

**ASX ANNOUNCEMENT**

Heavy Rare Earths Limited (ASX:HRE)  
31 October 2024

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

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

During the quarter, the Company examined several project acquisition opportunities in critical minerals to strengthen the Company’s asset portfolio.

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

Subsequent to the end of the quarter, the Company announced it had entered into a binding Term Sheet with Havilah Resources Limited (ASX: HAV; “Havilah”) to acquire a significant portfolio of uranium exploration assets in eastern South Australia.

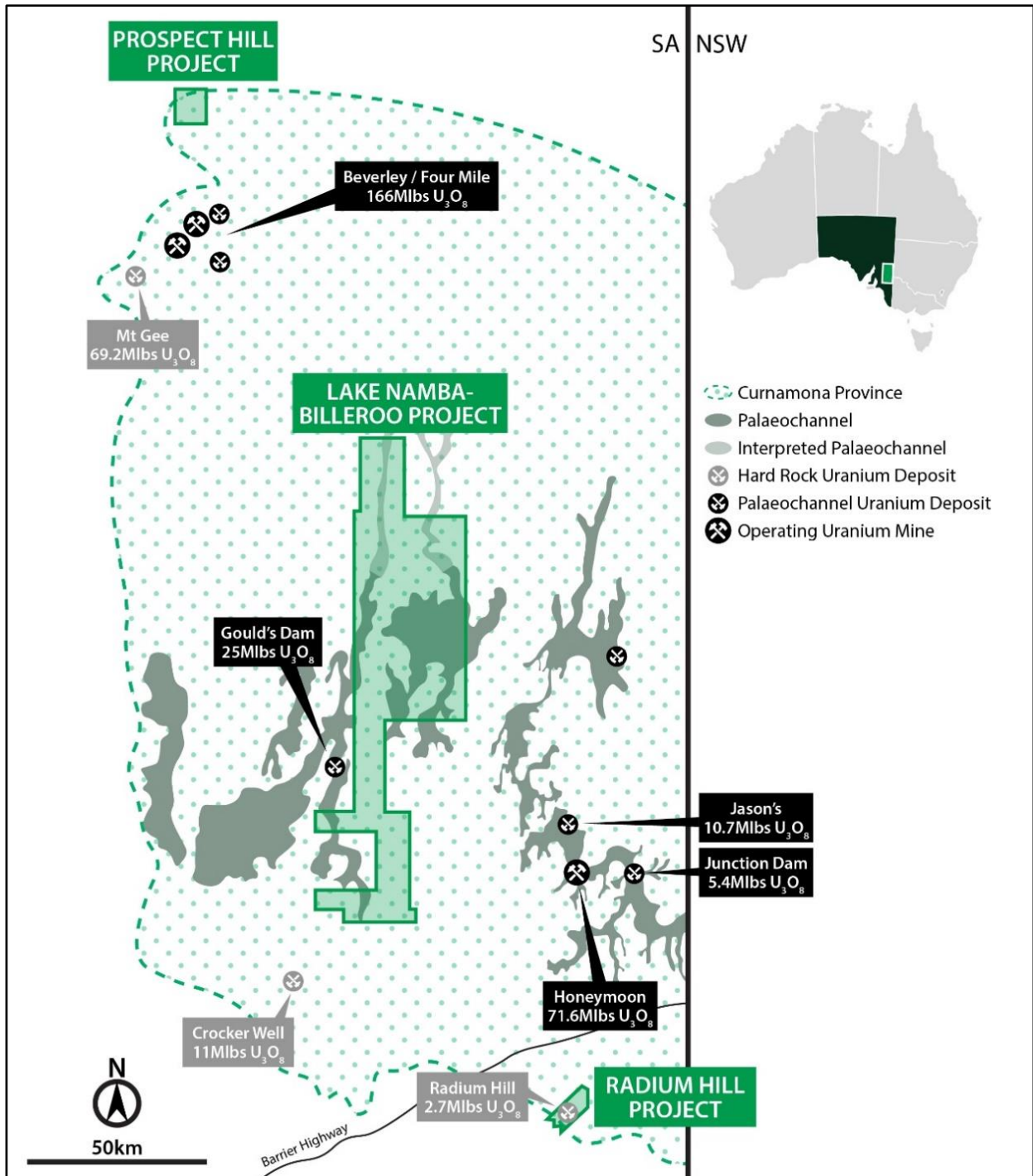
The transaction involves HRE earning an 80% initial interest in the uranium rights on three projects by spending \$3 million over three years, including a minimum of \$1 million in the first year, on exploration and development activities. Once HRE has earned its 80% interest in the uranium rights, Havilah will be free-carried until the completion of a bankable feasibility study (“BFS”) on any uranium deposit discovered. Following completion of a BFS, Havilah will have the right to contribute its pro-rata share of all future expenditure, or otherwise dilute to a 1.5% net smelter royalty on production from that uranium deposit.

The portfolio comprises highly prospective targets on three projects – Radium Hill, Lake Namba-Billeroo and Prospect Hill – that together comprise a total area of 2,949 km<sup>2</sup> across 22 tenements or part-tenements. 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), 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 target zones 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.

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

**Radium Hill Project (Figure 2)**

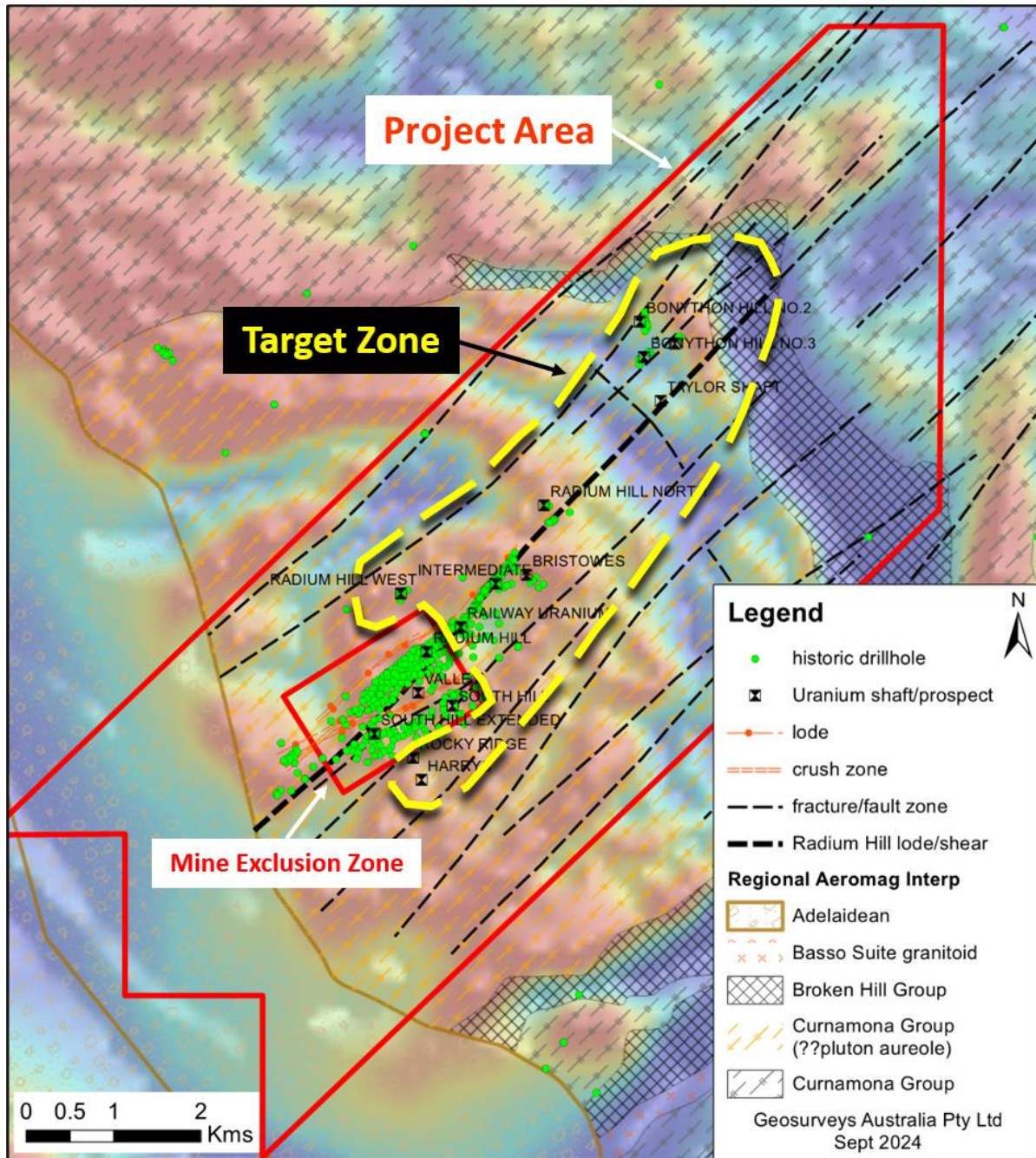
At the Radium Hill Project, there is considerable potential to discover extensions of uranium mineralization north-east of the main mine lode system and the following represent immediate targets for exploration:

- Railway Prospect: deep drilling to establish if there is continuation of the Main/Cain/Whip Lodes plunging north-east at depth below 150 m;



- Radium Hill West Prospect: drilling along strike to the north-east to test for the continuation of mineralization encountered in historic drilling;
- Harry's Prospect: drilling to confirm observations from surface mapping;
- Bristowe's Prospect: deeper drilling as recommended by previous explorers; and
- Bonython Prospect and Taylor's Shaft: mapping and drilling in the area of airborne radiometric anomalism north-east along strike.

Note that the historic Radium Hill uranium mine is covered by a 2.5 km<sup>2</sup> exclusion zone within EL 6041 that is administered by the South Australian Government and is excluded from the Radium Hill Project.



**Figure 2: Radium Hill Project.**  
Background image: SARIG airborne magnetics

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### Lake Namba-Billeroo Project (Figure 3)

In the Billeroo Palaeochannel, the southernmost sectors south of Boss Energy's Gould's Dam uranium resource are highly prospective for potential sedimentary uranium mineralization. They contain possible east-west oriented basement structures that may represent potential trap sites for localising uranium mineralization in the basal sands of the Eyre Formation at depths of about 80-110 m below ground level.

With only one previous drillhole in these sectors, this target area (total 15 km in strike length) is highly prospective being relatively close to and directly overlying uraniferous Willyama Supergroup basement (*c.f.*, Honeymoon).

The southern 35 km of the Namba Palaeochannel is also prospective for potential sedimentary uranium mineralization. It comprises well defined palaeochannels containing reduced Eyre Formation basal sands, redox fronts and low-order uranium anomalism.

Drilling to date in this part of the Namba Palaeochannel has been along relatively wide-spaced (3-5 km) traverses so there remains potential for further discoveries between traverses.

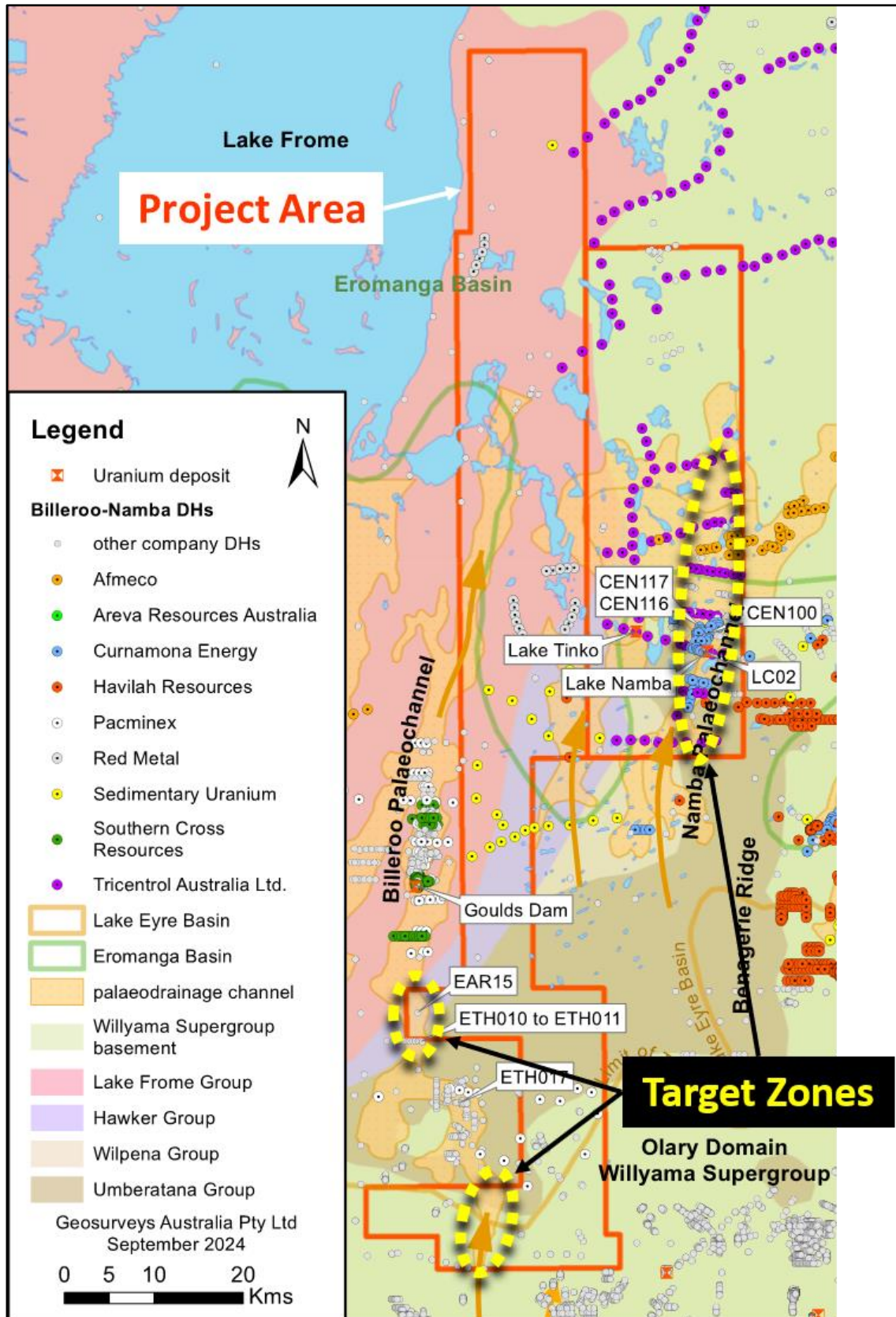
### Prospect Hill Project (Figure 4)

The Prospect Hill Project is a credible geological analogy to the Beverley- and, in particular, Four Mile-style sedimentary uranium deposits and there is potential for Four Mile-style mineralization immediately to the east and north of Prospect Hill within Quaternary, Tertiary and perhaps even Cretaceous palaeochannels draining north and east from uraniferous granites and metavolcanics. They represent immediate drill targets across mapped Lake Eyre Basin sediments along the eastern margin of the project area.

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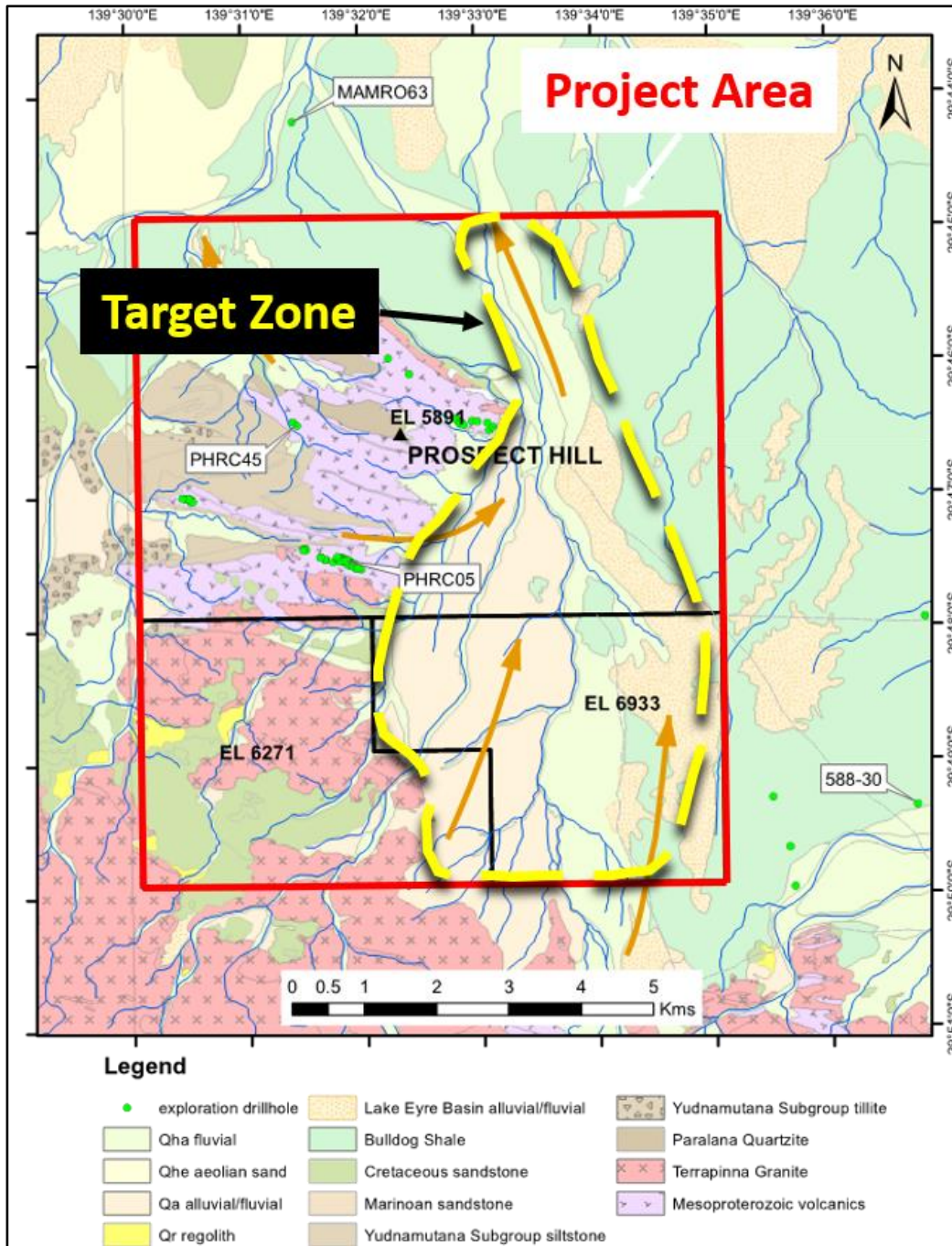


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**Figure 3: Lake Namba-Billeroo Project.**

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**Figure 4: Prospect Hill Project.**



### Cowalinya Rare Earth Project, Western Australia

The Company's 100 per cent-owned Cowalinya project comprises three granted exploration licences E63/1972, E63/2144 and E63/2145 approximately 110 kilometres north-north-east of Esperance.

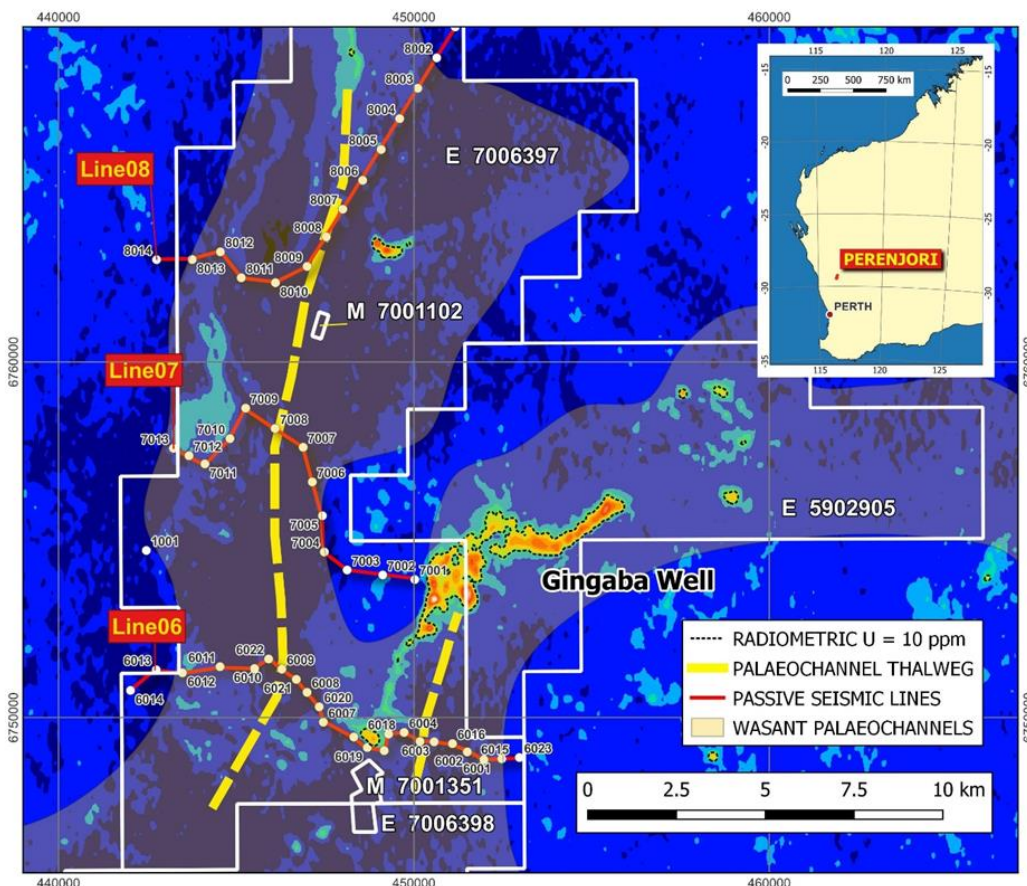
The project hosts a sizeable inventory of saprolite-hosted rare earths in Inferred Mineral Resources of 159 million tonnes @ 870 ppm TREO<sup>1</sup> (refer to ASX announcement 3/10/2023) with excellent expansion potential as evidenced by a substantial Exploration Target of 280-1390 million tonnes @ 330-1330 ppm TREO (refer to ASX announcement 23/10/2023).

No significant work was carried out during the quarter at Cowalinya.

### Perenjori Uranium-Rare Earth 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. It comprises two granted exploration licences E70/6397 and E70/6398 and one application E59/2905. Perenjori 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.

No significant work was carried out during the quarter at Perenjori.



**Figure 5: Location of interpreted palaeochannels on airborne radiometric uranium image, Perenjori project.**

<sup>1</sup> Using a 400 ppm TREO-CeO<sub>2</sub> grade cut-off

## Rationalisation of exploration interests

During the quarter, the Company completed a technical review of its exploration project portfolio. As a result, Cowalinya project tenement E63/2145 and Merino project tenements E59/2795 and E59/2796 were surrendered.

## Appendix 5B related party payments

Amounts included in section 6.1 of the Appendix 5B relate to Director's fees paid for the June 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%	-
E63/2145 – Cowalinya Project	WA, Australia	0%	(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%*	-
E59/2795 – Merino Project	WA, Australia	0%	(100%)
E59/2796 – Merino Project	WA, Australia	0%	(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 key exploration project is Cowalinya, near Esperance in Western Australia. This is a clay-hosted rare earth project with a JORC Inferred Resource of 159 Mt @ 870 ppm TREO and a desirable rare earth composition where 28% are the valuable magnet rare earths and 23% the strategic heavy rare earths.

Heavy Rare Earths Limited (ASX:HRE)

ACN 648 991 039

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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.

The Mineral Resources and Exploration Target contained in this announcement were compiled by Mr. Robin Rankin. Mr Rankin is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and accredited as a Chartered Professional by the AusIMM in the Geology discipline. He is the Principal Consulting Geologist and operator of independent geological consultancy GeoRes. Mr Rankin has sufficient experience that is 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.

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## 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")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(209)	(209)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(9)	(9)
	(e) administration and corporate costs	(84)	(84)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
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>(297)</b>	<b>(297)</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	-	-



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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>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	958	958
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(297)
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)	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>661</b>	<b>661</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	661	958
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>661</b>	<b>958</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	6
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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(297)
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)	(297)
8.4 Cash and cash equivalents at quarter end (item 4.6)	661
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	661
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.22
<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: 31 October 2024

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.