |
| 3.3         | Proceeds from exercise of options   | -            | -            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (1)          | (1)          |
| 3.5         | Proceeds from borrowings  | -            | -            |
| 3.6         | Repayment of borrowings   | -            | -            |
| 3.7         | Transaction costs related to loans and borrowings                                       | -            | -            |
| 3.8         | Dividends paid  | -            | -            |
| 3.9         | Other (provide details if material)   | -            | -            |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>2,425</b> | <b>2,425</b> |

|           |  |       |       |
|-----------|--|-------|-------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |       |
| 4.1       | Cash and cash equivalents at beginning of period                             | 661   | 958   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (303) | (600) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -     | -     |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | 2,425 | 2,425 |



| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | -                                  | -  |
| 4.6   | <b>Cash and cash equivalents at end of period</b> | <b>2,783</b>                       | <b>2,783</b>                                   |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 2,783                              | 661                                 |
| 5.2 Call deposits  | -                                  | -                                   |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>2,783</b>                       | <b>661</b>                          |

| <b>6. Payments to related parties of the entity and their associates</b>                    | <b>Current quarter<br/>\$A'000</b> |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 15                                 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

|   |   |  |
|---|---|--|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| 7.4 <b>Total financing facilities</b>   | -   | -  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |
| N/A   |   |  |

|   |                |
|---|----------------|
| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (item 1.9)   | (303)          |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))  | -              |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2)  | (303)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 2,783          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 2,783          |
| 8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | 9.18           |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> |                |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:   |                |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?   |                |
| Answer: N/A   |                |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?              |                |
| Answer: N/A   |                |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?   |                |
| Answer: N/A   |                |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>  |                |

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: The Board of Directors

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.